Chapter 1

Introduction
Urban problems in India have been perceived by researchers in terms of urban explosion, congestion and infrastructural deficiencies etc. caused mainly by population pressures. Studies on historical evolution of cities, urban landscape, morphology, infrastructure, changing demographic and social scenario etc. were some of the areas that drew the attention of researchers until the seventies. It has been pointed out that the early researches in urban geography were micro-level studies [Gosal (1972), Gopal Krishnan (1979), and Alam (1984)] and that a fifth of the entries in the bibliographies accompanying these three surveys are case-studies of individual urban centres. Most of these researches were studying the deteriorating infrastructure and civil amenities in the cities. In latter period, inadequacy of serviced land, the existence of high-density pockets corresponding to large chunk of vacant land, and the urban environment became areas of concern. It was being accepted among urban planners and researchers that land is the key element of urban management and hence appropriate urban-land policies would be the panacea for all urban problems. The dominance of this viewpoint over the fifties and sixties - that growth of large cities can be controlled and directed by intervention in urban land led to the preparation of master plan for five hundred existing cities. Consequently urban land use and land-values in the context of their dynamic nature emerged as areas of major significance in directing and controlling the development of the land and housing market. In
the present research land price and land use situation in Delhi has been studied, in the above discussed backdrop.

Since 1941 till 1981, Delhi has experienced a high population growth rate of over 50% per decade. Corresponding to this there has been a growth of its geographical area from 48.8 sq.kmts. in 1961 to 360.6 sq.kmts in 1971 and further to 540 sq.kmts in 1981. The area figure for 1991, is not yet available but the fact that seven census towns has been merged in the Delhi Urban Agglomeration, six of which becoming part of the DMC during 1981-91 shows that there has been further expansion of Delhi. This indicates that though there has been a high growth rate of population in the city there has not been any alarming growth of population density. Another important observation is that the growth rate of population in Delhi has recorded a decrease in 1981-91 corresponding to very high growth rate of population in the peripheral census towns. It would be interesting to learn how the urban policy has contributed to the development of the abovesaid scenario.

Delhi is the first city to have undergone a comprehensive planning exercise which culminated in the preparation of "Master Plan for Delhi" (1961-81). It is the only city where such large scale public intervention and bulk acquisition of land has taken place. The 'Delhi Model' of urban planning also envisaged unique components of providing shelter to the economically weaker section of
the population. For all these reasons and many other, Delhi stands out as an example for urban land management and planning in the country.

Public intervention has often been pointed out as a major reason behind constraints in land supply leading to speculation and steep hike in land prices in the land market. It has also been pointed out that pricing of land for the weaker section of the society lacks in elements of subsidisation and actually contains a profit margin. Hence the progressive Delhi urban land policy directed towards reducing the skewness of urban land holding and serving the have-nots, has actually been exemplified for serving a demand based market rather than a need based market. In this juncture the credibility of public intervention supposed to pursue a public purpose is questioned. Do we really need governmental intervention in the land and housing market where the agencies performs most efficiently to serve the self financing schemes and the HIGs (higher income group)? Should we not leave the land market to private developers whereby the artificial constraints created by the inherent inefficiencies of the public agencies are removed?

It may be pointed out in case of Delhi that despite the public intervention in the land acquisition and distribution a private land market has operated simultaneously. As a result the public sector agencies did not have much
control over the land prices. It would therefore be erroneous to attribute the sharply rising land prices in the city entirely to the failure of government intervention in the land market. Unfortunately, however, critiques both within and outside the government have attributed the problem in land market mostly to the inefficiencies of public intervention. Moreover, since limited amount of land was released to the urban poor they have often disposed off their land at a price and consequently squatting in the city has continued unabated. All this problems has been attributed to the government interference and limitation to the functioning of the public agencies. 3

It may be argued that the above mentioned problems are as much due to the failure of the private sector as that of the public sector. Often the private agencies use the loopholes in the functioning of the public agencies for maximising their own benefits. The criticism should therefore be directed not merely against the policy of intervention but to inadequate intervention. In the present study an attempt would be made to see the reasons behind the failure of the public intervention in the urban land market.

