

**Urban Land Market, Tenurial Security and the Poor: An overview of Policies and
Tools of Intervention with special reference to Delhi, India**

Debolina Kundu

Amitabh Kundu

Abstract

The paper analyses the functioning of urban land market in India focusing on the pushing out of low value activities and slum settlements into peripheries resulting in degenerated peripheralisation. Taking Delhi as a case study, it analyses policies and programmes relating to informal settlements, bringing out how these have led to marginalization of the poor. It examines the problems of tenure security in squatter settlements and unauthorised colonies in Delhi through a critical analysis of the recent programmes and policies adopted by the central and state governments in the aftermath of the programmes of globalisation. An attempt is made here to assess the changes in policy perspective and the dilution of concern for the poor by examining the recent administrative decisions, court orders, etc. and the method of their implementation. It also analyses the Master Plan 2021 and the guidelines proposed by the central government for regularization of unauthorized colonies, in the context of political economy of development in the city and the region. It concludes by proposing a policy perspective for regulating land market, regularizing unauthorized colonies etc. that can provide easier access of the poor to land and shelter.

1. Introduction

The impact of globalisation on the structure of morphology of cities and the trends and pattern of land values has been one of the key concerns in developing countries. There have been significant changes in the legislative framework and management practices pertaining to urban land, to accommodate the interests of global capital as also “middle class” in the country. The pace, nonetheless, has been slow. Under the perspective of global governance, scholars have tried to determine the optimal pattern of land prices in zones, located at different distances from the city core. Using cross national data on land values, geographers and regional analysts have proposed distance decay models for assessing the impact of distance on the land values. They have argued that under efficient market conditions, land values tend to go down slowly but systematically with increase in distance from city core. Further, any departure from the empirically determined pattern is to be viewed as an index of inoptimality of landuse and inefficiency in spatial organisation (Bertaud 1999). All these emerge from the thesis that location of economic activities and their importance in city economy should determine the gradients of land values and that any sudden depression in the price is a reflection of suboptimal use of land. Several international organizations, working in the urban sector, have shown serious concern over such in-optimality. Often, these have been attributed to existence of slums or informal activities in and around the central city and the incapacity of legal and administrative system to operationalise relocation of activities based on principle of commercial efficiency.

Understandably, the need to find residential space for political and social elites in the country and staff of national and multinational companies, road widening, constructing fly-overs, commercial/ recreational complexes etc. has led to pushing out of the low productive activities from the city; the slum areas and informal activities being the first casualty in this process. Understandably, the process is conspicuous in the large cities of India.

One of the important cases in the context of this process of spatial reorganization would be that of national capital of India. Here, the demand for land has come not merely from tertiary and industrial activities in private sector that have grown rapidly during the past two decades, but also from public agencies. This has kept the Damocles' sword hanging over the heads of the squatters, threatening eviction and displacement with short notice.

Despite this, the slum or squatter population in Delhi has increased phenomenally under certain policy configurations and they have been noted as making massive investments in housing and improving their micro environment. A wide range of formal and informal arrangements have evolved, resulting in a variety of "instruments" that have given these people a sense of perceived security (Kundu, A. 2002). In view of this, Delhi becomes interesting as a case study.

Keeping the above discussion in view, the present paper begins by analysing the hypothesis that urban dynamics of India, particularly in land market, has resulted in pushing out of low income households and informal and obnoxious economic activities to distant areas. As a result, a degenerated periphery has emerged around the cities with a concentration of poor migrants, resulting in low quality of life and unhygienic living conditions. The third section analyses the developments in Delhi, the capital city of India, including programmes and policies followed by the central and state governments, the orders passed by the courts, their implementation at micro level, using the available secondary data. The following section focuses on policies pertaining to land launched in the period of globalisation and their impact on the access of rich and poor to land in the national capital. It also analyses the implications of this emerging policy perspective in terms of the morphology of the city. The fifth section overviews the land related proposals in Delhi's Master Plan 2021 along with the new guidelines for regularisation of unauthorised colonies and the contemporary debate on the subject, highlighting their implications for the poor. The last section summarises the findings and attempts to assess the prospect of finding space and tenurial security for the poor in the context of the developments in the country and the city, as analysed in the study.

2. Gradients of Land values around the cities and Process of Degenerated Peripheralisation in India

Researchers have argued that the urban land market in India is characterized by serious inefficiencies reflected in uneven land values across space (Kundu, D. 2002). It is argued that due to various legal hindrances and institutional bottlenecks, slums and informal activities along with old and obsolete industries manage to stay put in the central areas of the cities, resulting in sharp decline in land values in the vicinity. For examining the empirical validity of this proposition at national level, it would be

necessary to collect zone wise data in a large number of cities, which could not be attempted in the present study. An attempt has, however, been made here to assess the socio-economic conditions in the periphery of urban centres and their variation across space. The data gathered through a household (HH) level survey by National Council for Applied Economic Research, covering 33,230 rural HH across 16 states, spread over 1,765 villages in 195 districts in 1993–94, have been found useful in this exercise. A number of indicators, pertaining to socio-economic dimensions of development, have been built by aggregating HH data at the village level. These have been plotted (Y axis) against the distance of the villages from their nearest city/town (X axis) which has been ascertained from the 1991 Population Census.

The spatial variation in the selected indicators have been analysed using rudimentary non-parametric plots known as cubic splines, as given in the figures below. This has been done to capture possible non-linearity in the relationship between land values, development indicators and distance from the nearest urban centres and whether it changes at different intervals.

The development indicators show strong correlation with land values in the hinterland. The most striking feature, however, is that the trends reverse or show significantly different gradients after a certain distance. This shift occurs within a distance of about 15–20 km from the city/town. This is an important result and has wider ramifications in the context of the impact of an urban centre on its hinterland and absorption of migrants. The relationship between distance and per capita income at the village level, for example, shows a declining trend (Figure 1). Importantly, the decline is very steep in the immediate vicinity of the urban centre. One can infer that per capita income falls drastically in the immediate vicinity of the town but the fall becomes smooth thereafter. The steep decline could be due to migration of poor people from distant areas and their absorption in the rural periphery. Many among the migrants, coming to urban centres in search of jobs, seem to be pushed to this periphery which acts as a dormitory for the city or town. Fast increasing HH sizes in this periphery, is also an indication of the absorption of large number of migrants in this region.

