

How to build a better city

Urban development cannot be about thinking small and managing shortages

K. P. SINGH



FROM a developer's perspective, it is significant that the leaders of the BRICS nations agreed at the summit in Durban to jointly find ways to face the challenges of urbanisation. The problems of urban blight are similar in all developing countries. Urbanisation is a direct manifestation of the process of economic development. The challenges of rapid urbanisation are being faced by every emerging economy, with cities and urban clusters luring more people away from agrarian pursuits and lifestyles. The basic reason for this attraction towards cities is the aspiration for a better life, in the form of job opportunities, civic facilities and living conditions.

While it is true that urbanisation has spurred economic growth and opened up new avenues for employment, the existing urban infrastructure is unable to absorb the pressure of catering to ever-growing numbers and is visibly falling apart. Cities have exhausted their funds and slums have proliferated, leading to urban squalor, human misery and even social unrest. Due to urbanisation, existing cities are growing rapidly in all directions. In India, current estimates suggest the urban population is in excess of 300 million and likely to reach 600 million by 2030. Such an explosion would prove catastrophic in terms of unplanned urban growth causing poverty, environmental degradation and the collapse of basic civic facilities.

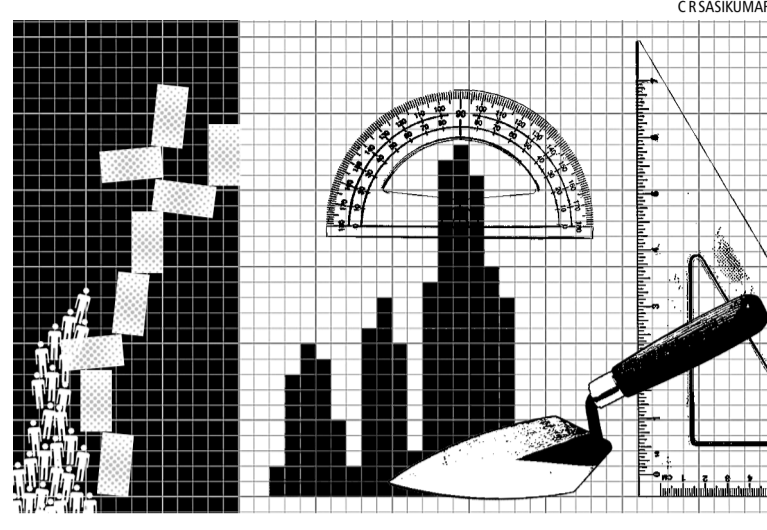
A key aspect of such a scenario, often overlooked, is that the bulk of migrant citizens end up living and working outside the formal sector. One of the biggest challenges is to bring the informal sector into the economic main-

stream. This is particularly relevant to countries of the size, stage of development and political system as India. The majority of informal entrepreneurs languish on the brink of insecurity and the edge of poverty, and because their assets cannot be converted into legitimate wealth, they are compelled to create their own rules and evolve their own ad hoc business practices.

But, because these informal arrangements are full of shortcomings and not easily enforceable, they give rise to complex social, political and economic problems that affect society at large. The dangers of this parallel, informal economy are relevant to India, where large-scale unemployment and livelihood insecurity leads to human suffering and social unrest.

In the context of urbanisation, the concept of inclusive growth involves unlocking the potential of the informal sector by bringing it into the mainstream and achieving a slum-free society. Various governments have drawn up schemes to work towards this goal on mission mode. For instance, the Rajiv Awas Yojana aims at addressing the shortage of urban land and housing and enabling slum dwellers to enjoy the same basic civic amenities as other citizens.

But having been deeply involved in the field of urban development for several decades and having seen many governments come and go, and many earnest efforts to bring about reform go in vain, I have come to believe that there has never been an adequate perception of the ground realities prevailing in the urban development sector. No strategy to convert urban slums into decent human habitations can work unless we are willing to acknowledge the failures of past policies, learn from them and begin again. The spread of mass media is fuelling aspirations for a better life. The question is, can we deal with these rising aspirations? Can our cities cater to the demand for better urban infrastructure and civic amenities? The simple answer is, no, we have not been able to create adequate urban infra-



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structure over the past 60 years.

