

Human Settlements Planning

Lecture 15

Project Structure

How do you go about building a self-sustained community? Number 1 you need to have a developer or an owner.* one land owner with other home owners,* land owned but collectively,* leasing land. If you are leasing land from the government or a private person,* land held in trust.

So basically in a community one person does not own the land and it is usually not transferable from father to son sought of a thing which usually happens. Because in a community they are either by an ideology or living by a particular whatever sustainable religious belief or whatever is it that they have. So those have to match. So all of this means that the land is held in trust and you are not one person is not free to go about selling or buying. All these options have pros and cons. They must have support from town political structure as well as financial institutions.

Resource use:-

1. Air supply as one of our most important resources, a location must be chosen with clean air in mind. You usually cannot fix this on a neighbourhood or community level if that's going to be a problem.
2. Water supply;- there should be enough for the planned community. Quality should be uncontaminated and water must be readily available. Flood control ;- some system to manage water flow and drainage through the community. That is the site should have a natural slope so that water does not stagnate within that community.

Possible solutions to water issues if you have if supply like not all sites its possible. Install cisterns for rainwater collection, use water conservation methods, use dual piping methods to utilize gray water that is water from a sewage treatment plant when feasible, plant drought tolerant plants rather than lawns.

Quality :- use no chemicals of fertilizers, use integrated pest management , choose a location far from an industry or conventional agriculture, and you need to develop artificial wet lands .and for flood control reduce the amount of area that is going to be impervious that is pavement area, develop artificial wetlands, and install a natural drainage system.

3. For food supply and quality this is achieved through decentralized organic food production. You need to utilize a diversity of plants. Small household gardens are the most ecologically sound. Food processing can be done efficiently in communities. Buy from local producers. Enough land must be designated for agriculture to support the food needs of the community at a sustainable level, whether it is in large areas or small plots. So usually what happens with food supply is , sometimes if it is in initial stages when the community is being built, it is difficult to anticipate what is going to be the requirement of food that is going to be supplied. And number 2 because of certain weather changes or calamities like an excessive rainfall, or it could be a flood, or it could be drought. Whatever the reasons there could be some reason the plants may die, or may not be able to produce that quality or quantity of food. So they should always have a sustained backup plan. Eventhough they call themselves as a sustainable community, they have to make sure that they are getting all the required nutrition that the human body requires.
4. Shelter this is needed for protection from weather as well as to enhance the sense of security. This can be done providing a mix of housing types large, small rental as well as own. Develop ways to be inclusive. Labour as down payment and build your own. When you say inclusive it means lets not have only the upper echelons of society or middle class people or upper middle class people because once you enter the community or all of you are going to work in that community to live a sustainable life. So if a poorer person does want join but does not have the investment, he could come down and put labour as a down payment. He would help in the construction of the houses or help in the gardening or in the agricultural part of it. Creative financing is often necessary which has to be supported by rural development banks or small local banks and green designs or

sustainable design of structures where ever possible. There is no point if you live in a sustainable community and then you have a house built of concrete which is chugging a lot of energy because of need of air conditioners or things like that.

5. Moving onto energy. Conserve whenever possible. Use alternate sources such as solar which could be passive or active, wind, biomass or small scale hydroelectric, geothermal, or fuel cells. Structure for low energy usage which is most important. Make pedestrian and bicycle traffic convenient, minimize automobile use, locate near public transportation or incorporate it into your plan ,locate near services and schools or incorporate even those into your plan. So when all of this happens if within the community, only pedestrian or cycles are going to be allowed that is going to completely reduce fuel consumption. There could be just one or two vehicles which is going to go from outside to inside which is going to be transporting goods and other related activities.
6. Other resources incorporate into your plan mechanisms to reduce resource use. Reduce, reuse and recycle. Now if you look at the aesthetics of it in order to be sustainable a community must be pleasing for residents who live there. Recreational facilities should be provided for the enjoyment of members and gathering places or social places are essential.
7. Citizen participation- community members must feel like its their voice is being heard. They should feel like their input is required or they are able to contribute directly in some fashion. If they feel redundant or if they feel underutilized or underappreciated then the whole concept of a community is lost. Some system for consensus building must be utilized .

Special Economic Zone

What is an SEZ? The concept of an SEZ is expected to bring large dividends to the state in terms of economic and industrial development and the generation of new employment opportunities. The SEZs are expected to be engines for economic growth. Special economic zone is defined as a specifically delineated duty free enclave and should be deemed to be foreign territory for the purposes of trade operations,duties and tariffs.

