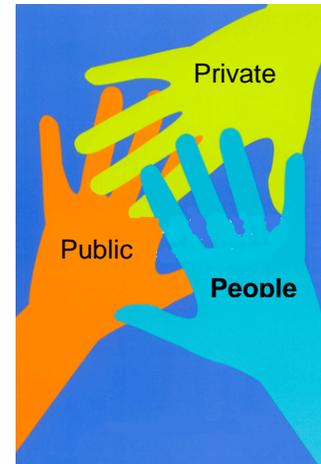


## **SOCIETY IN THE DEVELOPMENT OF A DEVELOPING COUNTRY THROUGH PUBLIC PRIVATE PEOPLE PARTNERSHIP (PPPP)**

The concept of public private partnership is now a step ahead with the involvement of people. People's involvement in development of countries struggling to rise high in the Global Arena has been playing a vital role.

Today government of a developing country realize that their limited financial resources are not sufficient to cover the needed expansion of the services like water, sanitation, energy and other urban infrastructures

It is becoming increasingly clear that governments cannot meet the continually growing demand for water, waste, energy and other urban services acting alone. Local governments are finding that their tax revenues are not providing sufficient resources to meet these needs, and official development assistance has not been able to fill the gap. It is in this backdrop that we are forced to think of alternate sources of finance, technical excellence and support.



**Partnership**

One of the most viable options is to involve (PPP) describes a spectrum of possible relationships between public and private actors for the cooperative provision of infrastructure services. Adding to the same if the common man of the society gets involved the (PPPP), the co-operation of public and private organizations along with the people's participation leads to a stable self developed authority for its own development though Public Private Partnership.

In cities throughout the world, private firms have demonstrated their ability to improve the operation of infrastructure services. However, it is important to bear in mind that private involvement does not provide an automatic solution to urban infrastructure problems unless and until the society acts at a major player.

### **1.0 KEY FACTORS**

Public Private People's Partnership is an effective way to reach under-served urban population. The **key factors** that could be highlighted are:

#### **1.1 Government commitment,**

Ministry of Health and Family Welfare lays strong emphasis on PPP and involvement of NGOs to complement government efforts to make health services accessible to all.

Promoting a new program, government commits for better housing and infrastructure leading to an overall up-gradation of living standards of people. These programs are mostly floated for people living below the basic standard.

Concern of public authorities is basically the overall development of various specific locations approaching towards the betterment of society as a whole.

In the developing countries like India the basis of success of any program actually lies in political interest and involvement.

#### **1.2 Legal and regulatory capacity,**

The Government has a Constitutional mandate, Policy backup & wide network.

But on the other hand, there is lot of rigidity in the planning and management systems.

### 1.3 Stakeholder involvement,

Following are the stakeholders involved in the process of Public Private People's Partnership:

Government

Private Agencies such as NGO's and CBO's.

Society

For the success of the partnership, equal involvement of all stakeholders is necessary.



**Stakeholders**

### 1.4 Capital Factors,

Public-private partnerships exist to create benefits for both the public and private partners. Most public-private partnerships for new transportation infrastructure are structured as long-term franchises in which a private entity finances and constructs a facility in exchange for the exclusive right to collect revenues from users or other beneficiaries for a stipulated period of time. The challenge for public sector is to attract as much private capital as possible while ensuring that the facilities they produce create benefits for the public at least as great as those developed by traditional means. The challenge to the private sector is to develop transportation infrastructure projects that compete favorably with other investments in terms of lower risks or higher yields.

On the above lines, Public Private People's Partnership has evolved as a method of betterment of the society at the same time keeping intact the existence of the Public Private Partnership. This involvement not only activates the process but number of times also imparts employment to those unemployed.

Public-private partnerships reduce capital demands on the public treasury for infrastructure development. Constitutional debt ceilings prevent governments from securing the necessary funds to meet basic economic requirements, including infrastructure. When private capital is used to fund infrastructure which would sooner or later being funded by the public sector, private collection of user fees or other revenues is a substitute for Government method of revenue collection i.e. taxation. Public-private partnerships essentially allow the public sector to borrow more by using the private sector as a mediator.

At the same time the involvement of society by itself for its own up-gradation, the cost factor reduces for all the three major stakeholders.

