

12. URBAN DEVELOPMENT

Urban population has steadily been increasing through time - it rose from 90 lakhs in 1961 to 272 lakhs in 2001. A steadily increasing trend in urban population is portrayed in the table below:

Table – 1: Trend in Urban Population

Year	Persons	Rural	Urban
1961	3368953	24696425 (73.31)	8990528 (26.69)
1971	41991168	28734334 (68.42)	12464834 (29.68)
1981	48408077	32456202 (67.04)	15951875 (32.95)
1991	55858946	36781354 (65.85)	19077592 (39.15)
2001	62110839	34869286 (56.14)	27241553 (43.86)

*Figures in parenthesis indicate percentage to total.
Source: Director of Census Population.*

A comparison of the degree of urbanisation process in Tamil Nadu with that of All-India shows that the degree of urbanisation is greater in Tamil Nadu compared to All-India. Whereas at the national level the urbanisation rate had increased from 17.97 per cent in 1961 to 23.34 per cent in 1981 and further to 27.78 per cent in 2001. Given the increasing level of urbanisation, urban development presents both challenges and opportunities.

There are two schools of thought regarding merits and demerits of increasing urbanisation. One school of thought contends that rapid growth of urban population may be treated as *engine of growth* due to the fact that the city has bustling formal and informal sectors and their contribution to the economy is substantial in terms of diversification of occupations away from traditional land - based ones to newer forms of production and services. Besides these, urban area has vast tax potential. Another school of thought views that urbanisation leads to mushrooming growth of cramped neighbourhoods, slums, traffic congestion and snarls, environmental hazards and pressure on existing civic amenities. As a result, compulsion for providing additional funds for creation of economic and social overheads is imminent, but has to reckon with resource constraints, increasing pressure on urban financing and above all the challenge of maintaining, provisioning and delivery of services besides collecting user charges.

1. Urban Poverty:

Poverty is symptomatic of inadequate economic development. The urban poverty was 49.40 per cent in 1973-74, 39.77 per cent in 1993-94 and 22.11 per cent in 1999-2000. Though it has steadily been decreasing through time it is high in urban areas than in rural areas. Various types of vulnerability are shown in Box - 1.

Box
Types of Vulnerability of the Poor

Housing Vulnerability:

Lack of tenure, poor quality shelter without ownership rights, no access to individual water connection / toilets, unhealthy and insanitary living conditions.

Economic Vulnerability:

Irregular / casual employment, low paid work, lack of access to credit on reasonable terms, lack of access to formal safety net programmes, low ownership of productive assets, poor net worth, legal constraints to self-employment.

Social Vulnerability:

Low education, lack of skills, low social capital / caste status, inadequate access to food security programmes, lack of access to health services, exclusion from local institutions.

Personal Vulnerability:

Proneness to violence or intimidation, especially to women, children, the elderly, disabled and destitute, belonging to low castes and minority groups, lack of information, lack of access to justice

2. Urban Local Bodies:

The 74th Constitutional Amendment 1992 was passed in order to ensure decentralisation and creation of democratic governance structure. Because of this the Urban Local Bodies are acting as institutions of self-government. The Constitutional Amendment stipulates regular elections, a clear tenure of 5 years for the elected body, protection against arbitrary dissolution, constitution of State Finance Commission to review municipal finances and make recommendations regarding distribution of revenue of the State taxes between the State Government and Urban Local Bodies. This Amendment also contemplates setting up of the District Planning Committees and Metropolitan Planning Committees for mapping up resources, sizing up the resource requirements for the Urban Local Bodies and prioritising the development works in urban areas. According to 2001 Population Census, total number of Urban Local Bodies stood at 832 six corporations, 104 municipalities, 611 town panchayats and 111 Census towns.

In 6 municipal corporations, there are 29 councillors of which 46 are SC/ ST, 26 are SC/ST women, 185 women and 372 unreserved. In the case of 102 municipalities (13 Special Grade, 28 Selection Grade, 36 First Grade, 25 Second Grade) Councillors totalled 3392. The composition of the above mentioned categories of people are 226, 161, 972 and 2031.