Look around and you will see that even in the most modern of our cities and towns, urban infrastructure is crumbling. Whether you talk of housing, power supply, roads or transportation — everything is in short supply. Clearly, our big cities are under great stress, unable to cope with the rising demand for better living and working conditions. Nearly one-third of our urban citizens are slum-dwellers, lacking even basic hygiene facilities. New data released by the Planning Commission based on Census 2011 reveals startling figures. There are 13.8 million households — about 64 million people — located in city slums nationwide. This means that 17.4 per cent of all urban households are slum dwellers. In other words, one in every six city residents lives in an urban slum in conditions that are “unfit for human habitation”. In Mumbai alone, 41 per cent of households are located in overcrowded slums where most residents are squatting illegally and many have little access to basic sanitation; the percentage is even higher in Visakhapatnam (43 per cent of its 1.7 million in-

habitants) and Jabalpur (42 per cent of its 1.3 million people).

We have to ask where we have gone wrong, particularly when other sectors of the economy have done exceptionally well, and what needs to be done to set things right. One reason is that since Independence, other sectors of economy have been well represented by various chambers of commerce to bring before the government the areas where policy reforms were required. Unfortunately, this did not happen in the case of urban development, since this sector consisted mostly of fly-by-night operators. The sector was blocked to the private sector, leaving the public sector alone to tackle this mammoth task. As a result, the sector remained unrepresented by the various chambers of commerce, leading to policies based on controlling fly-by-night building operators instead of ensuring an increased supply of housing.

There has to be a realisation at the highest levels that all is not well with the urban development scenario, and there is an urgent need for radical solutions. Urban development should be introduced as one of the subjects in

the curriculum of our education system from higher secondary up to the university level. The present psychology of policymakers of thinking small and managing shortages needs to be replaced with policies based on the philosophy of thinking big and creating surpluses, because it will be only through increased supplies that market forces and prices can be brought under control.

Moreover, it should be recognised that it is only through active encouragement of the public-private partnership model that the task of urban development can be tackled and in that partnership, the role of public sector should be confined only to that of enabler, facilitator and regulator, leaving the conceptualisation and execution of development projects to the private sector. It also needs to be accepted that no private sector can work without profits, and it should be encouraged to earn profits while making a clear distinction between profits and profiteering.

Unfortunately, the present system, where the public sector plays the dominant role in formulating master plans and town planning regulations has not worked. All existing town planning and urban development laws and regulations that are based on the restriction of FAR and other town planning aspects should be repealed and replaced by liberal market economy regulations. Projects should be made time-bound, with in-built incentives for completion of projects within the prescribed time and disincentives for delays. New legislation should be introduced to encourage green technologies.

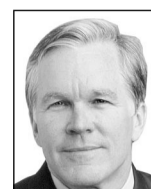
There has to be a complete break from past approaches. Urban renewal is possible — there is no reason why the problems that plague our towns and cities cannot be overcome. It would rescue millions of people from squalor and provide them with better living standards as well as property rights and legitimate titles to their dwelling units.

The writer is chairman of the DLF Group

The assassination bureau

The CIA's career shows essential intelligence has suffered from the paramilitary preoccupation

BILL KELLER



MY TIMES colleague Mark Mazzetti has a new book out that is getting a lot of attention. *The Way of the Knife* recounts the recent transformation of the CIA from a traditional spying shop into more of a man-hunting paramilitary.

As an assassination bureau, the CIA has had some spectacular successes. It has also come in for some fierce criticism from those who are uncomfortable with assassination in general, with the eerily impersonal methods of remote killing, with the civilian casualties, or with the timid oversight of an agency licensed to kill. And of course the demand for operational intelligence to aid these manhunts drove the CIA into the practice of torture and rendition. But Mazzetti's important thought is not that war is a dirty business; it is that by turning our premier intelligence agency into a killing machine, we may have paid a price in national vigilance.

Along among the many US intelligence outfits, the CIA has the job of supplying the president with the deep strategic intelligence that anticipates dangers and shapes American policy. The agency has always housed both covert operations and the more traditional gathering and analysis of information — “cowboys and eggheads”, as one agency-watcher put it. The worry is that the eggheads have become so caught up in serving the cowboys tactical intelligence about high-profile assassination targets that they have less bandwidth to devote to longer-term threats. Gregory Trevorton, a RAND Corporation

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expert who is a former vice chairman of the National Intelligence Council, said that as hundreds of analysts flood into the subject of the moment, they are assigned to narrower and narrower slices of the problem. There is less standing back and figuring out how it adds up, what might happen next.

