



Impact of Private Sector Urban Development Projects on Different Socioeconomic Groups in Haryana, India

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ABSTRACT: This paper explores the explicit impacts of Private Urban Development (PUD) projects on the different socio-economic groups in Haryana, India. The Government of India and various State Governments gradually changed their stance from being 'provider' to act as 'facilitator' and 'enabler' in the urban development process in the post reform era. The Government of Haryana take a lead by enacting the Haryana Development and Regulation of Urban Areas Act (HDRUA) in 1975, became the only State in India to formally involve the corporate private sector in the acquisition, development and disposal of urban land. The Government of Haryana profoundly distributed licenses to the private developers in the state under the HDRUA Act since 1981. It is assumed this uncontrolled conversion of farmland into urban development project will result in enormous changes in the rural landscape. The PUD Projects have significant impact on the socio-economic characteristics of the affected villagers. The private developers mainly catered to the needs of higher income groups at the cost of excluding the lower section of the society in the development process. Current land management techniques have resulted in to scattered development in non-uniform manner having no phased development. The private development is heterogeneous, non-linear and patchy development as compared to public sector development. Increased land speculations by the private inferences have created a visual divide between the old and newly developed areas. There is a need to study the impacts of private sector led urban development projects in order to overcome adverse impacts of the development projects. A survey research methodology has been adopted for data collection. With this methodology primary data has been collected which is then triangulated with the secondary data. Systematic sampling was used to select the sample households. Various factors have been studied which gives the conclusive idea about the explicit impacts of private sector led urban development projects on the diverse socio-economic groups in the study area.

Keywords: Private Urban Development; Housing; Socio-economic Impact; Haryana

I. INTRODUCTION

India's urban population is increasing at a faster rate than its total population. For the first time in the history of demographic record the census of 2011 finds that the urban population growth rate is faster than that of the rural areas. India has now 7,935 towns; an increase of 2,774 since the last Census (2001). Urban population grew to 377 million showing an annual growth rate of 2.76% during 2001-2011. With over 590 million people living in urban areas, India will have over 40% percent of its population living in cities and towns by 2030 AD. (Sankhe, S. *et.al*, 2010) The country has urban housing shortage in 2012 is about 18.78 million. (Kundu, 2011). Housing supply is the main role of the state to improve living conditions to the inhabitants either by directly provision or by enabling its provision. Different

policies were attempting to solve the housing problems especially for poor and low income. The enabling approach is considered as being the latest trends in housing supply, that change the role of the government from being provider, to facilitator for housing markets and partnership.

To facilitate the supply of housing, National Urban Housing and Habitat Policy 2007 recognized the need for public private partnership and advocates that the role of public sector should be to create conducive environment for private sector to increase the housing stock. It is found that the government is primarily focused on constructing houses for economically weaker section population of the society whilst the private sector with an intention to maximize the financial gains focuses on high value housing ignoring low cost housing development.

The much appreciated private developer and Government of Haryana joint model in housing and urban development projects in the state is much appreciated (Nallathiga, 2009) and also criticized by many scholars (Gururani, 2013). Therefore it is necessary to study the model in detail and to give a balanced view through scientific enquiry into the matter. The present study, therefore, aims to analyse the impacts of private sector led urban development projects on various socio-economic groups in Haryana and to analyse who benefit from private sector led urban development projects in Haryana and why.

HARYANA URBAN DEVELOPMENT AUTHORITY AND PRIVATE DEVELOPER JOINT MODEL

Haryana State, with the enactment of the Haryana Development and Regulation of Urban Areas Act (HDRUA) in 1975, became the only State in India to formally involve the corporate private sector in the acquisition, development, and disposal of urban land. The act and its 1976 bylaws stipulate that private developers must first apply for a license from the State Director of Town & Country Planning, stating the details of the land.

The land must be within a township/city development scheme, which has been prepared by the Haryana Urban Development Authority (HUDA) and sanctioned by the State. The developer must also prove that he is bonafide and “has a good track record”. The license granted has mandatory provisions, such as:

- i. Pay external development charges (EDC) to HUDA on a gross area basis (net sq. m basis) to cover the offsite costs of water, sewerage, surface drainage, roads, landscaping, and community

facilities. Rates are set by the Act’s by-laws and are periodically revised;

- ii. Reserve 20 per cent of the created residential plots of land for LIG and EWS housing categories (plots below 55 sq. m in area) with such plots to be allotted to beneficiaries under a system and at a price laid down by HUDA. In addition, 25 per cent of created plots must be sold on a ‘no-profit no-loss’ basis;
- iii. Put 30 per cent of the proceeds of land sales into a separate account to be used for development; and
- iv. Maintain the completed colony for five years; and Return any excess profit to the state (a ceiling of 15 per cent profit on total project costs is imposed). (Government of Haryana, 1975)

ABOUT THE STUDY AREA

The study area comprises part area of Sonipat Kundli Multifunctional Urban Complex 2021 along the National Highway No.1 from Sonipat – Delhi Border (Singhu Border) to Murthal Chowk. The private developer project affected villages are Rewali, Sahpur Turak, Raipur, Garh Shajahnpur, Rasoi, Nangal Kalan, Patla and Badh Khalsa which are falling in the Sonipat Kundli Multifunctional Urban Complex 2021 development plan in sector 8, 9, 18, 19, 58, 61 and 62. The private developers who are developing residential plotted and group housing projects along with shopping malls and other urban development projects are Eldeco Infrastructure & properties, Omaxe developers, Apex Buildtech, Parsavnath developers, TDI Infrastructure Ltd. and Ansal API. Total 427 samples were collected from selected village for a systematic household survey for the study.