Male wage rates (also for females), decline systematically with distance (Figure 2). The rate of decline, however, is much sharper within a radius of 20 km, after which wages

continue to fall at a much slower pace. This is similar to what has been noted for per capita income. This decline in the immediate periphery can, once again, be attributed to poor migrants arriving in urban centres for employment and finally landing up (working or residing) in the neighbouring villages. The size of landholdings also declines with an increase in distance much more steeply in the immediate peripheries up to a distance of about 20 kms. (Figure 3). This, too, can be explained in terms of the absorption of a large majority of poor migrants in the nearby villages and significant decrease in the size of the landholding, as a consequence. This obviously does not happen at this scale beyond a distance of 20–22 km.

As far as the health indicators are concerned, they show a declining trend with distance, as expected. Both infant and child mortality rates increase sharply with an increase in distance (Figures 4 & 5). One would argue that the villages away from urban centres lack in health facilities, leading to a larger number of deaths among infants as well as children below 14 years. Short-term morbidity also shows a positive relationship with distance which, once again, can be explained in terms of a decline in the level of medical facilities, away from the urban centres (Figure 6). A large number of poor migrants who cannot afford shelter in the city/town reside in villages just outside the urban limits. Their nutrition and health status would be low which partly explains the high morbidity near the urban centres (Kundu et. al. 2002).

The distributional pattern in the case of the indicators of educational development confirms the thesis of degenerated peripheralisation, built on the basis of the analysis of economic and health related indicators. The literacy rate (7+ age group) declines sharply in the immediate periphery of the cities/towns, but tends to stabilise thereafter. This obviously is due to the absorption of a large number of poor and illiterate migrants in the immediate hinterland. The same is true for enrolment rates wherein the decline is sharper still. In fact, after the initial decline, the enrolment rate tends increase slightly after 15 km and thereafter it stabilizes (Kundu et. al. 2002). This suggests that the percentage of school going children in the periphery villages is less than even that of the distant villages. This is possibly due to a high incidence of child labour and/or the incapacity of poor migrants residing in the peripheral villages to send their children to

formal educational institutions. The decline thereafter is marginal. All these reflect an absence of a continuum in space around the urban centres in the country.

3. An overview of demographic growth and slum policies in Delhi since Independence

In the context of the above macro overview, it would be important to ascertain if the process of city fragmentation and of degenerated peripheralisation can be established at micro level. Delhi, the national capital of Delhi has been taken as a case study for this purpose.

The demographic growth in Delhi over the past five decades can be noted as highly uneven, providing interesting insights into its development dynamics. The average annual growth rate works out to be as high as 4 per cent growth although in a large number of colonies of Municipal Corporation of Delhi (MCD) that were already overpopulated, it has been over 5 per cent. The rate has declined marginally but continues to be above the national average during nineties as well. In comparison, the Cantonment has registered much lower growth of around 3.5 per cent only. Similarly, New Delhi Municipal Council (NDMC) has recorded a negative growth during the past five decades, excepting sixties and eighties wherein the growth rate has been barely 1 per cent. The lower population growth in Cantonment and NDMC areas can be attributed to the massive slum eviction and Environmental Improvement Schemes adopted in the city. The two had low population densities compared to all other metropolitan cities and by all national and international standards and can now be seen as successfully diverting the incremental migrant population to other settlements within or around the agglomeration.

Further disaggregation of population growth within MCD reveals that certain central areas have grown rapidly by absorbing a large number of rural migrants. Several low lying areas, tracts on the sides of railway tracks, vacant plots where development projects could not be launched in time etc. have attracted a large number of migrants, right in the heart of the city¹. Notwithstanding this, the major recipients of the migrant

¹ Kundu (2005)

population, who want to make Delhi their destination, are the peripheral areas. This has helped in decelerating population growth in New Delhi and Cantonment, as noted above.

Understandably, this spatially differentiated growth has increased disparities in density within the urban segment. The rapid population growth in many of the wards in MCD had an adverse effect on the quality of micro-environment since they already had high density and serious pressure on their infrastructure and basic amenities. The same is true for a large number of peripheral urban and rural settlements where population growth has been phenomenal. This sharply contrasts with NDMC and Cantonment wherein the developments have been fairly regulated, making illegal encroachments quite difficult.

An Overview of policies

Delhi government, over the past four and a half decades of planned development has followed the policy of discouraging immigration, particularly into its central areas and launched programmes for shifting slum dwellers to identified colonies in the periphery. With the twin objective of decongesting and improving the environment in the inner city and providing better public amenities to slum dwellers, a scheme for resettlement was launched in early sixties.

In the first phase, resettlement colonies were developed near the city core and the places of work, giving legal title to the people, who were residing in the city of Delhi before 1960. These were planned around middle of high and middle-income residential areas, with a view to making them an integral part of the neighbourhood. Understandably, this approach could not be sustained for long, as the cost of land within the city was prohibitive. By late sixties, the Delhi government had all but abandoned the scheme of giving such large sized plots or built-up tenements.

Resettlement of slum population was undertaken on a massive scale in the second phase during 1975-77, the short period of National Emergency. The prevailing political situation, made it possible for the government to launch a gigantic effort to relocate one hundred and fifty thousand squatter families (almost 500,000 people) from within the

Walled City and adjacent areas. This led to emergence of 26 new colonies that came up outside the urban limits, a few were located even on agricultural green land.

The public resentment to the dislocation of slums led to changes in policy. The government took the decision in early eighties to increase the plot size and confer leasehold rights to all re-settlers at their “camping sites”, on payment of a small fee. Since 1983, built up tenements were also provided in the resettlement colonies. Further, Delhi Development Authority (DDA) recognised the deficiency in basic amenities and proposed to provide additional facilities in the second Master Plan. Unfortunately, a large majority of the households did not come forward to pay the fees for conversion of their plots from rental to leasehold property².

The government proclaimed that the emphasis in slum development programmes would henceforth be on *in-situ* upgradation rather than eviction and relocation. Unfortunately, the schemes remained as mere experiments and could not be scaled up at the city level due to unwillingness of the land owning agencies to transfer their ownership and inadequacy of funds. More importantly, these government gestures were interpreted as signals of relaxations in land control policy and this led to steady growth of slum population.

The state allowed slums to grow by its passivity and sometimes even supported their growth through provision of certain amenities. Many of these slums emerged in the core areas of the city. Given this scenario, MCD was forced into announcing a slum relocation strategy in mid eighties with the provision of leasehold titles. Conferring of land title, however, was stalled through a High Court order in 1992 which required the government to provide only licence to the use of land, which, it was hoped, would bring down land transfers.

As a result of all these policies, the number of squatter clusters, given by the Slum Department of MCD, stood as high as 1,100, accommodating 600,000 households in 2000³. The slum population is estimated to have grown at an annual growth rate of about

² The MCD has been reluctant to service these areas due to deficiencies and lower standards of development, compared to the norms of the Master Plan as also because these generate little revenue for the local government.