### 1.5 The right option and a systematic approach,

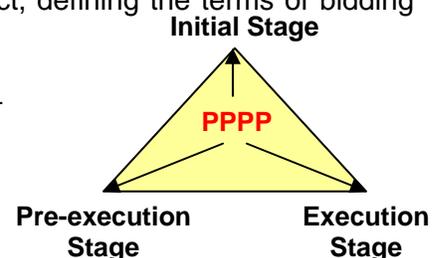
The biggest concern of all for the Public and Private sector is to come up with the right option of development of a particular locality and also to convince the resident for their stake for up-grading their own living standards.

*The stages* involved would be structuring the project for public-private participation, setting the necessary changes/ framework for the project, defining the terms of bidding (Bid design) and preparation of documents.

The systematized approach has following major stages –

✓ Initial Stage

- Public-Private sectors involvement for various activities such as residential



- up-gradation, infrastructure (Physical and Social) up-gradation.
- Outlining of the approach to be adopted.
- Physical Surveys
- Paper Work
- ✓ Pre-execution Stage
  - Spreading the approach and its benefits to the society through somebody local.
  - Organizing camps to educate people about the approach.
  - Convincing the local leaders, who in turn shall be able to convince the residents.
- ✓ Execution Stage

These are the three distinct stages but every stage is interconnected to one another.

### 1.6 Generation of ways to convince and attract people towards the whole concept of development.

People's concern revolves around, "How true are the government's commitments?"

This only concern makes it difficult for the **Public Organizations** to convince **People** to get involved in a particular **Partnership**. Henceforth the **Private** Stakeholders like NGO's and CBO's comes into picture.

## 2.0 RISK FACTORS *reducing involvement interest of many.*

Some of the risks that would bear on the developer of any heavy construction project, whether a private consortium or a government agency, are listed below.

- 2.1 Unavailability of Capital:** Since the large amount of capital required are often not available within the limits of the country where construction is taking place, international money movements are common on large construction projects. Especially in developing countries, the large blocks of capital required for infrastructure projects are often not available to governments or private investors from domestic sources.
- 2.2 Risk of existing site conditions:** Survey of actual project conditions is a critical requirement for effective design work and accurate cost estimates for the construction. Project budget and schedule may quickly deteriorate when engineering decisions are required to be changed in the field to match unexpected topographic and technical conditions depending upon the geography of the area.
- 2.3 Weathering Agents:** Construction processes, such as concrete work, steel erection, and painting, are dependent on critical ranges of ambient temperature and moisture for progress. Also in case of construction of transportation infrastructure, the work schedule is subjected to weather conditions.
- 2.4 Unskilled Labour Supply:** Construction schedule and progress is especially sensitive to problems associated with the supply of labor, such as increase in wages, and union strikes. In cases such as urban transit systems and railroads, where number of times transportation facilities are provided for labour are also very dependent on labor for operations and are thus are subjected to labour uncertainties.
- 2.5 Skilled Labour Supply:** With evolution of innovative technologies every now and then, requirement of skilled labour who can understand the application latest equipments on site.

- 2.6 Operating and Maintenance Cost:** The operating costs of consumables, such as energy, materials, and labor, are subject to uncertain fluctuation in prices.
- 2.7 Employee Theft:** there have always been concerns over theft by insiders. Good accounting controls can definitely minimize losses, but the transportation enterprises in which large amounts of cash changes hands, such as toll roads, are always at risk.
- 2.8 Construction Defects:** On account of weathering agents or insufficient curing of structural elements and other improper construction methods, there may be unwanted elements like honey coming which may involve unexpected costly repairs.

### 3.0 EXAMPLES

A developing country like India puts forth successful as well as unsuccessful examples of Public Private People Partnership (PPPP). Mumbai the economic capital of India gives examples of exchanging slums with high-rise buildings with the consent of slum dwellers wherein the slum dwellers will be allotted with a 'pucca' house for themselves. On the contrary the same could not be taken up successfully in few other cities.

#### **3.1 Slum Re-development & Re-habilitation Scheme in Mumbai, Maharashtra, India.**

**3.11 Transfer of Development Rights (TDR)** essentially means making available certain amount of additional built up area in lieu of the area relinquished or surrendered by the owner of the land, which would enable the owner to use the extra built up area for himself or transfer it to someone else in need of the extra built up area for an agreed sum of money.

