

Urban Policy Dialogues 2021

Role of the Urban in Post-COVID Recovery

23 November 2021 | Virtual Convening | <https://iihs.co.in/iihs-events/urban-policy-dialogues-2021/>

About Urban Policy Dialogues

Urban Policy Dialogues (UPD) is one of the annual flagship events of the Indian Institute for Human Settlements which brings together policymakers and practitioners from government and private sector, academia and civil society members in a conversation around cross-sectoral, current, and pressing policy and implementation issues of the country. The first iteration of the UPD was held in 2014, as the second generation of India's flagship urban policies were being formulated. UPD 2021 was the 7th edition and was held virtually.

Background: Role of the Urban in Post-COVID Recovery

The COVID-19 pandemic has wreaked havoc across India, deepening poverty, inequality, and structural vulnerabilities. This underscores the need to re-examine past development choices and strive for healthy, sustainable, and inclusive cities, urban areas, and rural communities. UPD 2021 placed the urban as central to new imaginations of post-pandemic futures and many reconfigurations of policy and practice to realise them.

UPD 2021 was anchored around the overarching question of 'The Role of the Urban in Post-COVID Recovery'. It did so by focusing on three themes: resilient infrastructure; inclusive water and sanitation; and land and housing. These thematic entry points were used to enable discussions on potential post-COVID recovery pathways and how urban areas could contribute to them.

Thematic Panels and Session Notes

Session 1: Role of the Urban in Post-COVID Recovery

India's post COVID-19 economic recovery agenda should prioritise sustainable job creation, strong social safety nets, resilient infrastructure development, and green housing and buildings, and commit to addressing social, regional, and spatial inequalities. Given the concentrations of people and economic activity they represent, cities and urban regions need to be key sites for such recovery processes and outcomes. A range of institutional and financing issues will need to be engaged with to unlock the urban's potential to heal and transform. The panel reflected on:

- potential sectors/ intervention themes that offer the richest possibilities for inclusive, sustainable recovery.
- the potential role of national, state, parastatal, and local urban institutions, and private and civil society organisations in planning, financing, and realising recovery; and,
- institutional and regulatory pathways that could facilitate and coordinate synergistic, multi-sectoral interventions at the city-level.

The following issues were discussed during the session:

1. **Availability and quality of data on urbanisation:** Since national and global data indicate that urbanisation is an engine of growth, credible and updated data is needed on the scale, pace, and character of urbanisation, infrastructure availability and service quality in urban areas, and the demographic, economic, social, and environmental implications of these in various geographies and size-classes of urban centres.

There were several city-level experiences during the pandemic in India that have demonstrated the value of near real-time data. Technology was quickly mobilised to generate reliable data for tracking infected individuals and likely spreader events, identifying hot spots, planning relief measures and vaccination drives.

2. **Potential role of urban local bodies (ULBs) in realising recovery goals:** While it was acknowledged that ULBs have a potentially important role to play in realising recovery goals, two major inhibiting factors were identified. Colonial-era laws on which ULB mandates continue to be based allow them limited scope for intervening in key areas

such as employment generation. The contrast this represents with the remit of rural local bodies was pointed to.

Moreover, ULB finances are challenged, dependent on often-tied central and state assistance and offering little latitude to respond to local circumstances. Options mentioned to address the issue included property tax reform, allocation of a proportion of Goods & Services Tax (GST) resources to ULBs, and mandatory tabling of state finance commission reports in state legislatures. The rural-urban distribution of 15th Central Finance Commission (CFC) grants - gradually increasing from 67:33 in 2021-22 to 65:35 in 2025-26, in recognition of the country's urbanisation trajectory - was welcomed.

- 3. Special attention to informal sector workers and migrant populations:** A range of social protection measures are needed for informal sector workers and migrant populations, segments of the population whose livelihoods have been severely impacted during the pandemic and among who the challenges in accessing education and healthcare services have been most concerningly manifest.

While the 15th CFC grants for health were recognised as a welcome recommendation, a case was made for land and housing sector reforms that offer security and incentivise asset creation among poor and vulnerable groups (also allow scope to reboot cities in a more equitable manner), universalising documentation that protects their identities and enables access to social security schemes and promoting and institutionalising platforms for articulating and negotiating their agendas. The setting up of a Commission for Migration that can strategise and bring together multiple strands of engagement needed with migrants' issues was another idea discussed.

- 4. Micro-governance:** The absence of a Gram Sabha-like arrangement in urban centres and the current state of Ward Sabhas has implications for participatory urban governance. Micro-governance, where community-based organisations and resident welfare associations (RWAs) are formally recognised and empowered to partner ULBs and other public institutions in planning, implementing, and managing development initiatives, was argued for in this backdrop.