We have learned, to our peril, how much it matters when intelligence lets us down. The CIA, having been hollowed out in the 1990s after the end of the Cold War, failed to see the signs of what would be 9/11. Then the CIA got the ostensible Iraqi weapons threat terribly wrong, drowning out more sceptical voices in the intelligence units of the state department and energy department, and paving the way to a colossal blunder of a war. By most accounts, including the assessment of intelligence insiders, academics and journalists who cover the subject, the conglomerate of intelligence agencies is in much better shape than it was before 9/11. That's a low bar, but credit where credit is due. The agencies are better staffed and better at sharing information. It's hard for an outsider to tell until something goes wrong, but high-priority topics like Iran's nuclear programme and China's development of cyberweapons seem to be getting the emphasis they deserve.

The concern that essential intelligence has suffered from the paramilitary preoccupation is shared by some of the president's own advisors. Rebuilding traditional intelligence collecting and analysis is not a simple matter of reassigning case officers. The expertise is not always transferrable; the skills are not fungible. Of course, reorienting the CIA depends on the demands of its clients in the White House and its overseers in Congress. Much as policymakers insist they want smart, “over the horizon” intelligence, it's today's news that grabs their attention, and covert operations that excite them. I don't suppose many of the boys in Congress grew up playing egghead.

The New York Times

Let out the steam at Koodankulam

As the deadline to commission the nuclear plant nears, there must be a reasonable settlement

SUSHILA RAVINDRANATH



IN JANUARY, Ratan Kumar Sinha, chairman of the Atomic Energy Commission, stated that the much-delayed Koodankulam nuclear power project was set to be commissioned within the next two weeks as nuclear scientists had entered the final lap of a series of tests on its safety and efficacy. Such statements, assuring that power from Koodankulam is around the corner, have been made by the nuclear authorities, ministers and government spokesmen with great regularity over the last two years.

In April last year, the minister of state for power in the prime minister's office, V. Narayanasamy, announced that the first unit of the Koodankulam nuclear power project was expected to start generating electricity in the next 40 days. The minister had declared that the Atomic Energy Regulatory Board (AERB) officials were at the project site and inspecting the plant. He also promised that the second unit would be commissioned within two months of the first. He says these things every time he visits.

It is now the turn of Prime Minister Manmohan Singh, who promised Russian President Vladimir Putin on the sidelines of the BRICS summit in Durban in March that unit one of the Koodankulam power reactor will become operational this month. But some controversy or other also erupts with regularity each time the plant is supposed to go

online. There is a general air of confusion and obfuscation.

Koodankulam has a chequered history. In 1988, then Prime Minister Rajiv Gandhi and the president of the Soviet Union, Mikhail Gorbachev, signed an agreement for the construction of two nuclear reactors in Koodankulam. The project did not see the light of day because of the breakup of the Soviet Union. After getting over obstacles such as objections from the Americans that the agreement did not meet the 1992 terms of the Nuclear Suppliers Group, work on the project began in September 2001 with Russian collaboration.

There has been simmering protests since. People in and around Koodankulam are worried that the hot water discharged from the plant into the sea will adversely affect the marine life and fish catch. Nearly 1 lakh people living within a 16 km ra-

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dius of the plant fear displacement. They also fear accidents at the plant during the movement and storage of radioactive material. However, in the early days, Koodankulam had no problem with the nuclear project. The villagers sold land to the Nuclear Power Corporation and hoped for jobs, which the corporation promised. But the jobs never came, and Koodankulam has not become prosperous. When two more reactors were announced and a public hearing was held in July 2007, the sentiment had turned negative.

The 2011 Fukushima disaster in Japan hardened attitudes further. S.P. Udayakumar, coordinator of the People's Movement Against Nuclear Energy (PMANE), has kept up a sustained campaign in the last two years. The government has cast aspersions on the movement and Udayakumar, including accusations of foreign funding. But when a warrant was issued for Udayakumar's arrest a few months ago, hundreds of volunteers helped him hide. They guard him day and night.

When Tamil Nadu Chief Minister Jayalalithaa gave a patient hearing to Udayakumar last year, PMANE was optimistic that its voice would be heard. The severe power shortage in the state has left both the state and the Centre wanting the project to become operational. Barring a few activists, there is little sympathy for the Koodankulam pro-

testers outside the region.

The police machinery is coming down quite heavily on the activists. At a public hearing last year by a committee set up under Justice A.P. Shah, the representatives of PMANE said the government was harassing the people in the area by filing criminal cases against them under offences such as sedition and waging war against the state, and arresting them. Justice Shah saw merit in many of the complaints. He concludes his report saying, “The Government of India and the state government must initiate dialogue, come to [the] middle ground, stop persecution of persons and resolve the issue mutually.” As the deadline to commission the plant nears, isn't it time to sit and reason together?