This concept was introduced in the Development Control Rules, 1991 of the Bombay Municipal Corporation to permit the cash-starved administration to acquire private land reserved for public purposes such as roads, playgrounds, parks and slum rehabilitation.

Under the policy framed by the Maharashtra Government, the municipality will acquire private land and compensate the owner by the grant of TDR which allows him to construct an equivalent

amount of floor space index (FSI) at any location north of the originating plot.

The Maharashtra Government doubled the FSI of TDR-receivable plots in the suburbs from one to two. The owner of a TDR could sell his right to parties interested in exploiting further FSI on their plots, something, which is not otherwise permissible under the law. In the past six years, the Maharashtra Government has been able to acquire over a million square meters of un-encroached land at no cost to itself by granting TDR's liberally.

It will be conceded readily that the grant by the Government of TDR results in the acquisition of a capital asset. Exploitation of the same by property developers will give rise to taxation of the resultant profits either as business venture or as capital gains. TDR is associated with immovable property, and title can be conveyed only by means of a registered deed.



**Scattered Squatters in**

To overcome the scattered squatters in Mumbai, Government of Maharashtra adopted the method of Transfer of Development rights wherein the land was acquired and bids were called for by various developers. As a compulsion the developer had to construct a percentage of housing for Economically Weaker Section of the Society. As a result of this the slum dwellers would get a *pucca* house for themselves.

The above concept was well explained to the slum dwellers through the local leaders of the area, who helped Government to involve the slum dwellers in the process.

3.12 *Slum Rehabilitation Scheme (SRA)* was established on December 15th, 1995, to serve as the planning authority for all slum areas in Greater Mumbai and to facilitate the rehabilitation schemes. SRA's responsibilities are: to survey and review the existing position regarding slum areas in greater Mumbai; to formulate schemes for the rehabilitation of slum areas; to get the slum rehabilitation schemes implemented; to do all other such acts and things as may be necessary for achieving the objective of rehabilitation of slums.

The objective of SRA's Slum Rehabilitation Scheme is to not only redevelop, but also rehabilitate the slum and its inhabitants. Through the scheme, rehabilitation flats are built free of cost to the slum dweller by cross-subsidization provided by free-sale flats. Developers are allowed to construct sale flats on slum land, whether it is government or private land, in exchange for the construction of flats for slum dwellers.

#### Basic requirements of SRA scheme

- ✓ All slum households whose inhabitants' names and structures appear in the electoral roll of January 1st, 1995, or earlier, and who are the actual occupants of the dwellings are eligible for the Slum Rehabilitation Scheme.
- ✓ In order to participate in the scheme, 70% or more of the eligible slum dwellers in a slum or pavement of contiguous area have to show their approval for participation and come together to form a cooperative housing society through a resolution to that effect. If this occurs, then the scheme will be considered by SRA.
- ✓ Development can only be initiated by cooperative housing societies.
- ✓ A table/cadestrol survey of the slum area needs to be carried out.
- ✓ A list of the slum occupants needs to be prepared and approved.
- ✓ The cooperative housing society, an NGO, the landowner, or a professional developer can act as the developer of this scheme.
- ✓ The new homes are free of cost? A professional developer can undertake the scheme, constructing rehabilitation buildings free of cost to the slum dwellers, in situations where he is sure of a profit. However, where there is no profit, developers are not interested in investing. In this case, in order for the scheme to get underway, the slum dwellers themselves have to contribute seed money, required to obtain loans for construction. NGOs can guide, assist, secure technical inputs and secure loan facilities.
- ✓ A deposit of Rs. 20,000/- per rehabilitation tenement is required from each family. This is held by SRA and returned to the housing society upon transfer into the rehabilitation tenements. The money is to be kept in trust by the society, and the interest earned on the money is to be used to subsidise necessary maintenance on the buildings.
- ✓ After the slum dwellers have moved into their new flats, they are required to remain in those flats for a period of ten years. The flats can only be transferred to legal heirs during this period.

These are the major requirements for the scheme. In addition, there are

requirements that will become visible after the completion of the scheme, such as the payment of taxes, water and electricity.