³ A survey conducted by the Government of Delhi in 1990 had placed the number of slum households at 259,000 in 929 clusters.

8 percent, much higher than that of the overall urban population. The total land occupied by the former would, however, come to less than 10 square kilometres, around 3 percent of the total residential area in urban Delhi. Less than one percent of the land occupied by squatters is in private hands, which suggests that, given political will, the State can easily take up the challenge of providing land tenure to them. Instead, the State has continued to evict slums from central city, basically to satisfy the upper and middle class lobby, using environmental, aesthetic and health arguments.

Unlike other metropolises, Delhi has not taken up site and service schemes in a big way wherein land tenure could have been provided at the site of occupation. The slum improvement schemes like Environment Improvement for Urban Slums, Urban Community Development, conversion of dry latrines etc., implemented in Delhi, however, did not assure the households of even informal land tenure. The generosity of policy regimes has, however, been reflected in relocation of squatter settlements, as mentioned above, by allotting plots of “reasonable size”, longer lease periods and higher level of amenities. Poor, however, resent shifting to resettlement sites due to economic dislocation and unsatisfactory environmental conditions. The physical conditions in many of the sites turn out to be extremely poor, despite court orders to provide a minimum level of amenities. These results in law and order and health problems in many of the slums almost on a day-to-day basis and manifests in occasional out-break of group violence, riots as well as epidemics.

The micro-environmental problems have been compounded as many of the resettlement sites are in and around major industrial areas, along the trunk routes in eastern and western directions. The major resettlement site in northern Delhi, Narela, for example, is where a number of chemical industries are proposed to come up. Further, the villagers around the settlements are demonstrably opposed to relocation as that reduces the possibility of high-income colonies coming up in the neighbourhood, thereby depressing their land values. This often leads to resentment and violence against the slum communities.

Due to inadequacies in legal provisions and their implementation, there is speculation and corruption in the informal land market, resulting in transfer of land on a massive scale in the resettlement colonies. Middlemen or middle/high income households buy

plots in the hope of selling them at a later date or merge them to have a bigger plot while the slum population within the city continues to grow. Micro-level surveys reveal that about 50 to 75 percent of the original allottees have parted with or been forced to "sell" their land. Unfortunately, however, unlike in formal settlements, unearned income here is meagre due to the low level of amenities and the distress sale of properties. Much of the benefit in these transactions accrues to middlemen who use these plots for speculative purposes.

It would be erroneous to hold that the government has been successful even in terms of the limited objective of relocating a large number of slums and keeping them confined to the resettlement sites. Importantly, a developed plot of 21m², - the minimum plot size which is politically and socially acceptable - costs about Rs. 120,000 in the market, even in the city periphery. Purchasing land adequate for resettling the entire slum dwellers within say a ten year period, and providing them with minimum level of amenities is clearly beyond the means of the government. Responding to petitions on denial of civic amenities, Delhi High Court issued directives in November 2000 to the MCD to provide services, namely potable water, toilets and transportation at the resettlement sites. Notices to that effect were subsequently issued to all civic agencies and ministries but without any tangible result.

An overview of these programmes and schemes launched since the beginning of the first Master Plan suggests that in-situ upgrading on a comprehensive or partial basis, constitutes a very small component of the slum improvement. The major thrust of the strategy has been on relocation of squatter families at alternative sites. The public agencies seem to have a clear perspective in pushing out most of the existing slums as also informal manufacturing activities to the peripheral townships or villages. This was the only way by which Delhi has attempted to make space available to many international and national organisations. Understandably, the city administration has, from time to time, resorted to clearance of slums and informal activities from the central city and sent them to resettlement colonies in the peripheries. In case of new slum colonies and encroachments on government property, people have simply been evicted without any resettlement.

It is important to underline here that, despite the clear thrust in the Master Plan, the state has not carried out eviction and resettlement on a massive scale excepting in one or two periods. Concern for the poor (who constitute a large part of vote bank) and other political compulsions have prompted the governments to go slow on the matter. This has resulted in lack of clarity on the part of both the central and state government agencies with regard to location of slums and informal activities and their putting three steps forwards and one backward. These agencies have often delayed public projects involving evictions and even acted as passive observers to encroachments.

In certain periods, democracy has paid dividends to the poor as the governments have regularized a few of the slum colonies and promised the same to many others. When evictions have become necessary, often the concerned officials have been instructed to demolish hutments in only those plots in the slum, that are required immediately for executing developmental projects. In many occasions, the officials have permitted or turned a blind eye to the evicted people rebuilding their units in the same or nearby locations, to avoid public unrest or legal complications. Giving of such permissions with or without formal administrative orders, passivity in action etc., resulting in rebuilding of the huts, have been interpreted as official recognition of the legitimacy of the colony.

Land brokers, too, have used this ambiguity in policy in their favour and tried to encroach on new land and strengthen their network. Besides, provision of certain amenities through public agencies, "hopeful" pronouncements by official functionaries, installation of statues of political leaders or their frequent visits to the slums have boosted the perceived sense of security of slum dwellers and led them to making investments in housing, economic activities and micro-environment.

Notwithstanding occasional statements made both by the central and state governments promising tenurial security to the squatters, nothing concrete has been done. The government has pursued its policy of demolition and resettlement as and when required which has weakened de-facto as well as perceived security. The former, at the same time, has regularised a number of unauthorised settlements, built illegally by builders and upper and middle class households (mostly on private land), in and around the city during the past three decades, as discussed below. Over the years, concern for the environment has assumed priority, subordinating demands for *in situ* tenure for the slum

dwellers. It has strengthened the lobby against provision of *in situ* tenure for the slum dwellers. Planners, policy makers, civil society activists are apprehensive of the city being flooded with migrants and its limited amenities being choked due to population invasion. The squatters are, thus, seen as a threat to the macro environment in the city, their illegality in occupying public land being compounded by their tapping of amenities like water, electricity, etc. without paying user charges.

4. Policies and Programmes under Globalisation

A disaggregative analysis of population growth within and around Delhi and policies and programmes related to slums reveals that despite the absence of formal land tenure, the city has failed in stalling a rapid growth of slum households until the late 90s. Poor invested in land and housing as they perceived no immediate threat of eviction. Many got cover under government schemes and/or obtained amenities through public agencies and thus came to enjoy, in a certain sense, government patronage. Also, possession of informal documents like affidavits (signed by a notary or even a slum leader as a witness), electricity bills and assurances by political leaders, their statues being erected in the middle of the slum etc., too, contributed to their perceived sense of security (see Kundu, 2004). The real reassurance for this sense of security, however, came from no major evictions taking place after 1977 until 1997-98.

