



Chapter 22: A Chimera Called “Smart Cities”

Gurbir Singh

There is an obsession in India over the term “smart.” People vie for smartphones, smart homes, and, lately, smart cities. After several rounds of competitive bidding, among Indian cities, the Narendra Modi government in the last week of January 2016 released a list of 20 cities that would be comprehensively developed. Another 13 cities were added to the “smart” list in May 2017, bringing the total to 33. The list included Bhubaneswar, the capital of Orissa, one of the most backward states of the country; and Lucknow, the capital of the most populous state of Uttar Pradesh. Two of the largest and most chaotic Indian cities with the largest slum populations – Mumbai and Kolkata – were not included.

The drive to build smart cities must be viewed in the context of the recently announced government policy to provide housing for all by 2022. India has a housing shortage of nearly 18 million units, and 25 percent of its urban population live in illegal shanty and slum hovels. Will the drive for smart cities ameliorate this ballooning problem of homelessness?

The idea of smart cities in India was first floated by Finance Minister Arun Jaitley in May 2014.¹ In his budget speech, he said the government was committed to developing 100 smart cities and allotted around \$115 million to draw up plans and priorities. This initiative struck the right chord, as India is rapidly urbanizing. The McKinsey Institute has predicted that more than 590 million Indians, or around 40 percent of the country, will be living in cities and towns by 2030.² Conversely, most cities had become a planner’s nightmare, with urban expansion mushrooming haphazardly.

No one in the government is quite sure what makes a smart city. It is a European term that identifies technology as the trigger to make life more ordered and comfortable. Sunil Mathur, Siemens India’s managing director and CEO, said he had recently made a presentation to government on what

¹ www.thehindu.com/business/budget/rs-7060-crore-for-100-smart-cities/article6198022.ece.

² www.mckinsey.com/global-themes/urbanization/urban-awakening-in-india

the company thought should be the route to developing smart cities. “Ours was the fifty-sixth definition of smart cities,” he acknowledged³.

Initially, the central government thought it would be developing green field cities; the thinking then veered to retrofitting old cities as brownfield projects. Subsequently, the government realized it had neither the funds nor the planning capacity to complete the initiative for 100 cities together, so it reduced the scope of the project to a first round of 20 cities, wherein \$7.7 billion would be invested over five years to develop infrastructure and technology. This is a drop in the funding ocean, considering that approximately \$5 trillion is required over a decade to create 100 smart cities.

At best, this project represents tinkering around. For instance, among the 20 smart cities is the posh New Delhi Municipal Corporation area, where the rich live in their colonial-period bungalows. The dense, squalid Old Delhi has been passed over. “Investors’ response to the Smart Cities programme is yet lukewarm, because they don’t know yet what the fine print is, what they are getting into,” Sunil Rohokale, CEO of the ASK Group, told me.⁴

Serious city planners have expressed concern that the concept of smart cities is more to do with erecting shiny glass edifices and icons of corporate well-being than about providing affordable housing or getting rid of slums.

Ranjit Sabhiki, an architect who drew up Delhi’s master plan, has written that smart cities “are largely based on the areas developed for middle and high income housing”⁵ and often take more than half of the urban land available in towns, whereas affordable housing takes 15 to 20 percent on average. “Because the units are small, and larger numbers can be fitted in small land pockets,” he has written, “there has been a tendency to squeeze them into areas of leftover land. Such developments degenerate into squalid slums over short periods of time.”⁶

An urban improvement program called the Jawaharlal Nehru National Urban Renewal Mission was launched under the previous Congress regime in 2005. With \$20 billion to be spent over a decade, the scheme – with all its flaws – *did* address city-specific transport and housing issues, and strengthened local municipal bodies. The new, right wing BJP government has scrapped that program, replacing it with its own pet schemes. Prime Minister Modi’s target of housing for all by 2022 hopes to garner and invest \$65 billion over a decade to build 20 million homes. “India’s poor can’t be left to their fate. We are sitting

³ Siemens India Managing Director and CEO Sunil Mathur made the comment speaking at a conclave on smart cities attended by the author.

⁴ Interview with author.

⁵ <http://bwsmartcities.businessworld.in/article/Will-Smart-Cities-Be-Affordable-/19-02-2015-95841/>.

⁶ *Ibid.*

together to discuss how to improve life in cities. Had we recognised the importance of urbanization twenty-five to thirty years back, we would have been par with developed countries and cities,” he says.⁷ But on the ground, the smart city project has little to do with housing the poor, and much of the grandiose Homes for All project so far remains on paper.

Today, Indian cities are eyesores where a majority live in slums and commute in bestial conditions. People don’t live in slums out of choice. They move into shanties when they can’t afford anything better. Urban residential property is prohibitively expensive and out of reach for the teeming masses. There is little government supply of housing, and the residential market is largely in the grip of private builders. The last half-yearly survey by Knight Frank India, a consultancy, says that, in 2017, the country is facing the worst depression in the home-buying market in five years.⁸ The all-India unsold inventory of homes is over 700,000 units; this would take more than three years to exhaust.

The government has to find swaths of urban land and construct millions of homes at affordable prices for buyers and renters. More importantly, slum communities and citizens’ movements have to unleash struggles in the streets and in government planning forums to ensure that basic infrastructure, a hassle-free commute, and a decent home become part of the inalienable rights of new Urban India. The real battle is to not to make cities smart, but to make them livable.

⁷ www.livemint.com/Politics/lzTVpTHgQ88ABan4KzmdwN/Narendra-Modi-launches-smart-city-housing-urban-renewal-sc.html.

⁸ <https://housing.com/news/residential-property-sales-fall-lowest-5-years-knight-frank-report/>.