

# Localizing land asset management as a key to inclusive growth in India

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## Abstract

Urban areas are the epicentres of growth and development but struggle with the availability of service land. Authorities tasked to provide service land deliver a small percentage of the requirement. Community participation to access land for development in the form of Town Planning Schemes or Land Pooling is a key tool. However, there is a need for inclusive participation of low-income communities, especially in hill states like the North-eastern states where there is a peculiar land ownership regime.

Community-based Public Private Partnership (PPP) model may be used as a tool for inclusive serviced land delivery to our fast-growing cities. It may also be useful to drive economic opportunities for North Eastern states where the Sixth Schedule special status has been hindering urbanization. The paper draws a case from the community-based PPP policy in Meghalaya which entails that community land can be utilized for aggregating the land for infrastructural projects, agricultural produce, promoting eco-tourism, etc.

Urban areas do not suffice for immigrant labour. Prime land stays captive due to encroachments and succumbs to unregulated growth. It is important for the government to take stock of the experiences of community-led inclusive development. This paper examines such instruments of community-led land development in urban centres and suggests using community-led CPPP model in cities to leverage these marginalized lands and pave the way for economic utilization, inclusive planning, and sustainable growth through community participation and partnership while including immigrant labours.

This paper recommends three approaches for inclusive development: (i) leveraging community-led land development in projects that entail land for its implementation like infrastructure and affordable housing (ii)

developing replicable packages to redevelop marginal / encroached land for economic drivers like tourism, industrial estates or MSMEs on CPPP basis; and (iii) convergence of funds under livelihood missions and other programmes for mobilizing community-led trusts/ SPVs for unlocking prime land and enabling faster serviced land delivery.

**Keywords:** low-income migrants, Public Private Partnership, Community Land Trust, Sixth Scheduled State, inclusive development.

## Introduction

Global cities are estimated to grow sixty five percent and reach 6.3 billion by 2050; on the contrary, the rural population is expected to decline by 150 million worldwide by 2050 (UN DESA, 2018). India's urban population is expected to reach 814 million by 2050. India is one of the fastest growing economies in the world, aspiring to become a US\$5 trillion economy by 2026 and US\$40 trillion by 2047. Each percentage point increase in a district's urban population share is directly associated with a 2.7% increase in district GDP (NITI Aayog & ADB, 2022). Manufacturing and modern services (transport, financial intermediation, real estates) i.e., sectors that are critical for economic dynamism, account for a larger share of employment in larger cities.

India@2047 is being referred to as 'Amrit Kaal' by our Honourable Prime Minister; as per the concept of Amrit Kaal, the nation will move forward towards attaining the goals made for Aatma Nirbhar Bharat. To ensure sustainable, inclusive, climate resilient growth, the goals are to reduce the urban-rural divide, embrace technology, infrastructural development, build capacities of self-governance, alleviate poverty, innovate fiscal autonomy of municipal finance, develop partnerships, devise strategies for climate resilience, and improve service delivery.

For development in India, it is crucial to prepare for the challenges to promote this growth in a sustainable way. The urban agglomerations and areas around cities, newly developed towns, and existing lower hierarchy Tier II, II, and IV towns show a lack of technical, financial, and administrative capacities. Demand for Serviced land in Urban Areas

outpaces its delivery. Mukesh Aghi<sup>35</sup> states that the enormity of urbanization in India requires one city of Chicago size to be built every year for the next ten years.

Land plays an important role in the economies of developing countries. As India urbanizes, land accessibility has emerged as a crucial problem for government at all levels. Land markets in India are underdeveloped, the regulations governing land are archaic, unclear, and as cities grow, multiple groups stake their often-conflicting claims to scarce land, leading to conflict and contestation (Sami, 2011). The most challenging task for administrators and policymakers is to devise a solution for the conundrum that is economically favorable and socially fair. Under the Constitution of India, 'land' falls under the State List while 'acquisition and requisitioning of property' comes under the Concurrent List. Conflicting political interests at the state and national level, concern for power sharing between various levels of government and the resistance from the communities in participating in the urban development process, especially in the regularization of informal settlements by immigrant labours has been a challenge. It has also questioned the inclusivity of the urbanization.