Importantly, the developments since the mid 90s, assessed through policy statements by the central, state governments and local bodies taken in conjunction with the orders passed by the Supreme Court and High Court give an opposite signal with regard to security of tenure to low-income households. There have been certain administrative decisions that may be considered as positive for the poor, but many of these have soon been made inoperative by other pronouncements or judicial orders. The developments with regard to giving land-linked benefits to the high/middle class have, however, been by and large positive.

A pro-poor stance in government programmes

The most important decision of Delhi government in the context of tenurial security to poor pertains to giving plots to the migrants coming during 1991-98. In May 2000, the

government declared its slum relocation policy, explicitly stating this provision⁴. It stipulated land titles to be given on a freehold basis, not at the present location but in resettlement sites that are generally located at long distances from the city centre. Given the generally unfavourable policy environment, even this declaration has been welcomed by the poor. The importance of resettlement schemes can be gauged from the fact that the total number of squatter households relocated in 11 designated areas, from different parts of the city during 1990-02, was as high as 40,000, around 60 percent of these being relocated during the last three years.

Responding to a number of public interest litigations (PIL) concerning the deteriorating micro-environment in the city, the Supreme Court took Delhi government to task for being lax in the matter and wanted strengthening of relocation and resettlement schemes⁵. The same court, which had granted a stay on evictions during the 70s and 80s now urged the government to clear the parks and other public places from encroachers. Criticisms have been voiced that this reflects dilution of the right of livelihood and that the provision of "right of residence near locations having employment opportunities" have implicitly been reduced to a "right to certain procedures before dislocation". On several occasions, even these formalities are not observed and that has ruptured the basis of various informal tenurial arrangements that had evolved over the years. The informal tenurial documents that had certain credibility with the people, slum leaders, police and also civic officials are now being seen as of little value.

A few other developments would be seen as negative from the viewpoint of tenurial security for the poor. The Annual Plan (2001-02) for the relocation of *Jhuggi Jhonpri* squatter settlements, brought out by the Ministry of Urban Development, formally announced that allotments to new migrants are to be made only on a license fee basis. Unfortunately, these license certificates are inadequate for obtaining loans from financial institutions. The silver lining in the formal announcement by the ministry is that it is an enunciation of the policy that households who have come to Delhi after 1991 are entitled

⁴ "Government Declares Policy on the Relocation of Slum Clusters" Hindusthan Times, The 11th May, 2000 and "New Policy to Help 12 Lakh (1.2 million) Slum-Dwellers", The Times of India, The 11th May, 2000

⁵ Supreme Court judgments passed on the 15th February, 2nd August and 7th August 2000, as reported in Times of India, 3rd and 8th August 2000.

to alternate plots, a position which has apparently been questioned by the courts⁶. Unfortunately, Delhi government was not in a position to enunciate a clear land tenure policy since DDA, which is responsible for procurement of land for urban use through Land and Development Organisation (L&DO), functions under the central government.

The policy of giving leasehold or licensed plots to the slum dwellers in peripheral resettlements has come under criticism from the Supreme Court not for their economic or social displacement, but because it amounts to encouraging an illegal activity. The High Court has endorsed the position that the creation of slums is an organised business, taking place with "passive or active connivance of land owning agencies and/or municipal authorities". The Delhi Government has, however, appealed to the court against this virtual ban on giving plots to new migrants and their relocation⁷.

Proposals for Regularisation of Unauthorised colonies in the Name of the Poor

One often hears about the unauthorised colonies in the context of providing land and shelter to the poor. These colonies, however, are highly heterogeneous in terms of their socio-economic characteristics. Many of these have come up through the entrepreneurship of builders, colonisers and groups of high and middle income households through purchase of agricultural land. The percentage of poor here would be less than 15 per cent. The majority of the population here belongs to middle and high income groups who have "purchased" their plots directly from farmers or from developers at a very low price. This, however, does not confer legality to the settlements as these have come up in total violation of the Master Plan, land use restrictions and building standards. These colonies have grown phenomenally due to the inadequacies in state control over private land transactions.

Yielding to the economic and political clout of these people, the central government regularised 607 unauthorised colonies in 1977, charging nominal fees from the households, both on public as well as private land. This was done with the avowed

⁶ There are nonetheless cases when the people coming during 1991-98 or before have been evicted. Such demolitions have been possible, because an equivocal official policy, permitting the responsible agencies to obtain protection under legal or administrative orders.

⁷ News item "Govt. to Appeal against HC on Slum Relocation" appearing in Times of India on the 8th January 2003.

objective of providing land to the poor. The rates, however, did not vary with plot size or the economic status of the beneficiary, to justify the claim.

With further growth of unauthorised settlements, the central government mooted a similar proposal in 1993. However, responding to Public Interest Litigations (PIL) filed by an NGO, the Delhi High Court stalled regularisation "until further orders". The pressures, however, continued to mount forcing the Union Cabinet to propose, in July 2000, regularisation of 1071 unauthorised colonies that have come up before March 31, 1993. Furthermore, the Union Minister for Urban Development declared in a Press Conference in November 2002, that all unauthorised settlements, developed before March 2002 would be regularised, along with the usual exhortation that such settlements will not be allowed in future.

This move had evoked a lot of criticism from different quarters, directed not against regularisation per se, but the method of announcing it as also because the regularisation rates were higher than those in the late 70s. The Delhi government opposed this move of the central government as the latter was controlled by the opposition political party. It passed a unanimous resolution in the Assembly and went to the High Court petitioning its repeal. It, did not object to regularisation per se but only to the procedures concerning the announcement and the state government not being consulted on the matter. The main point in the resolution was that the rates, particularly for the non-poor, are much higher than the nominal development fees proposed by the central government in 1976-77 and that the rates to be charged from rich and poor beneficiaries and those encroaching on private and public land are different. The central, state and local governments have, thus, locked horns both within and outside the court, attempting to score points for popularity with the residents of the unauthorised settlements, wherein a small segment of HHs are below poverty line.

Importantly, in response to another PIL, Delhi court has, once again, ordered a stay on this move of the central government. The government presently is considering going on appeal against the stay. Given the keenness of central and state governments, one would argue that regularisation of unauthorised settlements would become a reality in near future.