The grade-wise classification of 102 Municipalaiaties is shown below:

Table - 2 : Classification of Municipalities - By Grade-wise

Grade	No. of Municipalities
Special Grade	13
Selection Grade	28
I Grade	36
II Grade	25
Total	102

Source: Policy Note on Administration of Urban Local Bodies, Corporations, Municipalities Town Panchayats and Water Supply 2003-04.

3. Finances of Corporation and Municipalities:

As per the recommendations of Second State Finance Commission Report the total financial requirements was sized up at Rs.2428 crores - Rs.803 crores for town panchayats, Rs.650 crores for municipalities and Rs.975 crores for Corporations. Table below highlights investment requirement for taking up various economic activities in urban areas:

Table-3: Recommended Capital Investment for Urban Local Bodies 2002-2007
(Rs. in crores)

Item	Town Panchayats	Municipalities	Corporations
Water Supply	403	210	109
Sewerage and Sanitation	8	56	108
Roads	80	150	296
Storm Water Drainage	160	72	177
Street Lights	16	39	21
Solid Waste Management	16	26	69
Investments		32	49
Others	120	65	146
Total	803	650	975

Source: Second State Finance Commission Report, Tamil Nadu.

The State released Rs.398.08 crores to the Urban Local Bodies in 2002-03. A policy decision was taken to release the amount on a monthly basis. Pattern of devolution of grants to Urban Local Bodies from the State would be as follows

Financial Devolution	87%
Reserve Fund	2%
Incentive Fund	5%
Equalisaton Fund	6%

Meeting the development needs of 2.72 crore urban population is a challenging one. The Urban Local Bodies are making sustained efforts for ameliorating the social and economic conditions of urban people. Major functions of the Municipalities and Corporations are: revenue collection, formation of roads, restoration of damaged roads, permanent repairs to roads, desilting of storm water drains and the waterways, construction Water Harvesting Structures, solid water management, work of conservancy, "*pay and use*" public latrines, provision of water supply, street lights and sanitation, creation of housing stock etc.

These multifarious functions require enormous amount of resources to finance the development process. The nub of the financial problem is that there is an imbalance between the quantum of revenue and expenditure. Property Tax is the most important source of revenue to the Urban Local Bodies. Receipts from this source alone accounted for 33.10 per cent of their own resources. Lack of buoyancy of resources and limited scope for broad-basing of taxes collected etc., strain the fiscal conditions of the Urban Local Bodies.

Table – 4: Revenue and Expenditure of Corporations and Municipalities
(Rs. in Crores)

Type of Urban Local Bodies	2001-02		2002-03	
	Receipts	Expenditure	Receipts	Expenditure
Corporations (5 Corporations)	412.04	436.70	374.16	390.95
Municipalities	535.02	531.18	607.70	618.03

Source: Policy Note on Administration of Urban Local Bodies, Corporations, Municipalities Town Panchayats and Water Supply 2003-04.

According to the recommendations of the State Finance Commission, the Municipalities and Corporations received a sum of Rs.398.08 crores in 2002-03. In addition to this, financial devolution from the Government of India was Rs.25.53 crores in 2002-03 as per the recommendations of 11th Central Finance Commission. This fund is being utilised to maintain civil services, primary education, health care, safe drinking water, street lights, sanitation and other civic services.

4. Town Panchayats and their Finances:

A glance at the composition of members of the Town Panchayats shows that out of 9794 elected Councillors, 864 are SC / ST people, 819 SC / ST women, 2446 women and 5665 unreserved.

Property tax is the back-bone of the Town Panchayats. There is still scope for making the flow of resources broad-based, uniform, equitable and elastic to keep up with increased property values. By way of matching grant from the Incentive Funds of State Finance Commission, incentives are being given to best-performing towns.

The receipts of town panchayats and expenditure stood at Rs.706.98 crores and Rs.711.24 crores leaving a deficit of Rs.8 crores. Own resources constituted Rs.31.18 crores.

The Government had allotted Rs.219.91 crores as per the recommendations of the State Finance Commission in 2002-03. The Government of India released a sum of Rs.13.53 crores in accordance with the recommendations of the XI Central Finance Commission.