Rakesh Mohan 4 in his studies has however favoured the role of the government as a facilitator, and criticised public intervention on the count of unrealistic policy measures. He has cited the examples of successful performance of the public agencies in Pune and Calcutta where the
<table>
<thead>
<tr>
<th>Group</th>
<th>Rural Male</th>
<th>Rural Female</th>
<th>Urban Male</th>
<th>Urban Female</th>
<th>Total Male</th>
<th>Total Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Workers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Cultivators</td>
<td>22885</td>
<td>1877</td>
<td>8013</td>
<td>521</td>
<td>30898</td>
<td>2389</td>
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<tr>
<td>2. Agricultural labourers</td>
<td>15154</td>
<td>2220</td>
<td>6810</td>
<td>1011</td>
<td>21964</td>
<td>3231</td>
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<tr>
<td>3. Mining, Quarrying, Livestock, Forestry, Fishing, Plantations, etc</td>
<td>7385</td>
<td>1036</td>
<td>16117</td>
<td>1528</td>
<td>23502</td>
<td>2564</td>
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<tr>
<td>4. Household industries</td>
<td>4374</td>
<td>384</td>
<td>32805</td>
<td>4225</td>
<td>37179</td>
<td>4609</td>
</tr>
<tr>
<td>5. Manufacturing (other than household)</td>
<td>53175</td>
<td>4180</td>
<td>603772</td>
<td>28036</td>
<td>656947</td>
<td>32216</td>
</tr>
<tr>
<td>6. Construction</td>
<td>22713</td>
<td>1343</td>
<td>190131</td>
<td>17384</td>
<td>212844</td>
<td>18727</td>
</tr>
<tr>
<td>7. Trade and commerce</td>
<td>35531</td>
<td>1105</td>
<td>635543</td>
<td>37435</td>
<td>671074</td>
<td>38540</td>
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<td>8. Transport, Storage</td>
<td>25010</td>
<td>316</td>
<td>211847</td>
<td>9317</td>
<td>236857</td>
<td>9633</td>
</tr>
<tr>
<td>9. Other services</td>
<td>66099</td>
<td>8077</td>
<td>703603</td>
<td>187415</td>
<td>769702</td>
<td>195492</td>
</tr>
<tr>
<td>Total workers</td>
<td>252326</td>
<td>20538</td>
<td>2408641</td>
<td>286872</td>
<td>2660967</td>
<td>307410</td>
</tr>
<tr>
<td>B) Marginal Workers</td>
<td>901</td>
<td>2624</td>
<td>4517</td>
<td>4042</td>
<td>5418</td>
<td>6666</td>
</tr>
<tr>
<td>C) Non Workers</td>
<td>271829</td>
<td>400801</td>
<td>2217298</td>
<td>3550255</td>
<td>2489127</td>
<td>3951056</td>
</tr>
<tr>
<td>Grand Total (A+B+C)</td>
<td>525056</td>
<td>423963</td>
<td>4630456</td>
<td>3841169</td>
<td>5155512</td>
<td>4265132</td>
</tr>
</tbody>
</table>

participation of the beneficiaries" in the planning process has been very high. He further points out that the target to be achieved by the public agency should be a feasible one. Hence it would be worthwhile to study the household's propensity to consume on housing and their affordability before planning the shelter programme. He has also suggested that no public agencies would be able to be succeed with its shelter programme until it has the capacity to generate funds internally. Implicitly he was thus very critical of the DDA's activity as it was heavily dependent on the government funds. Kiran Wadhwa, in her studies relating to the urban land ceiling Act in Ahmedabad, has criticised large scale public intervention whereby the government emerges as the major speculator and monopolist in the land market. But she however justifies the role of the Government in determining the land use pattern in an urban area. She argues that the total physical supply for all the uses is fixed but the economic supply can be increased by making more intensive use of land. Again for a particular use, even the physical supply is not fixed because supply of land can be increased by transforming land use of some other categories, for e.g. land for residential use can be, after a period of time, transformed to commercial use. But transforming land use often have negative repercussions on the neighbourhood as a whole for e.g. a factory being located in a residential area. Given these problems, she feels that the governmental intervention through zoning, building by laws and taxation would be necessary for healthy urban development.
The studies on land market thus clearly show that there are serious disagreements on the role of public intervention in the land market and their efficacy in catering the urban poor. Most of the debates raised in the controversy are empirical to which often ideological answers are being provided. An indepth analysis of the functioning of the Delhi model should give us an empirical insight into the problem of public investment in a semi-regulated land market. It would also enable us to identify the changes that must be brought into the future of the public administration to fulfill the social objective of equity and growth.