The State appears to be generous also to those who build without authorisation in formal settlements, particularly in self help housing and other multi storied apartments, wherein additions and alterations have been made⁸. Malhotra Committee has proposed regularisation of these constructions and recommended corresponding changes in building laws, floor area ratios (FAR) and the Master Plan. Most of the recommendations were accepted by the government in 1998 which, in one stroke, legalised several illegal structures and permitted such constructions in future⁹ in residential settlements. Following the acceptance of the recommendations of the committee by the Delhi Government, MCD had announced a general amnesty to almost all irregular constructions in formal colonies. The acceptance of the recommendations of Malhotra Committee has now raised expectations among businessmen and industrialists who believe, and indeed, Mr. Malhotra himself has suggested, that another committee should examine and facilitate similar regularisation in commercial and industrial areas.

Using the recommendations of Malhotra Committee as the base, the Minister for Urban Development and Poverty Alleviation has announced in January, 2003 that DDA flat owners will be allowed another 15 percent extra space and several extensions/alterations in the building as well as layout plans. This would bring in further unearned benefits to the propertied class. Importantly, the uproar created at that time by the lobby of city planners necessitated the institutionalising a system for getting these alterations approved by competent architects, planners and structural engineers, to ensure the safety of building structure or adequacy of infrastructural facilities. Understandably, this is also a mechanism for sharing a part of unearned gains from land with bureaucracy and professionals, by charging fees and institutionalising corruption.

Yet another move, which, once again, has helped high and middle income groups in a big way, is according permission to convert DDA houses from leasehold to freehold. As per the new orders issued in June 1998, the rates for converting DDA flat into a freehold property were brought down to half of that charged earlier and the clause requiring the seller of the property to share the unearned income and pay other fees was withdrawn.

⁸ Even DDA has come out with a list of 36 items for alternations/additions, which were reduced to 28 in the year 2001.

Importantly, permission has been given to private builders in 1998 to take up housing projects in plots of 30 acres or more by paying 20 percent of the market value of land to government's shelter fund and this has brought an end to state monopoly on land in Delhi. This has been done to give a boost to housing activities for middle and upper class people. Further, the Master Plan 2021 encourages development of land through the land pooling system and allows higher FAR along the new underground metro routes, making it possible for richer sections of the population to have freehold title to land and use it for profit.

Apart from all these, the National Capital Territory government has introduced property taxation on unit area based system in 2004, accepting the recommendations of the Property Tax (Dharamarajan) Committee. This may be seen as yet another way to get all alterations/additions to the houses regularized, giving huge benefits to property owners. Importantly, even the tax collections have gone down consistently since the introduction of the new system, the figure for 2004-05 being Rs. 530 million less than the previous year.

An Assessment

One can see a clear departure during nineties in terms of land policies from the past decades. Courts have taken a serious view of not merely "illegal squatting" but also been critical of the lukewarm measures adopted by public agencies to evict them. Public interest litigations have also been filed, demanding clearance of public places and pushing the slums out of the city. The resultant evictions and closure of industrial units in the city have made it amply clear that, despite formal and informal assurances from public authorities, the state apparatus, singly and collectively, can be quite effective in carrying out a process of city sanitization. The interventions by the judiciary since the mid nineties, mostly upholding the claims of land owning agencies (in Delhi or elsewhere in the country), and ordering large-scale evictions of informal settlements have shattered this perceived sense of security and given a big blow to their growth.

⁹ The central government had initially put a hold on regularisation and had issued a notification to that effect on the 7th June 2000 but has subsequently withdrawn it and thus gone along the recommendations of the Committee.

A section among the slum dwellers have sought and have been provided an alternate location in the peripheral villages or townships, resulting in peripheralisation and marginalisation of the poor. But understandably, this has discouraged further investment in housing, amenities and economic activities by the poor and in fact slowed down their immigration to central areas.

Given the growing demand for land from national and international organizations, it is understandable that the informal tenurial arrangements worked out by the poor with local politicians, policemen and bureaucrats as a part of their survival strategy, have come under severe strain. The percentage of poor in the city was as high as 55 in early seventies, which was above the national (urban) figure of 52. This has come down to 7 per cent in 1999-00 against the national average of 22 per cent, which can easily be explained in terms of decline in immigration. Delhi has, thus, grown through exclusion – exclusion of poor and informal activities from the heart of the city¹⁰.

5. Analysis of the Master Plan and Guidelines for Regularisation of Unauthorised Colonies Issued at Different Points of Time

The Master Plan 2021 for Delhi has recently been announced with the basic objective of maintaining the tempo of economic growth and improving infrastructure base for making the national capital a global city. It proposes encouragement of investment in industries in select areas and increase in private sector participation in provisioning infrastructural facilities and civic services of high quality. The basic assumption here is that none among the public agencies involved with Delhi's development would ever have the resources required for the purpose while the private actors, both from within as well as outside the country, can easily be motivated to make these investments, since affordability of the people in this metropolis has grown immensely over the past couple of decades. The new Plan underlines the need to create the right kind of policy environment for engagement of private sector through liberalization of the land market and relaxation of regulatory controls over usages of land.

¹⁰ This has happened in most other cities of the country, bringing down even the overall rate of growth of urban population to a record low level during nineties.

This objective of making Delhi a global city would necessitate more and more land to be made available for the modern commercial and industrial ventures. A large number of rich and middle income people and speculators, who have made highly remunerative investment in housing in unauthorised settlements and in manufacturing units in non-conforming areas are also lobbying for obtaining approval of the policy makers. Keeping these objectives in view, the new Plan would promote industrial growth and decent jobs for the people in Delhi and, at the same time, strive to maintain certain level in quality of infrastructure facilities. Certain categories of small and medium scale industrial units would be shifted from select residential areas to “peripheries” which include marginalised areas within the city limits, besides the peripheral zone defined in terms of geographic location. The Plan would therefore allow regularisation of industries and mixed land use in several zones that are inhabited predominantly by the poor. This is because the real efficiency and cost advantage of Delhi lies in that. It is only then that the entrepreneurs, executives etc. of these units would be able to live in better off colonies and commute for work to marginalised areas and city peripheries, using the six or eight lane flyovers, and benefit from high industrial growth. Noxious and large scale units would, however, be moved out to industrial estates in the neighbouring states within National Capital Region (NCR) as a part of sanitization process of the city. One can thus see that there is no serious concern regarding the quality of life in the periphery due to intended and unintended industrial growth and absorption of poor migrants.

Given this clear rationale for maintaining a “degenerated periphery”, it is no surprise that the Master Plan launched in early sixties failed in one of their key objectives viz. to disperse industries to distant growth centres within NCR. Several administrators and political leaders in Delhi openly subverted decentralisation efforts and worked against shifting of industries out of Delhi, for individual or party gains. In the absence of a comprehensive framework and inter state coordination, industries grew rapidly in the immediate hinterland within and around the city. Importantly, the Master Plan 2021 would mark no significant departure from the earlier Plan as its focus remains on improving the environment in the central city. Only the strategy for balanced regional development and improving the quality of life in the slums that appeared like a window-dressing in the first plan may now be discarded altogether.