### **Access to land.**

Access to the land market has been a primeval challenge due to a combination of historical, legal, social, and economic factors. Some of the challenges in access to the land market in India are:

1. Lack of proper and standardized valuation of land.
2. Fragmented ownership and bringing consensus amongst the owners for large-scale development.
3. High cost of land transactions leading to informal agreements.
4. Poor administration of land leading to encroachment; a threat for planned development.
5. Lack of management with unclear land titles and progressive reforms in the land management system leading to fraudulent practices, economic distortion in land prices, etc.

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Mukesh Aghi, President of the US India Strategic and Partnership Forum (USISPF) in the panel discussion on Smart Cities in India: Challenges and Opportunities organised by Harvard University in February 2020.

6. Inaccessible land in tribal areas where indigenous community land ownership is practiced. The drawbacks of the unclear land title include limitations to access financing, infrastructure development, limited judicial powers, lack of assimilation of the communities with the mainstream, misuse of power and inconsistency in the implementation of policies and programs affecting the overall welfare of the communities.
7. Resistance from communities to access land
8. Unsecured land access depletes the environment and leads to land degradation reducing the supply of land. Research shows that residents are stewards of the forest, natural resources, and environment when their land rights are secured (Moskell & Allred, 2013), (Vega & Keenan, 2016).
9. Inadequate compensation leading to protests and legal disputes in projects.

## **Role of communities in localizing land asset development and management**

Communities play a crucial role in localizing land asset management, as they're often the primary stakeholders of land in their respective areas. Some key roles that communities can play in this process are land stewardship, inclusive land use planning, managing and governing through customary land tenure systems, the establishment of Community Land Trusts (CLTs), resource management and land rights advocacy, developing community-based land information systems, disaster preparedness, community-based economic development, cultural and heritage preservation, and participatory decision-making processes utilizing the local knowledge and needs of communities.

### **Global Case Studies**

One of the successful approaches to active community-led development with outstanding outcomes is the Community Land Trust (CLT). A CLT is a private, non-profit organization established to serve the needs of low and middle-income citizens of a specific community. Its major purpose is to acquire land that will be used by groups and individuals within the community and ownership. The CLT is typically composed of community residents, community leaders, and representatives from the community

(Wood, 1985). The CLT is a social invention designed to solve several problems in land ownership, from affordability to preservation (Meehan, 2013).

In England, CLTs give ordinary people the means to steward land for local well-being; to develop and manage affordable homes. The number of CLTs have grown exponentially for a decade, providing long-term solutions to the marginalized community. Apart from the successful network of CLTs for mainstreaming affordable housing, it has evolved in other sectors like tenant co-operatives, multi-purpose community centres, etc. In Wales, Community Enterprises are promoted as businesses with social and financial objectives. Some instances include the Welsh Community pub run by the community for the community with a supportive business plan that suits community needs.

Scotland has community land holding a common phenomenon due to its legacy of the longevity of feudal tenure. The Land Reform (Scotland) Act further empowers communities through the '*community right to buy*' as a priority to buy land with the objective to benefit communities first. A successful community-led model is the Local Tourism Trusts in Scotland.

There is evidence of beneficial impact as a direct result of providing legal status to a community ownership: the emergence of private/ community enterprise, decreased out-migration due to increased tenure security, infrastructural and rural housing projects, renewable energy schemes, enhanced community involvement; and improved land management (Morran, Scott, & Price, 2014).

### **Indian Case Studies**

Accessing land for infrastructure projects such as slum rehabilitation, roads, industries, power plants, dams, SEZs, etc. is often challenged by resistance from the community. One of the cases that may be stated is the community's resistance to establishing SEZ in Goa. The resistance led to the revocation of the state's SEZ policy and the cancellation of all approved SEZs (Sampat, 2017). Effective leadership plays a key role in the building of trust, managing conflict, and facilitating change (Morran, Scott, & Price, 2014). An excellent example of effective leadership from the community is the redevelopment of Bhandi Bazaar, a 125-year-old Muslim majority market in Old Bombay.