If you look at a brief review of what it is, it covers a broad range of more specific zones . free trade zones ,* export processing zones,* free zones, * industrial estates,* free ports, * urban enterprises zones and others. So the reason why an SEZ is usually developed in a state, is for it to be a magnet for that state to develop. This will attract people from across the country and even across the globe to come and set up shop here or industries here. Come here we will give you these following incentives. Build your industry here, build your office here these are the incentives you will get. You don't have to pay taxes, this will be duty free. So by giving certain incentives you are ensuring that industries are coming into your state and what are the main advantages for this happening. You are ensuring a lot of employment opportunities you are ensuring a steady growth of the state. So that is the main purpose of an SEZ.

If you look at the history of free trade zones, the first free trade zone in the world has started on 1st January 1965 at Kandla in Kutch which is in Gujarat India. By 1978 India had four other free trade zones at Mumbai, Chennai, Noida and Falta. In 1978 China has gone through similar major economic makeover and they also realized in the concept of free trade zones. First Chinese free trade zone became operational in 1984 the Shenzhen. In year 2000 one zone of Shenzhen was exporting thrice of India. As of today there are about 2000 operations of free trade zones spread over 150 countries across the world.

So what are the different kinds of SEZ? They can be categorized on basis of sector ,function or location. And they are required to have processing as well as non-processing areas. So you have the sector specific SEZ, multi-product SEZ and an SEZ in a port or an airport.

The fundamentals of SEZs are:- they are different from traditionally free zones .They are larger in size, they offer broader range of activities such as single window management, streamlined procedures , duty-free privileges and also access to domestic market on a duty paid basis .

Whether the enclave is termed EPZ.,FTZ or SEZ the cardinal factors remain the same. That is you need to have appropriate infrastructure and transport

facilities, low factor cost, flexible labour laws, convertibility of currency, which enables in global trade, stable legal and administrative regime your state should not have political unrest situation, which will be the major deterrent for global people to come and invest in that state. a commitment to the canons of an open economy.

What are the objectives of an SEZ act?

- *Generation of additional economic activity.
- *promotion of exports of goods and services
- * promotion of investment from domestic and foreign sources
- * creation of employment opportunities
- * development of infrastructure facilities.

What is the role of SEZ in the Indian economy?

- To provide internationally competitive environment
- To encourage FDI and enhance the GDP
- To increase share in global exports. SEZ exports accounting for 26% of India's total export in 2011.

The salient features of SEZ:-

Self certification for exports and imports. Import and export movements of goods are based on self-declaration. No routine examination is made unless specific order is being issued from development commissioner or any other such authority.. Sub-contracting:- a SEZ unit may sub contract a part of its product or production process to different units even abroad. So those eligibilities of the SEZ will continue even to that area even though it officially does not fall under this particular geographic location of this SEZ..

Fiscal incentives with respect to tax, exemption from excise and customer duty on procurement of capital assets, consumable stores, raw materials from

the domestic market. Exemption from sales tax, import duty ,income tax minimum alternative tax and dividend distribution tax.

Single window clearance

Submit regularity documents at single locations. Less proceedings and it ,saves time.

some of the most important SEZs in our country Karnataka u have the Biotechnology and Information technology services Sez and Biotechnology sector in Bangalore's electronics city. this covers an area of about 43 acres.Then u have shree renuka sugars limited- SEZ on sugarcane processing complex this covers around 100 hectares comprising a sugar plant, power station ,distillery at Burlatti in the Belgaum district. Ittina properties pvt ltd and three others SEZs in the IT sector which covers electronics, hardware and software sectors in Bangalore over an area of 15.732 hectares. You have Wipro infotech SEZ on IT at electronic city in Sarajpur Bangalore and Hewlett Packard India software operation pvt Ltd which is the SEZ on IT again .Food processing and related SEZ services in Hassan over an area of 157.91 hectares. SEZ s pharmaceuticals , biotechnology and chemicals sectors in Hassan which covers around 282 hectares .you have SEEPZ in andheri east mumbai.Then u have khopata a multi product again in Mumbai, Navi Mumbai again multi products ,salt lake electronics city in west Bengal , manikanchand gems and jewellery west Bengal and Calcutta leather complex west Bengal and you have the Falta food processing unit again in west Bengal.

