



31 Jan - 2 Feb 2008 • Mumbai, India
MMRDA Grounds, Bandra-Kurla Complex

CS01

Growing Cities and Urban Challenges

Date: 31 January 2008

Time: 14.00-15.00

Chair	Shri M. Ramachandran Secretary, Urban Development Ministry of Urban Development, Government of India
Presenter	Dr. Jairaj M. Phatak Commissioner Municipal Corporation of Greater Mumbai
Presenter	Emeritus Mayor Mr. Peter Woods Secretary General - Asia Pacific United Cities and Local Governments
Presenter	Shri N. K. Nayar Chairman Bombay First, Mumbai





Transforming Mumbai into a World Class City

N.K.Nayar
Chairman, Bombay First

The world today is become predominantly urban. The year 2007 has witnessed the transferring of world from predominantly rural to urban. Urban challenges are unprecedented, contextual and have resulted from humanities inability to convert the constraints into opportunities. Mumbai with a long history, strong economy and a vibrant culture is aspiring to become a world class Mega City. The initiatives like International Financial Centre is catalyzing to the process aggressively. Bombay First being a think tank and active agent working towards the transformation of Mumbai to its coveted stature among the global cities.

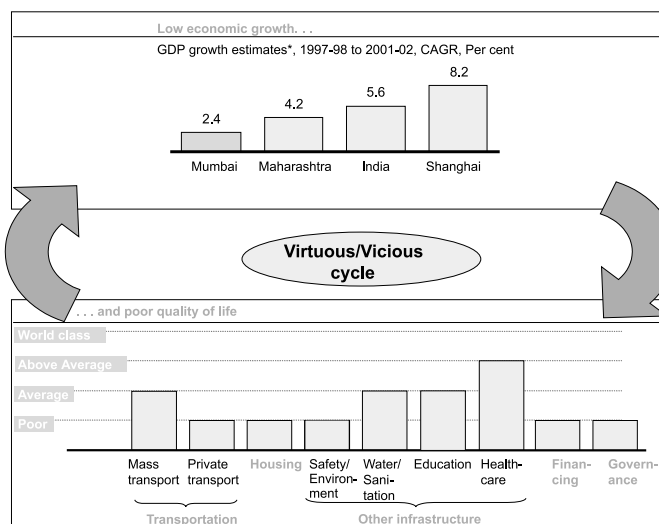
Mumbai has historically been India's commercial capital, contributing significant tax revenues to both Maharashtra and the Centre. However, over the past decade, Mumbai has been declining rapidly on the dimensions of both economic growth and quality of life. What is really needed for Mumbai is to undergo a change in mind-set: from thinking of incremental improvement and debottlenecking, it must begin to work towards achieving world-class status. The situation, at present, is such that most policy makers and agencies governing the city refuse to even believe that Mumbai, with its seemingly insurmountable problems, can transform itself into a world-class city in a time frame that can be influenced by the present day decision makers/change agents.

Its recent GDP growth is a surprisingly low 2.4 per cent per annum (1998-2002). And this slow down has undoubtedly affected the growth of Maharashtra, since Mumbai and its surrounding regions contribute over 20 per cent of the state's GDP. To illustrate, the state's growth rate fell from 4.8 per cent per annum in 1994-98 to 4.2 per cent in 1998-2002 when Mumbai's growth rate slipped from 7 to 2.4, a period in which the growth rate of India was as much as 5.6 per cent. The quality of life in Mumbai has also worsened and the decline is quite steep. Slums have proliferated and congestion, pollution and water problems have skyrocketed.

All of this has resulted in a slippage in rankings (Mumbai fell from 26th place in 1996 to 33rd in 2000 in *Asiaweek's* rankings of the top 40 cities in Asia). On the international stage, Mumbai ranks a poor 163rd (out of 218 cities world-wide) on the *Forbes'* quality of life survey and 124th (out of 130 cities world-wide) on EIU's hardship ratings. The situation is likely to worsen over the next decade with an expected population increase of over two million. All this is most unfortunate considering that Mumbai is Maharashtra's and India's main economic engine and contributes about Rs. 40,000 crore in taxes to Maharashtra and the Centre annually. Compared to that sum, what Mumbai gets in return from the State and the Centre is a grossly inadequate Rs. 1,000 crore of capital expenditure every year.

To become a vibrant international metropolis, Mumbai must ensure that its economic growth is comparable to world-class levels while simultaneously upgrading the quality of life it provides to its citizens. At present it is slipping up on both dimensions. If it wants to achieve this status, the Government and the citizens need to undergo a change in mind-set rather than continuing to think incrementally. Bombay First along with McKinsey conducted a study that came out with a report on "VISION MUMBAI: Transforming Mumbai into a world-class city" which has prescribed the following eight-pronged programme

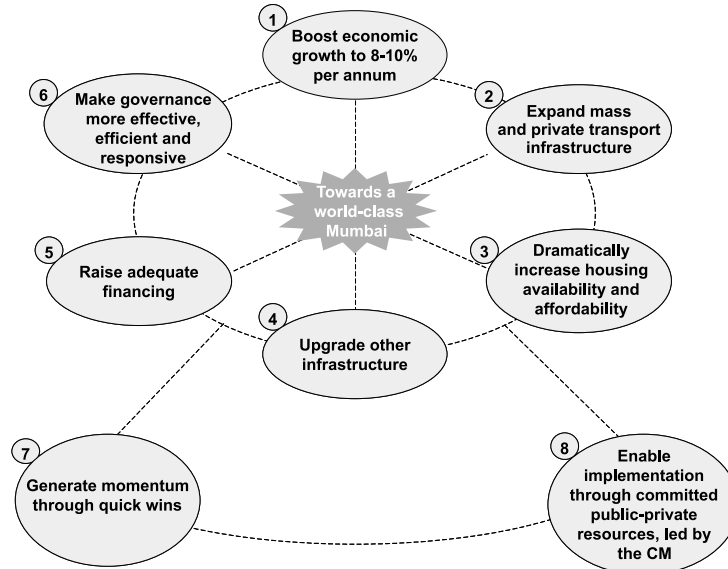
MUMBAI LAGS BEHIND ON BOTH FRONTS – ECONOMIC GROWTH AND QUALITY OF LIFE



* Based on district-wise NDP estimates for Maharashtra
Source : Department of Economics and Statistics (Government of Maharashtra); team analysis



LAUNCHING EIGHT HIGH PRIORITY INITIATIVES WILL HELP ACHIEVE
"VISION MUMBAI"



I. Boost economic growth to 8-10 per cent per annum by focusing on services (high - and low-end), developing hinterland-based manufacturing and making Mumbai a consumption centre.

II. Improve and expand mass and private transport infrastructure, including linkages to the hinterland.

III. Dramatically increase low-income housing availability (1.1 million low-income houses) and affordability and drive upgradation of housing stock.

IV. Upgrade safety, air pollution control, water, sanitation, education and healthcare.

V. Create a dedicated "Mumbai Infrastructure Fund" with an annual funding of Rs.1,500 crore and attract debt and private financing.

VI. Make governance more effective, efficient and responsive by corporatising key departments and streamlining important processes such as building approvals.

VII. Generate momentum through more than 20 quick wins to show visible on-the-ground impact during the next 1-2 years.

VIII. Enable implementation through committed public-private resources, led by the Chief Minister and make key government organisations accountable for results.

Mumbai is currently at a critical juncture. It must implement the eight initiatives outlined above, and it must do so now. Otherwise it is in grave danger of collapsing completely.