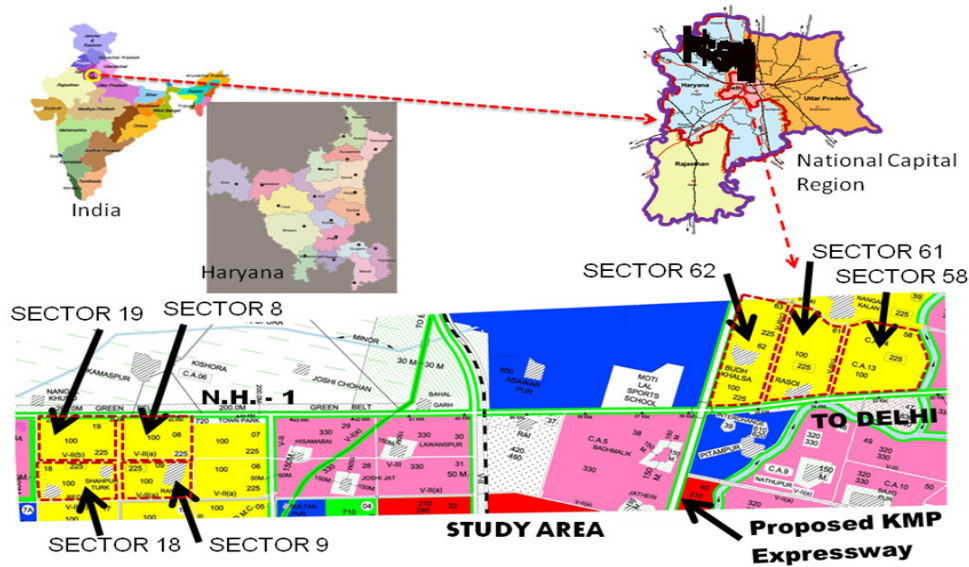


Fig. 1. Showing the Study area in Sonipat-Kundli Multifunctional Urban Complex.

Table 1: Socio-economic indicators of selected villages.

S. No.	SELECTED INDICATORS	REWALI	SHAHPUR TURAK	RAIPUR	GADH SHAHJAHAN PUR	RASOI	NANGAL KALAN	PATLA	BADH KHALSA
1	HOUSEHOLDS NO.	300	317	724	392	539	1183	281	529
2	TOTAL POP.	1593	1666	3578	2191	2610	6704	1694	2642
3	MALE	845	881	1969	1197	1411	3610	915	1441
4	FEMALE	748	785	1609	994	1199	3094	779	1201
5	POP.(0-6)YRS	175	264	507	345	337	1052	229	316
6	PROPORTION OF SC POP.	10.04%	19.69%	14.9%	5.61%	11.8%	9.61%	18.77%	12.83%
7	LITERATES	1140	1073	2248	1361	1922	4690	1208	1950
8	ILLITERATES	453	593	1330	830	688	2014	486	692
9	WORK PARTICIPATION RATE	22.35%	25.21%	32.62%	31.22%	36.51%	31.29%	28.87%	29.79%
11	% OF MAIN WORKERS	22.16%	23.95%	28.65%	22.55%	33.45%	26.46%	23.49%	23.58%
12	% OF MARGINAL WORKERS	0.19%	1.26%	3.97%	8.67%	3.07%	4.83%	5.37%	6.21%
13	% OF NON WORKERS	77.65%	74.79%	67.38%	68.78%	64.87%	68.71%	71.13%	70.21%
14	% OF CL	11.93%	5.88%	6.04%	1.55%	4.75%	7.20%	6.38%	2.01%
15	% OF AL	2.76%	0.12%	3.66%	4.79%	0.34%	1.00%	0.89%	3.79%
16	% OF HHI	0.25%	0.42%	1.34%	1.96%	0.77%	0.79%	0.53%	1.51%
17	% OF OW	7.22%	17.53%	17.61%	14.24%	26.21%	17.47%	15.70%	16.28%
18	SEX RATIO	885	891	817	830	849	857	851	833

(Source: Census of India 2011)

Socio-economic impact of private sector led urban development on selected villages

The current study has been carried out to evaluate the socio-economic impacts of private urban development in Sonapat (Haryana). The study provides an insight in the overall social and economic profile of the affected community due to private urban development. The strategies adopted by the farmers to cop up with the challenges like unemployment, reduced agriculture output. Implications of the changing land use pattern industrialization, urbanization and infrastructural development. In the overall process of private urban development the landless population have been adversely affected. As they have lost their occupation which is fully dependent on agriculture. The villagers with small and marginal land are affected as they spent their compensation money, whatever they get on every day needs and on unproductive uses. These farmers will not be able to purchase a new agriculture land due to insufficient funds. Also the land prices were also increased very high in the nearby areas. The small and marginal farmers either became landless or left with very little area of land.