5. Development Initiatives:

The slum population constitutes about one-fifths of the total urban population. The slums are often characterised by low physical quality of life, high morbidity and mortality rates and degradation of environment and ecology. The dehumanizing effects of poverty

and squalor are more striking. As a result, the solution to the economic problems of slums becomes intractable. This requires massive investment besides calling for a multi-pronged development strategy propelled by pragmatism and following a holistic approach in the formulation of plans and its implementation.

5.1. Rain Water Harvesting:

The growing urban population along with increasing migration coupled with periodical failure of monsoon leave the residents of urban areas unable to get the required supply of water. In order to overcome the water crisis and improve replenishment of water resources, the State is encouraging creation of Rain Water Harvesting Structures in the urban areas. There are 23.35 lakh water harvesting structures in 2002-03. The break-up details are given below:

Table – 5: Achievement in Water Harvesting

Items	Municipalities	Corporations	Town Panchayat
Private Buildings	90982	22067	2033087
Institution / Commercial and Others	5930	495	141300
Government Buildings	5616	1439	3545
Temple Tanks	194	43	--
Lakes / Ponds / Ooranies	136	3	10416
Public Fountain	16571	3089	--
Total	119429	27136	2188348

Source: Policy Note on Administration of Urban Local Bodies, Corporations, Municipalities Town Panchayats and Water Supply 2003-04.

This strategy of conservation is to supplement measures for augmentation of supply from various sources.

5.2. Valmiki Ambedkar Awass Yojana (VAMBAY), 2001:

Objectives of this scheme are facilitating the construction and upgradation of dwelling units for the slum dwellers and providing a healthy and enabling urban environment through creation of community toilets under the Nirmal Bharat Abhiyan. This scheme helps to improve the socio-economic conditions of the poor who do not have adequate shelter. In Municipal towns 525 projects were taken up at the cost of Rs.52.50 crores in 2002-03. Under VAMBAY - Nirmal Bharath Abhiyan scheme construction of Integrated Sanitary Complex are being taken up in order to provide sanitary facilities in urban areas for the benefit of women and children.

5.3. Swarnajayanthi Shahari Rozgar Yojana (SJSRY):

This scheme has in-built provision for self employment and wage employment components enabling the poor to cross the poverty line. This scheme is being implemented in Corporations / Municipalities and Town Panchayats. Under Development of Women and Children in Urban Areas, loan with subsidy is being sanctioned to women for group entrepreneurship. A loan of Rs.3.55 crores and a subsidy of Rs.177 crores were extended to 700 groups covering 7000 women. Loan with subsidy is being sanctioned for individual enterprises under Self-Employment Programme. Loan of Rs.13 crores was

provided with a subsidy of Rs.2.55 crores benefiting 5000 urban poor for having started individual enterprises.

Among the total, 30 per cent of the beneficiaries were women. The programme is being implemented in collaboration with Entrepreneurship Development Programme of Tamil Nadu Corporation for Development of Women Ltd. A total of 10000 urban poor were given training for skill development at Rs.2.30 crores. The training covered a wide range of subjects, like repairing of TV, VCR, motor cycles etc. Creation of basic amenities entailed Rs.17.35 crores in 2002-03. A total of 2.50 lakh mandays were generated under Wage Employment Scheme. The works undertaken were construction of small drain, retaining walls, noon meal centres, ICDS Centres, laying of roads, pathways, low cost latrines, community toilets etc. Cost incurred totalled Rs.2.75 crores in 2002-03.

5.4. National Slum Development Programme: (NSDP):

This scheme has been in implementation in urban areas since 1996-97 with financial assistance from Government of India. The principal objectives of the scheme are to furnish basic amenities such as roads, culverts, water supply, street light, construction of community latrines, integrated sanitation and Rain Water Harvesting in slum areas. In 2002-03 out of the total 19.27 crores a sum of Rs.17.35 crores had been allotted for creation of basic amenities in order to improve the physical quality of life in urban areas. Under Shelter Upgradation Programme a sum of Rs.1.92 crores had gone to upgrade existing houses. Construction of new houses benefited 960 families out of Rs.19.27 crores allotted.

