

PM launches Jawaharlal Nehru National Urban Renewal Mission

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New Delhi

"I welcome you all to the launch of the Jawaharlal Nehru National Urban Renewal Mission. There is no doubt that India by and large still lives in our villages. But the development process of the past five decades has made a significant difference. An increasing share of our population now lives in urban India. Urbanisation is a relentless process, which has come to stay and has to be factored into all our developmental thinking and development processes. We have already added 65 million persons to our urban population in the decade of the '90s alone. We are poised to have nearly fifty per cent of India living in our cities by the earlier part of the present century and that should give you an idea of the magnitude of the development and renewal task that awaits all of us.

With urbanization comes the need to invest in infrastructure and improve the quality of life in our cities. Rapid urbanization has not only outpaced infrastructure development, but has also brought in its train a terrible downside - the downside of proliferating slums, the downside of increasing homelessness, the downside of growing urban poverty and crime, of relentless march of pollution and ecological damage. This gives you an idea of the massive challenge that lies ahead.

Recognising this challenge of an acute urban crisis, the National Common Minimum Programme had stressed that the government initiate a process of urban renewal. I am happy that today we are commencing this new effort through the launch of the Jawaharlal Nehru National Urban Renewal Mission.

I compliment the Ministries of Urban Development, Urban Employment and Poverty Alleviation, Planning Commission, state governments, urban local bodies and other experts who have participated in the preparation of this Mission. This Mission is the single largest initiative of the Government of India for a planned development of our cities. It responds to the long-standing demand for tapping the vast potential and vitality of our cities.

Our urban economy has become an important driver of economic growth. It is also the bridge between the domestic economy and the global economy. It is a bridge we must strengthen. The latent creativity and vitality of our cities and the people who live in them must be tapped to facilitate higher economic growth.

It is therefore, a matter of great satisfaction for all of us that this new Mission is being named after Jawaharlal Nehru. Panditji used to refer to factories as the temples of modern India. He saw in industrialization a renewed hope for urban India. The infrastructure created by Panditji has helped the process of industrialization enormously. However, our cities have not been able to cope with the pressures of industrial development and the growth of the services economy. In many cities like Bangalore, the phenomenal growth of the services sector in the last decade has exerted unexpected pressure on urban infrastructure and services. If we do not take remedial steps, the future could be in jeopardy.

As we build infrastructure we must also improve the quality of living for all those who live in our cities. Our vision of urban development has so far been uni-dimensional. This must change. We have thus far focused more on space and less on people. We need to have an integrated framework, in which spatial development of cities goes hand-in-hand with improvement in the quality of living of ordinary people living there. An important element of our strategy has to be slum improvement and providing housing for the poor.

To improve urban infrastructure and provide urban services for the poor, we need urgently urban governance reform. I am happy that this Mission has been structured with a clear focus on these two important components - urban infrastructure and basic services to the urban poor, with governance reform as an overarching third component.

Governance reform should be seen as a massive catalyst for change. Shri Rajiv Gandhi had conceived, with great foresight, the 74th Constitution Amendment for decentralization of power to the urban local bodies. While considerable ground has been covered under the 73rd Amendment relating to Panchayats, an honest assessment would show that the 74th Amendment has not yet been effectively translated into improved urban governance.

Cities unfortunately with some exceptions, have not been enabled to look inward and build on their inherent capacities, both financial and technical, and instead are still being seen in many states as 'wards' of the State governments. This should and this must change.

The Jawaharlal Nehru National Urban Renewal Mission is a city-based programme. It will seek to build the capacity of our cities for management. Cities have the financial muscle and the technical resources to rebuild themselves. We see the governance reform-related proposal in the Mission for a participation law and a disclosure law, as enabling the cities to locate the needed human and financial resources for improving its services. This is a major reform for the governance of our cities.