A number of poor households, acquiring informal tenure against eviction through various arrangements and networking would be impossible under the perspective of the New Master Plan. In fact, provision of land even in peripheral settlements on a massive scale seems unlikely because of rising costs and impending court orders.

It has been noted above that first major regularisation of unauthorised colonies was done in 1974. These were to be regularised “after fitting them in a layout plan and keeping clear space for roads and other community facilities” The responsibility of rehabilitating displaced persons was that of the state. Most importantly, no land cost was to be recovered from colonies occupying public land. The lax policy environment resulting from this as also occasional exhortation by political leaders promising regularisation led to emergence of unauthorised colonies/ unauthorised construction on a massive scale, as mentioned above.

The government tried to exert some kind of political will in August 2000 when it issued an order requiring physical possession of unauthorised colonies by invoking Public Premises Eviction Act and charging damages as per the formula of L&DO, even for leased premises. Subsequently, stringent guidelines were issued by the central government in 2001 for regularisation of colonies in existence on 31st March 1993, as depicted in aerial photography.

The most important point of departure made in these guidelines is that these provided for screening of the colonies for determining eligibility and disqualified those (a) falling in notified or reserve forest area, (b) where provision/extension of civic amenities is not technically feasible (c) that would hinder development of infrastructural facilities as per the Master Plan and (d) where 50% plots are unoccupied on the date of the aerial survey.

The disciplinary regime turned out to be a false alarm and fresh guidelines were issued by the Ministry in 2004 which reflected a spirit of relaxing the norms and standards, taking a generous view towards regularization. There is a distinct paradigm in the new guidelines, moving from the perspective of layout plan being prepared by local authorities to another wherein it (or a mere service plan) is only to be approved by them.

This spirit has been carried forward in the Master Plan 2021, as well¹¹. It announces that it is the responsibility of the Resident Societies not only to get the lay out/service plans approved but also to implement it, which indeed was suggested in the 2004 Guidelines. That is why, there is no proposal to recover development charges from the citizens in either of the two documents. The approach in the Master Plan has changed quite a bit from prescribing definite town planning norms of the sixties, seventies and eighties to presently accepting the “minimum or feasible level of services”. Given this macro perspective, one would only wonder how the promise of providing affordable shelter to poor through National Urban Renewal Mission will be fulfilled, what institutions will take the responsibility of mobilizing the required land and how this will be financed.

6. Summary of Conclusions and Emerging Policy Perspectives

An analysis of the pattern of land values in and around the cities in India reveals significant discontinuities often due to existence of slum colonies and Master Planning norms. Under the perspective of globalization, there has been eviction and relocation of these colonies as also relaxation in planning norms, leading to smoother gradients of land values. A more disturbing phenomenon, associated with this, is pushing out of the poor and pollutant industries to outside city limits, leading to a process of degenerated peripheralisation.

In case of the national capital Delhi which has been taken as the case study, it is observed a spatially differentiated demographic growth has increased intra urban disparities in density and several other socio-economic characteristics. The growth in many of the wards in the city with high density has had an adverse effect on the quality of micro-environment since they already had serious pressure on their infrastructure and basic amenities. The same is true for a large number of peripheral urban and rural settlements. This sharply contrasts with central city areas wherein the developments have been fairly regulated, making illegal encroachments quite difficult.

¹¹ The guidelines for 2004 talks of Layout Plan and Service Plan interchangeably but the later term (which is suggestive of dilution in the norms) was not there in the guidelines of 1977 or 2001. This new terminology has entered the Draft Master Plan 2021 as well and one is apprehensive that it reflects a thinking to dilute the importance of layout plans.

The overview of the recent programmes and policy perspectives concerning tenure in Delhi suggests that upper and middle-income sections of city population, who could buy a plot or build a house, have enjoyed massive subsidies and unearned income through encroachment of extra space or transfer of property. Those going in for unauthorised construction for residential, commercial and industrial purposes in non-conforming areas or green belts, too, have benefited substantially through the recent changes in policies. Unfortunately, similar benefits have rarely come in the way of squatters who have remained in a state of flux and thereby served as a vote bank. Promises and even "decisions" of *in situ* upgradation have been announced from time to time but mostly for making political gains¹². These have invariably been turned down subsequently by another administrative order or judicial injunction. The illegality in squatting has been pronounced by the Supreme Court to be at par with that of "pickpockets" and consequently squatters have been evicted as and when land has been needed for "public use". A few of the fortunate ones have found shelter in the resettlement sites, located mostly in the periphery of the metropolis.

It appears unlikely that the experience of the 80s and early 90s, wherein a large number of poor came to acquire informal tenure or a feeling of security against eviction through various arrangements and networking, would be repeated in coming decades. In fact, provision of land even in peripheral settlements on a massive scale seems unlikely because of rising costs and impending court orders.

The objective of making Delhi a global city has put tremendous pressure on urban land for commercial and industrial purposes, resulting in the regularisation of non-conforming land use, mixed land-use, etc. Furthermore, a large number of rich and middle income people have made investment in land and housing in unauthorised settlements and are in a position to obtain approval of the policy makers. The Master Plan 2021 has opened up the possibility of private sector participation for upper and middle class housing. Given these, the informal tenurial arrangements worked out by the poor, as a part of their survival strategy, have come under severe strain. These have resulted in the percentage of poor in the city going down dramatically in recent past, largely through slowing down of their migration. The growth of population in the NCT of Delhi for the first

¹² Most recently, on the 22nd January 2003, the Minister for Urban Affairs announced that there will be no demolition of the squatters in Delhi. In stead, they would be upgraded *in situ*.

time has shown deceleration as has already happened in most other cities and towns of the country.

Stalling this exclusionary process of growth and letting Delhi play a catalytic role in the regional economy would require a policy of balanced regional development within NCR. It would also require the city to absorb - physically, economically and socially - the migrant population coming from its hinterland and not to push it outside and thereby create a degenerated periphery. This would be impossible without providing formal or informal land tenure to the squatters and slum dwellers. A major argument against this approach would be that it would result in violation of the Master Plan. This may indeed be true, but so would be the regularisation of unauthorised settlements, not reserving 15 percent land in formal settlements for service personnel, the illegal extension/alteration in the dwelling units in formal settlements and even the launching of many of the development projects such as flyovers, greening drives, mass rapid transport system, etc. as these were not envisaged in the Plan.