5.5. Tamil Nadu Urban Development Project-II:

The Tamil Nadu Urban Development Project - II enabled the Tamil Nadu Urban Development fund to obtain a loan of Rs.336 crores from the World Bank out of Rs.441 crores. Apart from this, Government of Tamil Nadu has granted a sum of Rs.105 crores with a view to strengthening institutional structure and Integrated Sanitation Programme. It has two components - lending and non-lending. Under Integrated Sanitation Programme 525 sanitary complexes were constructed at Rs.52.52 crores in all the 102 municipalities and 5 corporations.

5.6. Tamil Nadu Urban Development Fund:

Tamil Nadu Urban Development Project is being financed by International Development Agency of World Bank since 1988. Under this programme 181 projects were approved with a cost of Rs.727.89 crores. So far Rs.459.58 crores was sanctioned for taking up 174 projects. The works carried out were creation of civic amenities and solid waste management.

5.7. Tamil Nadu Urban Finance and Infrastructure Development Corporation Ltd.:

It is providing financial assistance to various Government agencies for carrying out infrastructure projects. The projects carried out were water supply, drainage, roads, bridges, fly overs, commercial complexes and various civic amenities. It is acting as a nodal agency for Centrally- sponsored Chennai Mega City Programme and Integrated

Development Small and Medium Town schemes in Tamil Nadu. The Government of India sanctioned a sum of Rs.154.97 crores under Mega City Programmes and approved 68 projects involving Rs.29 crores covering 13 towns under Integrated Development of Small and Medium Towns.

5.8. Infrastructure Development:

A length of 15595 kms., was under the maintenance of Town Panchayats. A total road length of 3391 kms., of mud roads had been converted into black topped roads. The town Panchayats are maintaining 3.14 lakh street lights. These Urban Local Bodies are providing basic amenities, toilet for women and children, creating employment under components of Urban Wage Employment Programme and Urban Self- Employment Programme and the SJSRY, constructing integrated sanitation, solid waste management, integrated development of small and medium towns, etc.

6. Water Supply Position:

Owing to frequent failure of monsoon and rising population, the supply of water is inadequate to meet the requirement. Drinking water is being supplied by all town panchayats. Water supply position in terms of per capita per day in Town panchayats is as follows:

Table – 6: Status of Water Supply in Town Panchayats

Per Capita per day (In litres)	No. of Town Panchayats
Below 20 litres	32
20 - 39 litres	166
40 - 69 litres	289
70 litres and above	124
Total	611

Source: Policy Note on Administration of Urban Local Bodies, Corporations, Municipalities Town Panchayats and Water Supply 2003-04.

Chennai Metropolitan Water Supply and Sewerage Board caters to the growing needs of water supply and sewerage services in Chennai metropolitan area. Chennai Water Supply Augmentation Project I is in implementation to draw, treat, convey and distribute 180 MLD water from the Veeranam to Chennai city at Rs.720 crores. The Accelerated Urban Water Supply Programme aims at the supply of drinking water in urban areas. In 2002-03, ten water supply schemes were cleared at Rs.19.72 crores. For combating drinking water scarcity a sum of Rs.158.41 crores was spent under Calamity Relief Fund. Various works undertaken were sources development, fixing of hand pumps, installation of mini power pumps, pipe line extension, transportation of water through lorries to tail end areas.

The Ground Water Regulation Act 1988 which is to strengthen the provision of enforcement covers 243 villages to enhance penalty from Rs.2000 to Rs.5000 on violation of the Act and make installation of Rain Water Harvesting in new and existing buildings mandatory, etc. This Act regulates and controls extension and use of transportation of ground water.

7. Housing:

The State is playing a catalytic role in providing housing stock. Owing to increasing population and necessity for renovating the old houses in the efflux of time, the shortage of housing stock is found more acute in urban areas than in rural areas. Agencies involved in creating housing stock for the shelterless and their physical achievements are shown below:

Table – 7: Creation of Housing Stock

Sl. No.	Agency	No. of housing units created (cumulative)
1.	Tamil Nadu Housing Board	393684
2.	Tamil Nadu Slum Clearance Board	69126
3.	DRDA - Valmiki Ambedkar Housing Programme	7250
4.	Cooperative Housing Societies	297596

Source: Policy Note on Housing and Urban Development, 2003-04.