The farmers who possess medium and large land holdings get a very good amount of compensation money and they were economically sound than earlier. And also the purchase more agriculture land and plots in the nearby area. So these samples of households have now more land area as compared to earlier. After land sale there is a sharp decrease in agriculture practises and decreased in livestock population. There is also

diversification of occupation from farming to other segments.

Due to these development various good and new opportunities comes in terms of private jobs, manufacturing and other sectors. In the next few years many new jobs would come up in these areas; and it will give benefit to all the villages, whether their land was sold or not.

Also the compensation amount had been spent on fruitful purposes like purchasing of agriculture land, land development, education, house building and business. Farmers who get little compensation were spent more money on education as they were left with no option but to spend on education for the better career opportunities.

As we know every process has two aspects good or bad. Private development not only gives farmers good opportunities, good economical background, good lifestyle, good thoughts to live but also unnecessary or unwilling habits which destroy not only the individual but the whole family. Some of them spent their money on sterile purposes like spending a lot on social functions, bad habits like alcoholism, drug addiction, luxurious life style etc. which leads to complete demolition of future of their families. Other than this many more unsocial evils grasped the community like female foeticide, wastage of water, unnecessary waste of money in buying new and luxurious cars etc.

These developments were putting very severe impact on quality and quantity of water in these areas. Also there is a huge wastage of water due to recent change in lifestyle.

After overall analysis, we found that the private urban development affected the rural environment negatively as well positively. So there is urgent need to give attention of this issue and lot of scope for further studies.

Positive impact of private development

- i. Farmers who earlier possess medium and large farm lands purchased comparatively more area of agriculture land and plots in nearby area with the compensation amount.
- ii. They got more facilities like irrigation, electricity, education, better road connectivity etc.
- iii. Diversification in occupation pattern
- iv. Significant increase in dairying and poultry, private jobs, local businesses and small manufacturing units
- v. Modernisation of agriculture with the help of new technologies and practices

Negative impact of private development

- i. The private developers mainly catered to the needs of higher income groups at the cost of excluding the lower section of the society in the development process.
- ii. Scattered development in non-uniform manner having no phased development.
- iii. Heterogeneous, non-linear and patchy development as compared to public sector development.
- iv. Increased land speculations by the private inferences have created a visual divide between the old and newly developed areas.
- v. Reduced agricultural output
- vi. Farmers who got less than 10 lakh as their compensation amount; spent it on unproductive uses as they could not purchase agriculture land in nearby area.
- vii. Also some spent their money on unproductive purposes like social functions, bad habits like alcoholism, drug addiction, extravagance and luxury spending, etc.
- viii. Also there is an increase in environment degradation due to industrialisation and steep increase in the air, water and noise pollution levels,
- ix. These developments were putting very severe impact on quality and quantity of water in these areas. The poor quality polluted water were putting adverse impact on health of human and livestock also.

Opinion of the Households about Socio-Cultural and Lifestyle Changes

- i. The project affected persons wants more compensation from the developers.
- ii. The developers should execute some community works in the village as per their Corporate Social Responsibility (CSR) like building community hall, tapped water supply in village, proper sewerage

system, building and repairing of village roads with proper drainage system, provide adequate open areas and playgrounds, renewable source of electricity and proper solid waste management for sustainable village development.

- iii. Government should educate the farmers for proper utilization of compensation money.
- iv. The developers should provide some percentage share in the developed area to the project affected persons both individually and at village level.

IV. CONCLUSION

Land to man ratio in the developing countries like India is among the lowest in the world. Therefore, struggle for a safe piece of land for survival against natural disasters is increasingly becoming a normal way of life for the masses in the cities in India. As a result general and uneducated affected people suffer the most from ongoing profit maximising real estate development activities. Formulation of a comprehensive compensation package for the rural affected people whose lands are being purchased is urgently needed. This measure could enable them to avoid falling victim to illegal eviction from their self-sufficient village. This paper documents the pressing need for such policy reform and enforcement of existing rules to address the problem of unscrupulous land development in the Sonipat-Kundli Multifunctional Urban Complex.

The villagers with small and marginal land holding mostly spent their compensation money which they get on every day need and on unproductive uses. The farmers who possess medium and large land holdings get a very good amount of compensation money and they became economically sound than earlier. And also they purchase more agriculture land and plots in the nearby area. The compensation amount had been spent on fruitful purposes like purchasing of agriculture land, land development, education, house building and business. Also it leads to urbanization and modernization of our society. Sex ratio and literacy rate is also increased in the given study area. This indicates a good move towards the development of our country. Also there are some misuse of the compensation money in unproductive purposes like social functions, bad habits like alcoholism, drug addiction, extravagance and luxury spending. Also this urban development process has some adverse environment impact. Therefore there is an urgent need to harness the positive impacts of private urban development and policy reforms to tackle and minimise the adverse impacts for sustainable development.

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