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TARUN DAS



SHEKHAR GUPTA'S “National Interest” column is usually provocative. But ‘Crony, crawly capitalism’ (IE, April 13, <http://goo.gl/922Hb>), incorporating several anecdotes, was sad and unfair. Hence, this response from one who has worked and watched Indian and international business for 50 years.

First, the task of business is to satisfy shareholders, be they public or private, in terms of profitability, dividends, market cap, etc. Business is not in the job of taking on governments and political leaders publicly. This is not the agenda of business in India or elsewhere. There have been a few exceptions over the past couple of years in India. Interestingly, they, too, are now conveying their views privately. Shareholders are uncomfortable with managements who go to war, however limited, with the

powers-that-be. This needs to be understood. It is part of corporate culture. It is in their DNA.

Second, industry responds to policies and incentives. High interest rates make investments unworkable. This happened in 1996-97 and is happening now. Then, it took five years to get back to high growth. Now, the country does not have the luxury of five years. This is a GoI/RBI issue. This is not a Sonia Gandhi/Rahul Gandhi issue. The finance minister has already made a difference with several initiatives. India is heading back to 6 per cent GDP growth in 2013-14.

Third, industry is meant to compete, not operate in a cartel. Corporations are meant to out-compete each other so that the consumer benefits on price and quality. Industry institutions exist to bring business together and represent it to government based on anonymity and consensus. If corporations work

in tandem, the competition commission will attack them. So individual companies have to fend for themselves, except where industry institutions can lend policy support. There is no other way.

Fourth, it is the role of the media to foster debate, which it does. Unfortunately, it sometimes gets carried away by competitive pressures to focus on trivialities. The media could be more effective if its work was data-based. Shekhar Gupta's article itself is somewhat confused. He seems to have lost his way writing it.

Fifth, there is a rich and high-quality dialogue between industry and government in private. Most often, the content is not available to the media until final and firm decisions are taken. This is true for India and many other countries. What irks industry often is the lengthy delay in the decision-making process. Again, this is because of the need to re-

clarifications, rejoinders, suggestions, clarifications



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concile diverse views. It is the nature of democracy.

Sixth, Rahul Gandhi made his first-ever speech to Indian industry at the CII on April 4. His father, Rajiv Gandhi, did likewise in March 1985, also to the CII. Rahul made several points: the central role of

business, the criticality of collaboration and cooperation in taking India forward, the essentiality of inclusive growth, the aspirations of the poor and the need for business to play a role in all this. He took questions and, in response, covered broader issues. For a hard nosed corporate audience, applause and standing ovations come with difficulty. He got both, not artificially, not prompted by anyone. He is not the government. He is not the PM or the FM. The PM's session was fully dedicated to the economy. Seventh, Central ministers and political leaders who consider business to be “despicable” in private may be some kind of a norm. The PM and several others consistently show respect for those who drive the economic engine of India, publicly and privately. Those who consider business despicable seek investment, projects, skills training, jobs, etc

from business in their constituencies. The corporate sector follows a simple rule — cooperate and collaborate to the extent possible. Is this “despicable”?

Eighth, the article's reference to a lack of communication with the PM, Sonia and Rahul is amazing. The economy is run by the government, particularly the FM. He is always available and interacts with business constantly. So does the PM. With no offence meant, why should industry need to communicate with the Gandhi family? There is an assumption in the article that is just not true.

Ninth, the issue of low morale. Thousands of Indian entrepreneurs exist and perform creatively. Let us say a hundred face hurdles of land, environment, capital and regulations. They are important, but numerous others are getting on with building an explosion of new businesses in India, which is the envy of the rest of the world. The challenges are

many but morale is not low.

Finally, industry's role in society, which goes back to the first point, is an issue yet to be settled in India. Is the business of business to run itself efficiently and competitively? Or is it to supplement government and resolve social sector challenges? What can be said with surety is that Indian industry is globally competitive and confident, a far cry from 1991. And, this is a transformation to make Indians proud. In addition, Indian business is contributing to social development. More needs to be done and it will happen as part of a process. For this, in a global economy deep in crisis, Indian business deserves respect. It has come a long way and, by all indications, is ready to lead India back to a high growth path. “Despicable” is certainly not the right description.

The writer, co-chair of the Indo-US Strategic Dialogue, was with the CII