So what is the main purpose of having all of these SEZs when you look at in these different cities it obviously changes the dynamic of that particular city and the urbanization model of that city. You have an entire area which is completely secluded from the rest of the city it has its own infrastructure it has its own power station like you saw in some cases it has its own based on these SEZs that come about in this area a lot of developers build large gated communities in and around that area. In our own city of Chennai you have an SEZ right on Tambaram and then you have so many such other IT based SEZs in Oragadam and then even on the old Mahabalipuram road. Well you want

companies to come and open shop there and ensure that you can offer a lot of people, a lot of employment opportunities. You have a processing area and a non- processing area and the entities you have the developer, co-developer and finally the SEZ unit. An SEZ unit needs the support of the govt but it is primarily a private sector development. You can see the exports from SEZ have grown 15% in 2011 and 2012. So there is obviously a huge advantage of having them within our urban frame. Growth and development, attracts foreign direct investments, exposure to technology and global market, increasing GDP and economic model, employment opportunities are created. So when you look at all of these, all of these are pertaining not only to that particular state or that city but at a national level as well. When we talk of GDP it is only that or the economic model, not only that state that is going to get benefitted, overall as a country it is going to attract a lot of foreign investments. What happens on the other side of it is land acquisition happens at very low prices. Farmers loose their livelihood because all of this usually , the areas you can see they are talking about 200 hectares so many 100 acres. So when you are talking about areas in this size obviously it is not going to happen within an urban area. It is going to happen either in the urban rural fringe, or in a completely rural area. So what happens if good agricultural fertile land is lost for industrial purposes or in the service sector, farmers loose their livelihood and they loose and the compensation they get for their land is literally peanuts compared to the value the government attest to it through these foreign investments. Tax holidays affect the GDP.

SEZ Policy of 2000

The SEZ policy of 2000 new policy in April 2000 which says SEZs are permitted to be set up in the public private joint sector or by the state government. Minimum size of 1000 hectares that is four square miles, simplified procedures and more incentives. The main measures you take up are conditions for automatic approval relaxed considerably, custom procedures are simplified , units could produce items reserved for SSI units in the domestic market , 100% FDI investments for manufacturing , profits could be repatriated fully , freedom for sub-contracting, 100% IT exemption for 5 years, exemption from

central excise duty on capital goods, raw materials, consumable spares from domestic market, reimbursement of CST paid on domestic purchases,. The positive impacts to the entire country – world class business environment ,increased FDI, higher economic growth, infrastructural development, export growth , employment opportunities, exposure to technology and global markets. Positive impacts to business houses- hassle free operating environment. single window clearance , simplified procedures for setting up business, compliance procedure with self- certification, duty free imports, tax exemption, external commercial borrowings, & 100% profit, repatriation from export earnings. So all of these incentives are to act as a honey pot for developers and investors to come and invest in that particular city and state and which will not only enhance the urban fabric of those places but will also attract people and developers to come in and real estate developers to come in and build in better houses and simultaneously we have to ensure there is a service structure stipulation that the government provides were the labour force has to be employed only from the local bodies. That cannot be out sourced. Because we need to ensure that not only white collared jobs but even blue collared jobs are getting offed off. So that way when offering of different job opportunities are there within the SEZ complex it has to be different strata of society and just not the educated and business people. Positive impacts to the people- employment opportunities, impact on lifestyle and standard of living, business infrastructure combined with social facilities , better work culture, good education and leadership vision. Now with respect to the hurdles to the nation, obviously it is loss of revenue at least, initially, because we have exempted all kinds of taxes initially want to attract the investors to come in and set up shop here. So the initial phase what we have to take is the loss of revenue can be also seen as an investment but till we know we are going to get 100% returns, it is consider as loss of revenue. To the business – land acquisition, single window actually does not work in all places, no strategic planning for electricity and water. Similarly the infrastructure should also develop simultaneously. You cannot have a developed SEZ with all kinds of top notch companies there and if you are going to have frequent power cuts you are going to guzzle up diesel and fuel for the generators to run it does not

make any sense. To the people – grabbing of fertile land, scarcity of water that is because of consumption or over consumption, food scarcity, exploitation of labour, and landless farmers. Farmers land is taken away for a few 1000 rupees and that will not tide them over for even 1 year and then once they loose their land they are jobless without any other skill in hand. To the environment- mangrove destruction, destruction of ground water recharge system as well as pollution.