If the plan can be modified time and again to meet other emerging needs, this could be done for *in situ* upgradation of slums as well, by providing some form of tenurial security? In fact, the Master Plan could make explicit provision for land and minimum basic services for the poor. This alone can stall the attempts being made by the governments at different layers to make political gains by passing ad-hoc orders concerning regularisation of the use of land, in the name of the poor. Land in Delhi must, therefore, be in the hands of neither the central nor state government agencies but regulated through the Master Plan in a transparent manner. This would also go a long way in minimising the discretionary powers in the hands of field level officials that lead to illegitimate decisions and rampant corruption that has time and again rocked the organizations in Delhi dealing in land¹³.

References

Bertaud, A.1999. "Developing Land and Real Estate Market", *Paper Presented at the World Bank Institute Workshop in Goa*, World Bank Institute, Washington

¹³ "Get anything done, for a price" Times of India, The 8th April 2003 and "DDA Violates Monument Rules", Times of India, the 4th April, 2003

Government of Delhi, 2002. *Delhi urban environment and infrastructure improvement project-2021*. Government of NCT Delhi, Delhi

Kundu, A., 2002a. "Tenure Security, Housing Investment and Environmental Improvement: The Cases of Delhi and Ahmedabad", India in G. Payne, *Land Rights and Innovation: Improving Tenure Security for the Urban Poor*. London: ITDG Publishers

Kundu, A., 2004. "Provision of Tenurial Security for the Urban Poor in Delhi: Recent Trends and Future Perspectives", *Habitat International*, 28.

Kundu, A. Pradhan, B. K. and Subramanian, A. 2002. "Dichotomy or Continuum: An Analysis of Impact of Urban Centres on their Periphery", *Economic and Political Weekly*,

Kundu, D. 2005 *Achieving the Millennium Development Goals, Financing Housing, Water and Sanitation in the Cities of Middle- Income Countries: The Case of Delhi*, UNDP, Delhi

Kundu, D., 2002 "Provision of Infrastructure and Basic Amenities: Analysing Institutional Vulnerability", *Poverty and Vulnerability in A Globalising Metropolis: Ahmedabad*, Kundu, A. and Mahadevia D. (eds)., Manak, New Delhi

Risbud, N., 2003. *Tenure Regularisation and Improvement of Squatter Settlements: Case Studies of Delhi and Bhopal*. New Delhi: School of Planning and Architecture.

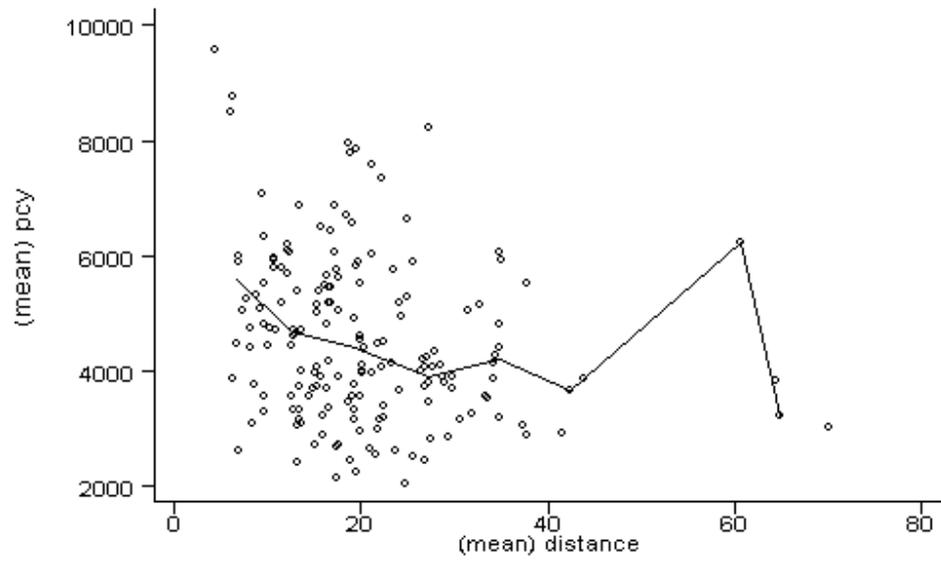


Figure 1: Distance (kilometres) and Per capita Income (Rs.)