A prominent example of marginalised land landlocked in one of the biggest metropolitan cities in India is Dharavi in Mumbai which is approximately

240 hectares. Dharavi was a swamp that evolved as a fishermen's colony but is now transformed into a vibrant informal economy with residential and an industrial area. A rough estimate by Dharavi residents' states that Rs. 1500 Cr. to Rs. 2000 Cr. per year or a minimum of Rs. 5 Cr. per day is the turnover.

The challenge is manifold in the Himalayan ecosystem that is ecologically fragile and economically underdeveloped, with limitations due to geo-environmental constraints; on the other hand, the major source of livelihood is agriculture and allied activities (Tiwari, 2000). The role of the community remains critical in such eco-sensitive regions due to the indigenous knowledge. In Arunachal Pradesh, the local communities were more successful in conserving the biodiversity and wildlife whereas the government has failed in Northeast India (Akhtar, 2018). In Ladakh, the indigenous knowledge of the locals was found to be effective in innovations in climate change adaptation strategies (Kumar & Saizen, 2023).

One of the unprecedented community-led land pooling and management was the Magarpatta City in Pune, wherein a group of farmers redeveloped the pooled land into a profitable and sustainable housing complex through an equity model of land development. The success of the equity model is based on transparency and equity amongst participants. Community-led Forest Management under the *Van Panchayat* model is a partnership between the government and the local community, wherein the locals are involved in the protection and sustainable use of forest resources practiced in Uttarakhand and Himachal Pradesh.

Community-led development has been attempted for incremental development of slums and marginalized land. These efforts have taken place in piece meal interventions for the upgradation of housing conditions and land tenure security for the marginalized community. Some of the success stories are woven around the primary goal of improving living conditions and livelihood with the community's participation. The cases include the Integrated Housing and Slum Development Programme (IHSDP) implemented by Shelter Associates, Resettlement and Rehabilitation of Slum Dwellers, Mumbai implemented by Society for Promotion of Area Resources Centre (SPARC), Tenure Rights in Nagpur by Youth for Voluntary Action (YUVA) wherein civil society groups in collaboration with the resident community groups. Sanitation infrastructure provision in marginalized settlements by active participation of the community provided

basic infrastructure to the residents along with a sense of ownership and empowerment in cases of Sanitation Manager (SANMAN) in thirteen cities by Centre for Urban and Regional Excellence (CURE), and One House One Toilet (OHOT) in Pune implemented by Shelter Associates.

These cases exhibit effective implementation strategies by engaging NGOs and the community for the development of marginalized land. However, the approaches lack transparency and long-term sustenance of the quality of living and continued livelihood of the community. The concept of Trust in India is limited to only altruistic objectives and does not provide continuous engagement. In the Indian context, a Special Purpose Vehicle (SPV) may be more suitable as it allows surplus to be distributed/ reinvested ensuring sustainability of the community-led project in the long term. SPVs can also provide unique financial structuring, risk mitigation, efficient project execution and asset management, and long-term planning while considering factors like environmental sustainability, and quality of life.

### **Localizing land asset management in Meghalaya**

The total geographical area of Meghalaya is 22,429 sq.km. As per Census 2011, the population of the state is 29.67 lakhs. The urban population stands at 20.07%, with the remaining 79.93% as rural. The Census 2011 reported that 76% of rural households are landless. There is a high level of inequality resulting in the total income for most of the population being low. Meghalaya is an agriculture-based state with about 81% of the population dependent on agriculture for their livelihood (Department of Information and Public Relations, Govt. of Meghalaya). The Reserve Bank of India reported that Meghalaya's economy was the slowest among all the States and UTs in the country from 2011-12 to 2017-2018, which is an issue of great concern for many reasons (The Shillong Times, December, 2022). Land reform aims to change the structure of the relations between humans and land by intervening in the dominant ownership, control, and use of land. Therefore, the distribution of land has the same meaning and relates to land reforms involving the amendment of land-ownership laws, regulations, or customs. (Azadi & Vanhaute, 2019). However, in such a unique setting as Meghalaya, the role of the community as a landowner is pivotal.