**Emerging Research Questions**

The scholars reviewing the performance of different metropolitan Development authorities on Urban Land Management in India have come to the conclusion that a higher degree of public intervention restricts the supply of land and housing in the market and does not achieve the avowed socio-economic objectives. It has also been argued in recent years that the role of the public agencies as a facilitator and simultaneously the involvement of the people in the planning process have produced better results. It is in this context that the performance of the Delhi Development Authority has been evaluated in this study.
The urban land market in Delhi makes an interesting analysis because, (a) it is the only city where large scale public intervention has taken place and (b) it is the first city where bulk acquisition policy was introduced to bring about equitable distribution of land in the urban sector.

But public intervention, here, have failed both to (a) check a steep rise in land prices and (b) provide low-priced land to the economically weaker sections of the society, adequately. It would therefore, be interesting to analyse critically the experience of 33 years of public intervention in the shelter market.

The issue of urban land acquisition and compensation has often been criticised on the ground of tardy modus- operandi adopted by the Administration a number of studies including that of Jha (1883), have pointed out that there is an alarming gap between the land acquired and developed as well as the land developed and disbursed. They have shown that the acquisition process of land, in practice, in Delhi has been unduly cumbersome and costly causing excessive delay in plan implementation and created supply constraints. This has again given impetus to speculation in land market.

In case of land acquisition, the common grievances has been the low rate of compensation for the compulsory nature of acquisition - so far, no amount
of revision of the governmental rate has been able to satiate the affected persons. It has been pointed out that against the minimum fair price of Rs 4.65 lakhs/acre (1990) as announced by the government, land in the free market at Bijwasan and Chattarpur is being sold at Rs. 20 lakhs to 1 crore (10th May 1990 TOI). The emphasis of public criticism therefore, has been on the compensation amount. The other important research question in context of land acquisition that has often been ignored is the delay in payment of compensation amount. A CAG report on the "Land and Building Department" of Delhi Administration in 1991 revealed that the authority incurs heavy expenditure amounting to crores in paying interests for delayed payments.

From the above review of literature it emerges that though extensive research has been done in the subject of bulk acquisition and the issues of compensation amount, not much emphasis has so far been placed on deciphering the method adopted for determining land prices for compensation. A study to find out the reasons behind delay made in payment of compensation in the legal and procedural context is also wanting.

Thus in the second chapter the focus is on the modus operandi of the functioning of the land acquiring authority with particular reference to the legal frame work viz. the Land Acquisition Act (1897). The procedure actually followed by the Administration which are often not explicity stated needs to be
examined by using information available in court orders, Delhi Administration records etc. obtained from the Administration. The issue dealt with are (a) the basis of determination of compensation and the reasons behind the grievances of the affected persons viz. large number of court cases demanding enhanced compensation. (b) the reasons behind the extensive delay in executing the Land Acquisition procedure and (c) the performance of the authority in acquiring land by implementing the Land Acquisition Act. Alongwith this a step-wise description of the acquisition procedure has been presented to understand the modus- operandi of the authority and the loopholes that lies there in.

Method of disposal of urban land for varying purpose has an important bearing on the regulations in practice to control urban development. Herold Dunkerley, has observed that - "In cities in developing countries, where the pressures on land are strong and administrative capacity low, it is to be expected that strong restrictions on land- use will tend to be circumvented. This increase the need to consider packages of controls, taxes and investment policies and programmes that are consistent with the real prospects for implementation and take account of both the long term and immediate position."