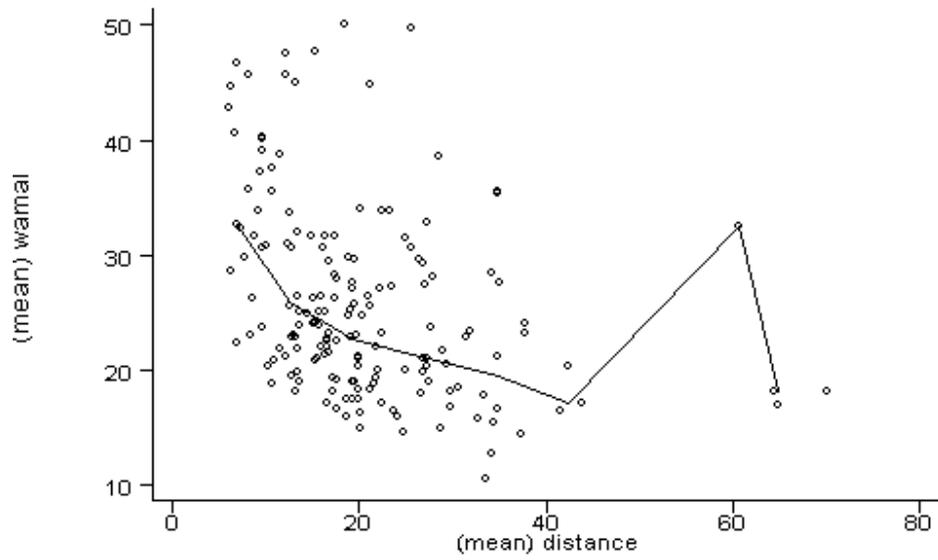


Figure 2: Distance (kilometers) and Wage (Rs.) for the Male Agricultural Labour

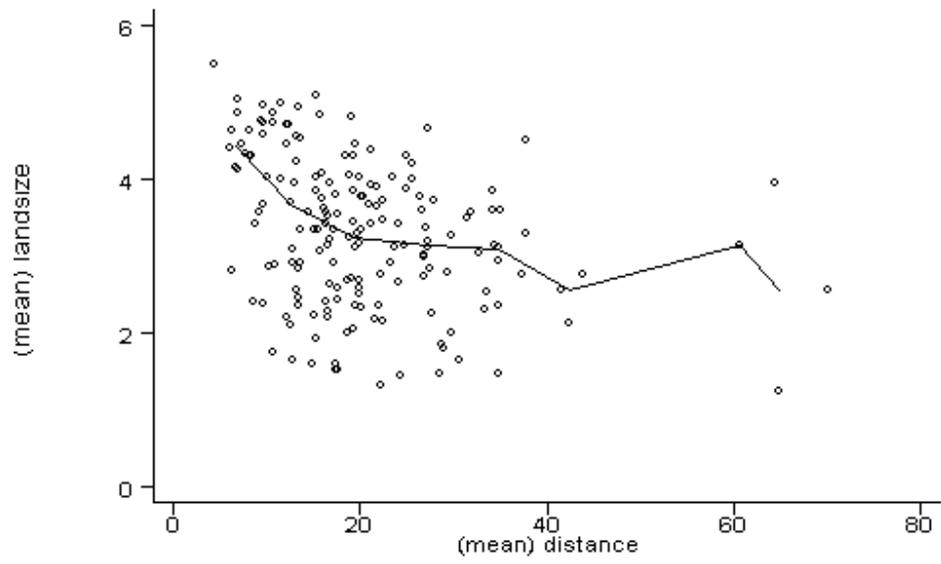


Figure 3: Distance (Rs.) and Size of Landholding (acres)

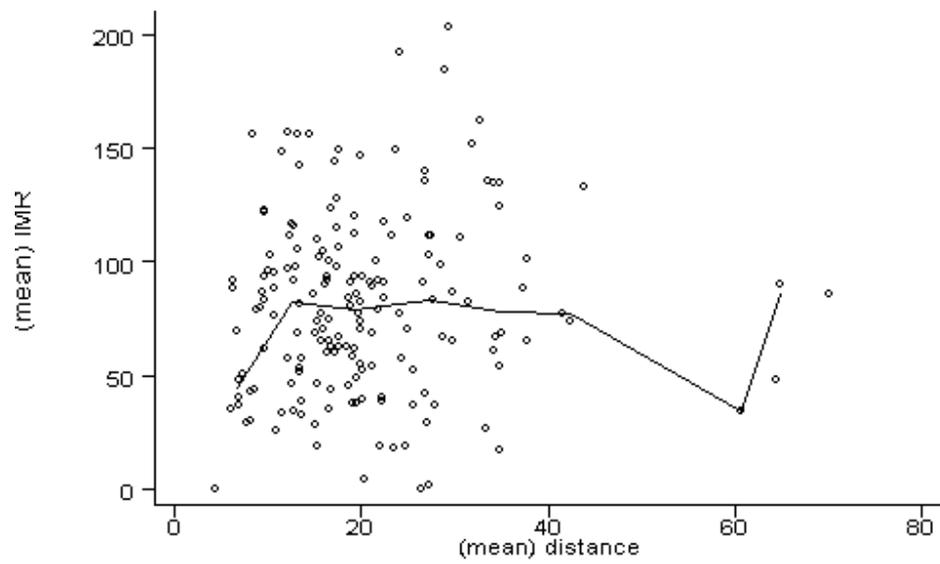


Figure 4: Distance (kilometers) and Infant Mortality

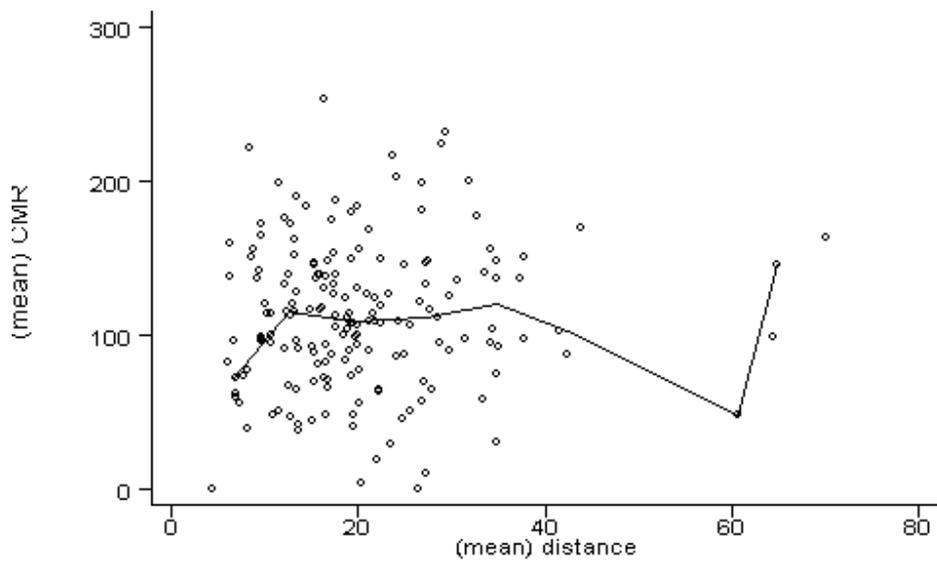


Figure 5: Distance (kilometers) and Child Mortality

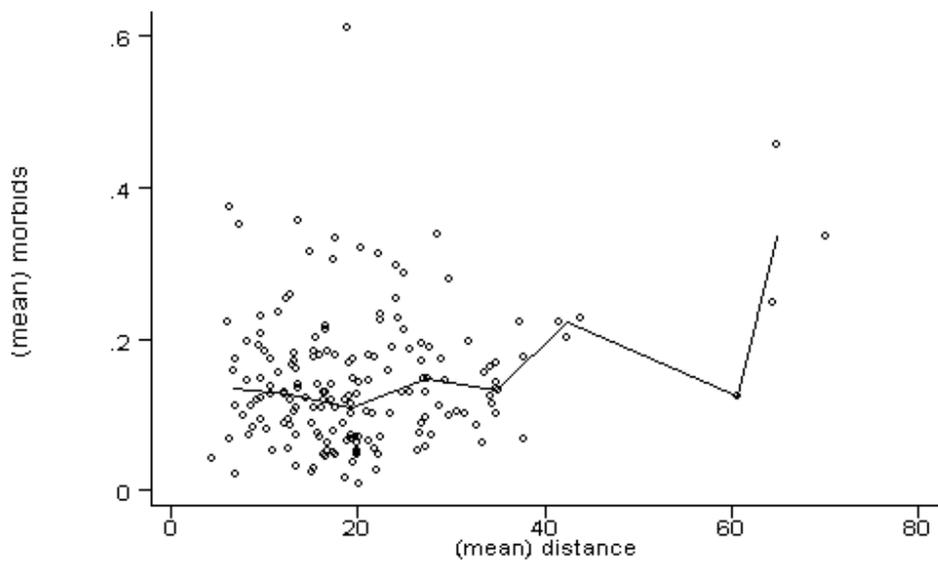


Figure 6: Distance (kilometers) and Short Duration Morbidity