The Sixth Schedule of the Indian Constitution applies to Meghalaya which makes it unique compared to the other states where the Sixth Schedule is applicable in some parts of the state, e.g., Assam. The Autonomous District

Councils (ADCs) are single-handedly empowered in Meghalaya to administer the tribal people. The schedule restricts Meghalaya state ownership of land including forests so that the state owns only about five percent of it, and tribal individuals and clans own most of the land without any documents or *pattas*. Some estimate suggests private individual owns more than sixty of community land (Dev, 2013) and 86% of land under tribal ownership (NESFAS, 2020). However, through the years, a new phenomenon of 'tribal absentee landlordism' is evident where the community land power is within few 'elites'; and exclusion of the poor and marginalized is evident where the marginalized are neither informed nor sought approval (Mukhim, 2013). The Sixth Schedule provides that:

- a. Community ownership of natural resources and land cannot be sold from 'tribals' to 'non-tribals'. The state is regarded as a 'non-tribal entity' except when land acquisition is towards 'community and/or tribal welfare'
- b. The creation of ADCs entrusted with 'land management' in the spirit of constitutional recognition of the tribal way of life.

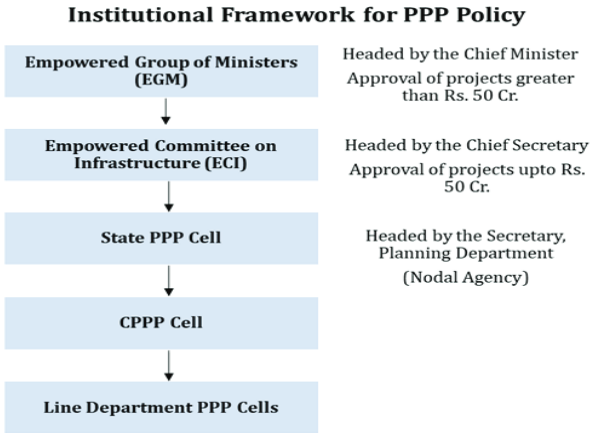
The central and state governments, the ADCs, and the tribal hierarchies spin a web of laws and conventions around the land, resulting in confusion and competition around the community land. In addition, it has been observed that the tribal communities are more divided in their collective imagination and idea of development, there are contesting views between the older and younger generations, the elite, and the commoners, rural and urban, educated, and uneducated. Tensions between the parallel formal and traditional land governance systems increasingly give rise to court cases (Soreide, 2017).

PPP led by the community has been envisioned by the state government of Meghalaya as an important instrument for utilizing its capacity, land and resource base and leveraging private sector technology. In August 2023, the Government of Meghalaya approved the concept of community-based PPP as a part of the PPP policy which entails that community land can be utilized for infrastructure development, aggregating the land for agricultural produce, promoting community or eco-tourism, development of lakes or commercial hubs, etc.

Thus, this will be the first-hand large-scale community-led land management framework experience that will be seen in India in the unique



setting of a Sixth Scheduled state. The prime consideration of the PPP Policy of Meghalaya was the involvement and protection of the rights of the community. The benefits would be in terms of economic growth, employment opportunities, capacity building of stakeholders, creating new assets etc. The Community PPP (CPPP) Policy is the key tool to leverage community land for resolving the issues of infrastructure deficit in the state-roads, telecom, power, etc. The development of infrastructure would require massive investments. The Government of Meghalaya estimates a requirement of Rs. 25,000 Cr over the next ten years. The PPP is anticipated to leverage investments along with sector-specific expertise from private sector. The State has categorized two types of PPP based on project sizing – large infrastructure projects (PPP) with more than Rs. ten Crore budget and Community Infra Projects (CPPP) with less than Rs. ten Crore budget requirement. In CPPP, the community will provide land, consent of the community at critical junctures of the project, and active involvement would be required. The state would provide Viability Gap Funding (VGF), tax incentives, etc. Figure 1 represents the proposed framework for implementing the PPP Policy.