Key takeaways

- ULBs have an important role in managing post-Covid recovery. They will need more empowered mandates and finances to realise their potential.
- Urban recovery from COVID-19 requires recognition of informal and migrant workers and their struggles to access resources, particularly land and housing, basic services and social security schemes. ULB mandates need to provide for clear and meaningful roles in the employment, health, and education domains for this to be realised.
- Micro-governance and community-based governance need to be carefully developed and formalised to be effective and inclusive and ensure participatory urban governance.
- COVID-19 witnessed a massive digital transformation to deal with critical consequences of the pandemic. This could be leveraged to create more robust public data systems on urbanisation.

Session 2: Realising Resilient Urban Infrastructure: Possibilities and Challenges

India will witness significant urban infrastructure investment in the coming years. This will be critical for economic growth, improving living conditions, and meeting post COVID-19 recovery goals. Attention to building resilience is necessary to ensure that these gains are not fragile and that investments made deliver on other important goals of inclusive development, deep decarbonisation, and transformative climate adaptation, thereby serving as a pivot for transitioning to a more resilient economy and society.

Enabling resilient infrastructure will require improved understanding of risks, shocks, and stresses, the dense physical and procedural interconnections within urban infrastructure systems, and the potential synergies between spatial planning, economic development, infrastructure financing, and urban governance. Given this context, this panel discussed:

- the multi-level governance architecture needed to promote resilient infrastructure;
- policy priorities, areas of institutional capacity development, and other measures needed to mobilise financing for resilient infrastructure; and,
- ways to promote breakthrough innovations and technologies to deliver resilient infrastructure.

The session began with a reflection on the changing nature of climate and the state of urban infrastructure and three building blocks to risk governance:

- Data availability and analytics at the local level, which, in turn, impacts community awareness and constrains democratisation of risk information
- The need for reduction in vulnerabilities and improvement in capacities of people and systems, which will allow them to prepare and recover from disasters, as well as enhance their overall resilience.
- Limited public demand for resilient infrastructure, with expectations restricted to immediate relief responses and saving lives and not scaled up to limiting disruptions to life and livelihoods.

The discussion then moved on to experiences of bringing resilience and infrastructure development together and about how to develop institutional capacities. There is not only a need to broaden the framework for resilience to address multiple challenges including disasters, climate change impacts, and the pandemic, but to also extend it to basic service delivery. Integrated institutions for service planning and delivery were needed and this could be achieved by pivoting existing institutions and leveraging existing central schemes and the 15th CFC grants.

The discussion on evolution of urban infrastructure development and the role of the private sector dwelt on the need for:

- More thorough infrastructure demands assessment
- Greater continuity in project development and management
- Decentralised standards that allow for modifications by the states
- Better design capacities and knowledge transfer
- Capacity building of the public sector which could raise the bar for the private sector which has, consciously or otherwise, kept capacities only a notch or two above the public sector

Key takeaways

- Infrastructure resilience does not pertain to disasters alone but also to the quality of service delivery during a disaster and business as usual.
- Local data availability, improved arrangements for infrastructure provision and service delivery, and community demand for resilient infrastructure are the building blocks of risk governance.

- Creation of a core institution alongside memoranda of understandings and associations can address institutional fragmentation and foster planning and operational linkages between multiple institutions.
- Capacity building in institutions at state and urban levels is critical to translate resilience building plans to action. Improved public sector capacities will raise the bar for the private sector.

Session 3: Water and Sanitation: Towards Inclusive Service Delivery

The recently announced AMRUT 2.0 and SBM Urban 2.0 offer an opportunity to sustain the investment and reform momentum that earlier incarnations of the two Missions have created. A familiar set of issues will need continuing attention: resource governance and management; service quality, pricing, and local government; and community engagement.

The urban poor face challenges of affordability, tenure, and inadequate agency in accessing quality services. Differences across states and town size classes require nuanced appreciation of resource and institutional contexts and adaptation of implementation approaches. Safety, dignity, and working conditions of workers engaged in the sector, particularly informal sanitation workers, has been a long-standing concern. Hence, achievement of sectoral goals will be critically determined by inclusion and near-universal access. This panel:

- reflected on experiences and lessons from efforts to service and empower the urban poor, respond to the unique challenges in under-served geographies, and address workers' circumstances; and,
- discussed ways forward both within and beyond the Missions' frameworks and the role governments, civil society and private sector formations, and urban communities can play in realising these.

The session began with a discussion on both phases of AMRUT and how the policy frame captures inclusivity. Two inclusive aspects of the AMRUT 2.0 frame were pointed to: (a) the Mission's thrust on universalising piped water coverage to all households in all urban centres; and (b) the Mission's accent on engaging with a range of stakeholders including state and local governments, the private sector, research and academic institutions, and civil society, particularly on the more challenging aspects of water resource planning and management it has prioritised.