To tap technical resources, the Mission envisages the creation of a Voluntary Technical Corps in each city. I place great hope on this effort, as I am personally aware that a large number of urban professionals today want to contribute their skills for the improvement of their cities. Many cities like Bangalore, Mumbai, Thiruvananthapuram have come up with citizen initiatives for urban renewal. This process would be strengthened through the creation of Voluntary Technical Corps for each of our city.

A major failure of city governance has been our inability to address the needs of the poor - basic services like drinking water supply, sanitation, housing and social services are not available to an increasing share of urban population. Countries in Latin America that have large cities in which more than 50% of the population lives, have addressed this problem through an effective system of property rights. Options like giving the urban poor land rights at affordable rates may see an increase in private investment. This in itself will improve the quality of living in our cities. We have to make the poor increasingly bankable. Property rights can be used as a collateral for financing new investment in support of social development. Cities need people to provide services and our people need a decent place to live.

Cities need to develop a long-term planning framework. The Planning Commission and the Ministries, in consultation with States, have developed an agenda of reform to persuade urban local bodies to look ahead. All previous efforts in city planning have been limited by "a narrow-focussed project approach". The problems of inadequate service and infrastructure levels, of inadequate investment in them, and the non-availability of adequate land and housing are much deeper. Our legal systems, our systems of work and procedures, and the inability of local bodies to effectively use their powers and responsibilities, make it difficult to deal with the many problems facing our cities.

The Jawaharlal Nehru National Urban Renewal Mission addresses the problems of law, systems and procedures reform and aims to align them to the contemporary needs of our cities and towns. The Mission seeks to do away with those statutes that inhibit the functioning of land and housing markets; it seeks to bring in those improvements that will enable the city-level institutions to become financially strong and viable and our development programmes relating to the removal of poverty becoming increasingly bankable.

As you are well aware, municipal finance is in an extremely unsatisfactory state. This is on account of an inability to properly tap and utilize proceeds from property tax, due to the inadequacies of the property valuation system and inefficiencies in tax collection systems. Municipal governments are not able to recover the cost they incur in providing different services. They use accounting systems, which do not correctly reflect their financial position and therefore their projects do not become bankable and viable.

This Urban Renewal Mission is designed to assist city governments in improving property tax collection and bring user charge to the levels that cover at least operating and maintenance costs and change their accounting methods. The Mission is meant to bring in transparency in local budget making, as also a higher degree of community participation in decision-making processes.

The success of the Mission will depend on its ability to enlist the support of a large number of partners and stakeholders. There is no shortage of finance in the infrastructure sector, especially if we seek public-private partnerships. I hope our State and local Government authorities will be able to draw up programmes that can attract financial support from outside Government as well.

Services like education, health care and social security, like the public distribution system and old-age pension are inadequately provided to the urban poor. While designated agencies exist in rural India to address these issues, urban local bodies have not oriented themselves to ensuring that these universal services reach the urban poor.

I urge the Ministry of Urban Employment and Poverty Alleviation to work to ensure that basic services are indeed provided to the urban poor. The issues to focus while appraising project reports are: (i) security of tenure, (ii) improved housing, (iii) drinking water supply, (iv) sanitation, (v) education, (vi) health care and (vii) social security. City governments should build in a strong component of support for urban basic services in their plans for infrastructure upgradation.

The Mission has to walk on two legs of improved urban infrastructure and improved urban basic services. The role of governance reform in the Mission should be to catalyze a process that enables both these to move forward.

I am happy that among the list of cities being covered initially, there are some that are important from the point of view of our national heritage, tourism potential and religious pilgrimage. I have in mind cities like Varanasi, Amritsar, Haridwar, Ujjain and many others. It would be a challenge before this Mission to see that these cities are restored to their historical glory. Let us not forget that in the history of the world, Indians stood out as city builders as evident from the traditions we carry from the ancient civilisations of Harappa and Mohenjadaro. Those cities were symbols of human engineering excellence in their own times. We should work to make them come alive again through this Mission.

I have great pleasure in launching this Mission. Like many Indians living in our cities, I look forward to it with great hope.”