#### Benefits of SRA scheme

- ✓ In addition to receiving flats free of cost, there are several other benefits to be gained.
- ✓ Each residential flat is required to be self-contained, with an elevated kitchen platform and separate WC, and to have a carpet area of 20.9 sq. m. (225 sq. ft.).
- ✓ Shops can get a new space equal in area to the existing one.
- ✓ Under the scheme, the developer is required to provide one flat for a balwadi/kindergarten, one welfare centre and one cooperative housing society office for every 100 tenements constructed, free of cost. These amenities should equitably serve all members of the society, and will be of the same carpet area as the residential flats. When SRS undertakes a scheme, we try to ensure that the ownership of the welfare centres and balwadis are put in the name of the women's groups so that their appropriate use as places for community development and education is assured.
- ✓ Where the scheme is undertaken by a cooperative housing society of slum dwellers and an NGO, or the NGO assists the society, they are eligible for an additional 10% of the built-up area free of cost for commercial purpose.
- ✓ In consideration of the limited financial resources of most slum dwellers, tax concessions are given for the first 20 years following construction of the tenements.
  - Years 1-10: 80% concession on property tax
  - Years 11-15: 50% concession
  - Years 16-20: 20% concession

These are the physical benefits of the Slum Rehabilitation Scheme. However, for SRS, rehabilitation is not only a physical transformation. It is also a transformation in the minds of people, and the community. The benefits in these senses are an increased self respect, self-reliance on the part of the slum dwellers, experience in working together with friends and neighbors, pulling for a common goal, taking responsibility for not only one's own needs but also those of the community, and greater dignity. The community benefits from enhanced possibilities for education, income generation and better health for its members.

The above benefits were brought to knowledge of the common man and the understanding of the same lead to the success of the program in Mumbai.

#### *3.13 Dharavi Development Project, the world's largest slum rehab programme.*

The basics of the scheme are:

- ✓ Every slum structure existing as on January 1, 1995, or before is eligible for rehabilitation.
  - 70 per cent of the eligible slum dwellers in a slum can come together to form a society for implementation of the slum rehabilitation scheme. Rehab tenement allotted to a slum dweller cannot be sold for a period of 10 years from the date of allotment. However, it can be transferred to a legal heir with prior permission of CEO (SRA).
- ✓ A sum of Rs 20,000 per tenement is recovered from the developer for subsidising the monthly maintenance of the building.

- ✓ FSI permissible for a scheme depends upon the number of slum dwellers to be rehabilitated in it. It can even exceed 2.5.
- ✓ Plots where slum rehabilitation schemes can be taken up include plots that are notified and categorised as slum.

If reserved for non-buildable reservation, the plot area should be more than 500 sq. mt and minimum ground coverage of 25 per cent with the slum. On the Dharavi Development Project (DDP), the uniqueness of DDP is that it is self-funded; a group of builders and developers will build free of cost houses for all the hutment dwellers of Dharavi on the very land on which their huts are standing today. Extra FSI or transfer of development rights (TDRs) would be given by way of compensation for the money to be invested by the builders.

Rightly said, "Unlike some other projects the Dharavi Development Project will neither be bogged down nor be stranded in legal disputes between the government and contractors. A strong political and administrative will shall see the successful and timely completion of the project."

### ***3.2 Slum Re-development & Re-habilitation Scheme in Indore, Madhya Pradesh, India.***

Similar schemes as in Mumbai were attempted for Indore too, but the same did not prove as successful there due to reasons as follows –

- ✓ Low literacy rate
- ✓ Women illiteracy, as women are major stakeholders in development of society.
- ✓ Lesser attempts for educating common man.
- ✓ Rigidity in rules.
- ✓ Political will not strong enough.
- ✓ Rigidity of local leaders' mentality.

## **4.0 CONCLUSION**

Urban planning utilizes a range of applied techniques and processes from the professions of design, construction, demography and planning. It is concerned with an overall approach to design and the development of a public sphere that is supportive of community interaction and involvement. If this platform for community interaction does not support spontaneous gatherings and community exchange the potential exists for negative impacts upon social life to occur.

To advance the development of social capital, urban planning must ensure that public sector shall create an environment where community members feel safe to interact socially. Such an environment can be developed with a number of strategies and design guidelines. Some of these include active community involvement in the generation of development programs, increasing legibility and the development of community clusters with strong local involvement. If an urban environment can be built on such a foundation, positive outcomes for communities which are under privileged will definitely result.