The next set of discussions focused on Chennai's experience with environmental services delivery. AMRUT 2.0 and SBM-U 2.0 were seen as opportunities to address core issues around

water resource management including source rejuvenation, sanitation particularly for the poor, and solid waste management that the city faces.

The discussion on Kerala's recent experiences with disasters – the floods of 2018 and 2019 and the pandemic – acknowledged how disasters can undo progress made, particularly in a potential climate refugee state, and the role of frontline sanitation workers in ensuring that services are satisfactorily delivered, and disruptions are managed. The challenges faced by women workers, particularly related to income and working conditions, were recognised. Addressing these would fundamentally require reimagining the role of women sanitation workers.

Urbanisation has not taken place in an equitable manner, resulting in a dire lack of basic services, particularly in larger cities. Given the rapid pace of India's urbanisation, a strategic choice must be made on how such urbanisation can be managed. This includes contemplating systematically planning for growth in smaller towns and strengthening their systems and services accordingly. Basic services are to be provided to all, irrespective of housing tenure security and can be priced because people who live "beyond the pipe" pay much more than those with assured water supply. Pricing a service also allows people to demand accountability from officials and enables them to step away from the "beneficiary" role, where they feel disenfranchised.

Key takeaways

- Inclusion begins with policy design. This must be reflected in targeted outcomes and programmatic processes.
- Decentralised solutions are needed for water and scaling of models for water reuse.
- A reimagination of sanitation workers' roles (and the roles they play, particularly in disaster scenarios like the pandemic, climate change events) is required.
- Local bodies should ensure that sanitation workers are adequately remunerated and enjoy safe and dignified working conditions.
- Planning for development and better infrastructure in smaller towns and strengthening public utilities, both in terms of finances and personnel capacities, needs to be prioritised.
- Paying for services enables ownership and empowers users to demand accountability. It is not necessary to provide services for free.

Session 4: Land and Housing: Key Developments and Future Directions

Land and housing are important drivers for post-COVID recovery. Land management is critical to ensure that cities and regions best utilise their economic and development potential, by provisioning for sustainable use, development of resilient infrastructure, enabling revenue buoyancy for local bodies, and ensuring tenure security and housing for the poor.

Housing investments present an opportunity for realising secure, affordable, healthy, and dignified living conditions, especially for the poor and the most vulnerable. While updated and well-documented land rights have a role to play in this, there is a strong case for complementing affordable housing construction with housing upgradation and rental housing programmes and improved regulation of real estate activity. The panel discussed:

- ongoing efforts to improve land information systems and how they can potentially contribute to better planning and local bodies' revenues and address housing and tenure security issues among the urban poor;
- experiences of regulating real estate sector activity, especially in relation to opportunities and challenges in promoting and regulating affordable housing; and,
- the role of housing upgradation and rental housing in realising Housing for All and whether there is a need for greater policy and institutional thrust on these.

The session began by examining how the impacts of shocks such as the one caused by the pandemic can be mitigated, using the example of the JAGA Mission. It focused on the economic importance of slum dwellers and their rights to the city and right to dignity of life. The implementation of Housing for All and access to land rights need to go hand in hand.

The conversation then moved to the possibility and need for a national standard coding system using the example of the 15-digit Unique Property Identification Code (UPIC) which has been implemented in rural Uttar Pradesh. While modifications are needed to adapt it for urban areas, it has the potential to be replicated across states and municipal bodies and provide transparency.

The impact of town planning processes, housing policies, and land ceiling regulations in addressing the systemic issues that plague land and housing was discussed. The duality of formal and informal settlements within any city, the regulatory framework and market dynamics that lead to it, and the implications of such a duality were highlighted. The housing needs of a large section of the city is catered only via the informal economy and an

unregulated market and has been outside the activity of the Master/Development plans. Regulation of the real estate sector via RERA has led to some market correction in Maharashtra in terms of affordable dwelling unit sizes for end-users but a lot remains to be achieved.

Housing programmes have largely focused on house ownership; rental housing has been only recently emphasised and needs to have a sturdy regulatory framework. Private sector participation in creating rental housing complexes, and demarcation of affordable housing zones in Master Plans can be a way forward.

Key takeaways

- There is a need for a national unique property identification system with a uniform code that is standard and accepted across all states. This will help in easier interlinking of existing databases and enable transparency in land information management..
- Housing policies have for long focused only on ownership and individual titling with little emphasis on rental housing. For the Model Tenancy Act to be successful, a strong regulatory framework needs to be brought to recognise all kinds of tenancies.
- Abadi land proves to be a much more complex area to intervene in where land rights are fluid, and formalisation must be carefully thought out. It would be useful to learn from best practices and other states.
- Community participation and empowerment is important for schemes to be successful. Necessary safeguards need to be in place so that elite capture is avoided.