Land management programmes in different urban areas practiced in India have produced mixed results. While 'Land sharing' in Hyderabad and 'plot reconstitution scheme' in Gujarat and Maharashtra seem to have
produced better results the implementation of urban land ceiling and regulation act in Ahmedabad or the "Delhi model" of bulk acquisition, development and disposal are noted to have limited the land supply. It may however be argued that the former programmes were carried out in smaller scales, contrary to the massive efforts in Ahmedabad or Delhi. Another important observation could be that while in the former programmes participation of the beneficiaries was substantial in the latter cases restrictive and total state control was practiced. It is however argued that despite state intervention with the objective of providing housing to the economically weaker sections the urban poor stood to be marginalised with very limited access to urban land and housing.

The hypothesis that urban land management policies and land-use regulations in developing countries are elitist and are dictated by the political and economic power blocs is progressively being supported by empirical evidences. Tapan Banerjee while studying urban poverty has noted that "urban deprivation is a product of cumulative process of cornering all urban services by the class that has access to both political and economic power. Urban poverty has therefore to be seen in the context of an entrenched social process that continually marginalises certain groups who are deprived of access to urban resources."
Table 2

Expenditure on various sectors during Seventh Plan, 1991-92 & 1992-93

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<thead>
<tr>
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<tbody>
<tr>
<td>1. Energy</td>
<td>83,886.28 (31.9)</td>
<td>22,374.15 (27.3)</td>
<td>27,500.00 (29.9)</td>
</tr>
<tr>
<td>2. Transport</td>
<td>36,368.92 (13.8)</td>
<td>12,700.38 (15.5)</td>
<td>13,200.00 (14.3)</td>
</tr>
<tr>
<td>3. Water supply and sanitation</td>
<td>32,662.08 (12.4)</td>
<td>13,513.42 (16.5)</td>
<td>13,200 (14.3)</td>
</tr>
<tr>
<td>4. Housing</td>
<td>12,206.65 (4.6)</td>
<td>3,096.20 (3.8)</td>
<td>2,500.00 (2.7)</td>
</tr>
<tr>
<td>5. Urban development</td>
<td>31,166.39 (11.8)</td>
<td>10,482.72 (12.8)</td>
<td>11,700.00 (12.7)</td>
</tr>
<tr>
<td>6. Nutrition</td>
<td>2,372.41 (0.9)</td>
<td>507.91 (0.6)</td>
<td>700.00 (0.8)</td>
</tr>
<tr>
<td>7. Medical Health services</td>
<td>20,720.46 (7.9)</td>
<td>4,935.61 (6.0)</td>
<td>6,500.00 (7.1)</td>
</tr>
<tr>
<td>8. Other sectors (agriculture, rural development, industry, education, PWD etc)</td>
<td>43,764.11 (16.7)</td>
<td>14,304.78 (17.5)</td>
<td>16,700.00 (18.2)</td>
</tr>
</tbody>
</table>

Total                                             263,147.04 (100) | 81,915.17 (100) | 92,000.00 (100) |


Note: Figures within brackets are percentages of the total outlay/expenditure.
In the third chapter we shall analyse the urban land management policy of DDA which exercises considerable control on urban land. Here, the administrative set-up of the authority, the Delhi Master Plan as well as the rules and regulations governing the urban land will be studied.

A DDA survey reveals that every year an additional 80000 house-holds are added to the city's population of which 20% to 30% belongs to very low income group who cannot afford ownership or rental housing. It has been estimated that approximately 89% of households in Delhi would fall under the categories MIG, LIG and EWS. According to official classification specified by DDA, the upper limit of income for the MIG category Rs. 1500 per month. The cost of the dwelling units ranges between Rs. 1500 and Rs. 2000 per sq mts. Thus, households in the MIG category only can barely afford the cost at the present rate. However, the EWS and LIG put together constitute approximately 42% of the households earning Rs. 700/- per month. They would clearly find it difficult to pay for shelter. Coupled with this is the fact that the delay in base construction by DDA results in significant cost escalation which adds on to the repayment burden.

In view of this it would be interesting to study the salient features of the procedures of allotment of land to different income categories. Such an analysis will give significant clues to determine the areas of difficulties faced by the
In the fourth chapter we investigate how far the public policies regarding distribution of land to different land-use categories adhere to the avowed objective of equity. To what extent the distribution policies protect the vulnerable sections of the society from being priced out of the shelter market will be interesting to study. The analysis endeavours to find whether the urban elites are actually benefiting from the public policies of urban land.