So if you look at the swot analysis the strength of the Indian SEZ, its based on the western model or the SEZ in China, an established legal redress system, relatively low labour costs, employment opportunities, India has a large English speaking and skilled workforce which can be put to use, exposure to technology and the global market, Which means the people working here are made ready to such that they can even go abroad and work in a equal level. Worldwide acceptance of capabilities in the fields like pharmaceutical manufacturing research engineering design hotels and hospitality, financial and other institutional networks like insurance companies. Weakness if you look at it, it is poor infrastructure and transport facilities, high cost of capital, inadequate institutional support, political changes, inappropriate locations.

Opportunities:- an alternative manufacturing base, particularly compared to Chinese SEZ, investments in core strength areas like IT and software, new small ports and airports are also being developed keeping SEZs in mind, a large NRI base who have traditionally invested less in Greenfield development in India.

What are the threats? The pattern of buying and selling may not continue. With relocations of industries in other third world countries, new competitors will emerge, opposing interests, prospect of even more restricted labour laws being introduced , increasing rejection rate for proposals to establish SEZs. And one of the main causes of this is every state wants to get even its own city on its map, so they compete even amongst each other even though India is looking at foreign investors, as an overall country individual cities and states compete and you might actually have opposing interests because of that.

If you look at the flow chart of going about to set about an SEZ. It can be done in two ways, by applying to the SG or applying to the board of approval. Then the SGs you have the state government will forward the proposal to BOA and it obtains the congruence from the state government and then BOA approves that proposal. So board of approval can go directly or through the state government. So you have two options. So depending obviously the single window does not work all the time. Then from the central government it has the issue approval letter going to the developer, then the developer will furnish the required documents about that area back again to the central government then finally the central government will notify that area as a SEZ.

The reasons for failure in our country is inadequate infrastructure, restrictive policies, lengthy procedures- no single window it does not function the way we want it, because here you have a lot of red tape and paper work involved with officers at every level who needs to give approval, locational disadvantages because of certain like I told you individual states compete with each other finally and then when because of certain reasons if they do go to that particular state they could have certain disadvantages because of language, or because of infrastructural developments, stringent labour laws.

What are the different impacts of the special economic zone? Affluent of the industry will deteriorate physical condition of soil, the chemical effluents from the industries will effect the bio-resources, the Sub surface and underground water quality will be impaired because of heavy metals through the contaminated water from the surface, the fertile land will become unproductive for agriculture in the future, the environment will be affected by such pollution, land value is decreased because fertility is lost, socio- economic conditions of the people in that area will be affected. Environmental protection act is inapplicable to the SEZs. No environmental clearance is needed. That becomes the main hole in the whole parcel. Because of this a lot beneficial things that could happen to the environment is ignored. What things like sustainable architecture or design could be introduced all that need not be done because the environment protection act not being applicable on an SEZ, violates the panchayat Raj act for local self-government, violates

granting rights and control to Adivasi communities all over their land, and it violates many international conventions on human rights.

To conclude , SEZ policy has no doubt given a boost to our economy, but comparison of implementation with other countries brings out a lot of problems within our policy. The reasons for disparities can be attributed to improper policy, irresponsible planning while locating the SEZs, ineffective land acquisition policies ,and finally improper rehabilitation policy. So the key challenges is we have to exercise certain amount of control while approving and locating SEZS, initially yes we do want to attract a lot of foreign investments, but we do not want to compromise on things that later we are going to bare the brunt of where the profit that we make from this has to be poured in back to that SEZ to develop it in the right way. It needs to be integrated with the existing master plans and regional plans it needs to have a provision for employment landless laborers, it needs to have a provision for revenue for urban labour groups for sharing basis to compensate their withdrawal once their area is notified as an SEZ, and also there is a need to ensure that this will be treated as a sub-regional plan around that SEZ area. So as an SEZ is developed in every state have to ensure that in the urge and in the hurry to attract foreign investment we shouldn't be cutting our own leg in the process. We have to ensure that common man the environment and especially even the Indian economy finally does not pay a huge price in the future date to make sure the SEZ to function well. So We need to ensure that SEZ is part of the master plan, has certain rules and regulations still permitting to it, the incentives with respect to the taxes and the economics of it can still continue. But with respect to consumption of resources national resources as well as fuel everything it has to be done within set parameters by that industry government. As well as the central government.