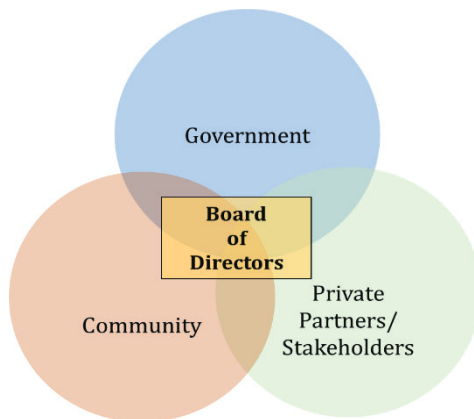


**Figure 1:** Institutional Framework for PPP Policy in Meghalaya

The CPPP is an innovative development tool that will help inclusive growth in a unique setting of the Sixth Scheduled state and set pathways for economic growth during the next twenty-five years.

### **Recommendation for localizing land asset management in India for 2047**

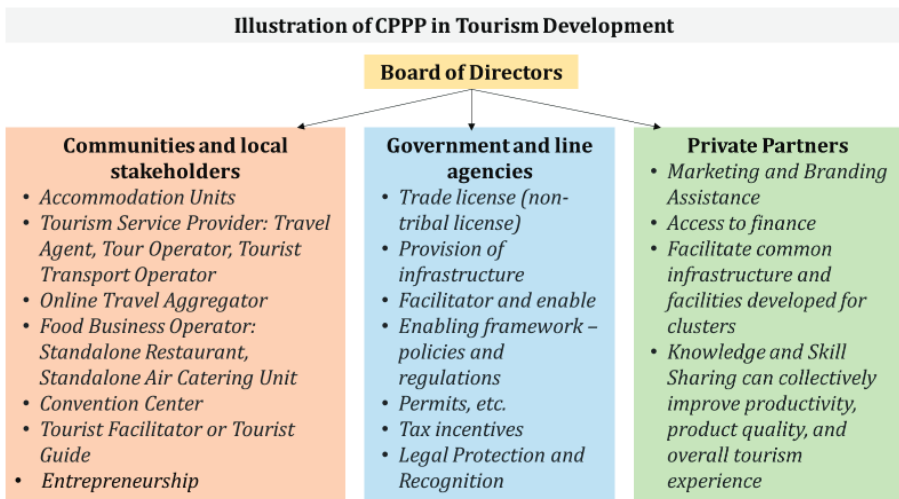
In urban areas where prime land stays captive due to encroachments and succumbs to unregulated growth, it is important for the government to take stock of the experiences of community-led inclusive development. CPPP can make serviced land delivery more inclusive and help unlock prime land for economic development. The following approaches are recommended as inclusive development instruments:



**Figure 2:** Institutional setup for CPPP

- i. Leveraging community-led land development in development projects that entail land for its implementation like housing projects. A tripartite arrangement between the community, private partner/ stakeholders, and the government including line agencies is constituted as a Special Purpose Company. The percentage of equity earned remains with the land to keep it permanently affordable. The land remains in the ownership of the community for perpetuity or until the SPC decides to keep it.

- ii. Developing packages to redevelop marginal / encroached land for economic drivers like tourism/ industrial estates or MSMEs for development on CPPP basis.
- iii. convergence of funds under livelihood missions for mobilizing community-led entities/ SPVs for unlocking prime land and enabling faster serviced land delivery. The existing informal structure finds it difficult to access finance, however, after a legal recognition as a company/ entity/ SPV, the communities can avail financial assistance.



**Figure 3:** Illustration of CPPP in Tourism

Localizing land asset management empowers communities to participate in decision-making, governance, and sustainable management of land resources within their regions. The overarching outcome of community engagement in development are inclusive development, sustainable land use, social cohesion, land tenure security, conflict resolution, resource mobilization, addressing the community needs, and aspirations, advocacy of their interest and representation, and capacity building in shaping the future of the community. To effectively evolve a development strategy for community land ownership and community engagement there is a requirement for clear legal frameworks and supportive policies. In addition to these, collaboration between communities, local governments, and

stakeholders is crucial for the whole duration of the project for sustainable implementation.

Disclaimer: This paper represents the opinions of the authors, and does not represent the position or opinion of the organization. The author has cultured the PPP Policy for Meghalaya.

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