In the Delhi Urban land policy it was decided that the land stock would be auctioned to the HIG and allotted to the MIG and LIG in the ratio 20:30:50. This land distribution policy was supported by a Resolving fund with a seed capital of Rs. 5 crores. Jha has observed that though the Revolving Fund has grown spirally it has contributed little to subsidise the urban poor. In other words the earnings from land auction could not be successfully diverted to cross-subsidise the LIG/MIG plots disbursed at a concessional rate.

In this context, the fifth chapter makes an empirical analysis of distribution of plots/flats by the DDA. A measure of temporal and spatial distribution of plots/flats is important to find out (a) whether the DDA has been able to execute regular supply of plots/flats in the shelter market, and (b) whether
there has been a random supply of plots/flats over space or there has been any spatial bias in the supply of plots/flats.

It has been pointed out by Saini and Rakesh Mohan that in the micro-level, both physical and socio-economic neighbourhood qualities influence land prices. The determinants of land value are listed as follows:

a. accessibility of site to customers.
b. effective distance from core.
c. number of competitors, their location and the intensity with which they bid for sale.
d. proximity of land, devoted to a use or a number of uses.

This consideration becomes important when the public agency considers land as a resource and consequently on important revenue earner. In the absence of the abovesaid consideration along with other macro-level factors controlling land prices there is an obvious tendency of urban resource being unevenly distributed within the income groups.

In his study Darin Drabkin observed that the increase of service sector employment is the recent feature of urbanisation. He has emphasized that besides the population growth and dispersed industrial location, the concentration of service employment in the cities and towns forced the
authorities to bring out important changes in the land-use pattern. This has mainly occurred in terms of changes of land-use from agricultural to urban use. And the price of the land put to alternative use would change according to the availability of advantages/infrastructure available as well as expected in the area.

The above studies tend to suggest that pricing of urban land by any urban development authority would be a complex and challenging job. Urban land prices depend on both economic indicators such as distance of the locality from the city centre, as well as various other social indicators such as the composition of the residents of the locality. Thus a locality further away from the city centre habited by the higher income group exclusively may have a higher land price than a locality nearer to the city centre characterised by a mixed residential settlement. These situations are further complicated in case of a multi CBD city like Delhi.

Public pricing of urban land however contains various other components. It takes into account, for instance cost of land development in case of supply of acquired rural or semi-urban land in the urban land market. Cost of land acquisition and cost of area development are other components taken into account for pricing urban land. Then there are components of subsidy included in the pricing mechanism to accommodate the targeted groups of the society.
However in reality public investment incurred in a locality along with neighbourhood quality actually determines the attractiveness and consequently the land price of a locality. Thus uneven distribution of social amenities over space would violate the socio-economic objectives which is often in contrary to public policy.

*It is in this backdrop that the land pricing mechanism of the DDA has been studied in chapter six.* The objective is to find out (a) to what extent these groups of the population is subsidised, (b) whether there is an equitable distribution of subsidy among the targeted group in the population and (c) whether the development projects undertaken by the DDA are cost-effective or not.

*Finally in Chapter VII a summary and conclusion of the entire study has been made.* Basically these are conclusions that has emerged from the independent chapters but some of the conclusions have emerged by inter-relating the findings of the different chapters.
Notes


6. A world bank report has made the observation that tedious and bureaucratic land adjudication process is characteristic of most developing countries including India. In Peru, for example, land adjudication process of state lands takes 43 months, moves through 207 bureaucratic steps and involves 48 different government offices. Land Registration process in Cameroon, for instance, takes 2 to 7 years as a result of which only 6% of an estimated 1.6 million urban plots in that country is actually registered. It was also observed that only 20% of the urban plots were demarcated and titled; lack of proper records and cadastral maps denied a clear picture of the land tenure system. Many more examples from Ghana, Cuba and Pakistan drives home the point that the state machinery and the administrative set-up are largely responsible for putting the philosophy of "state control in land market" in a doldrums - Urban Management Programme/World Bank Nov. 1991.
