

Extended Abstract

Navi Mumbai (formerly New Bombay) is 37 years old and is on the threshold of fast urban growth and is one of the largest planned cities in the world, with a total area of 344 km². Navi Mumbai is being developed as a counter magnet to Mumbai to ease the population pressure of Mumbai. The present population is 1.9 million with a job base of 0.8 million. The city is expected to reach 2 millions by 2009, and it may touch about 4 millions with a job of more than 2.5 million by 2025. Prior to the birth of Navi Mumbai, there were 95 villages with a total of 0.15 million population. Fishing and agriculture were the main source of livelihood. Most of the land was terrain, marshy and barren. It was totally undeveloped with no amenities and facilities. The urbanization coupled with economic growth has turned the area into a highly productive and vibrant zone. Navi Mumbai now all set to emerge a new city of 21st century – with quality infrastructure, strong economic base and self-sustainable one. Navi Mumbai is the only Indian city, declared as one of the best cities of the world by the National Geographic experts.

The present paper describes the impediments and challenges the government of Maharashtra had in coping up with unabated population growth, land assembly mechanism, development of needed infrastructure, housing, financial viability, Shifting of wholesale market, environmental management and construction of rail and road bridges on Thane creek to connect the city with the mainland. The background and the rationale behind the decision to set up Navi Mumbai was to achieve a common objective which are as follows

- To reduce the growth of population in Greater Mumbai by creating an attractive Urban Center on the main line across the harbor which will
- Absorb the immigrants who would otherwise come to Mumbai
- Attract some of the Mumbai's present population so that overall population of Greater Mumbai can be contained within the manageable limits.
- To provide physical and social services, raise the living standard and reduce the disparities in the amenities available to the different sections of the population.
- To provide an environment, which would permit the citizen of Navi Mumbai to live with peace and richer lives as far as possible, free from the physical and social

tensions, which are commonly associated with urban life.

The major achievements made by this young city are laudable. Right from the scratch, the city has SELF FINANCING concept. This is the unique phenomenon, pioneer in the history of New towns in Asia. Use of land as a resource, investment in housing and infrastructure at strategic location and strategic time, is the key for survival and sustainable development. The population is enjoying much high standard of living and this makes the city a World class model for planned development. Navi Mumbai, today's satellite city, has a burgeoning future in commercial aspects. With numerous malls and multiplexes budding up, IT Parks, the Thane-Belapur Industries belt, Navi Mumbai will soon complement the financial capital of India, Mumbai, in all walks of life.

A seed capital of Rs. 4 crore (about \$800,000) and a large amount of land was placed at the disposal of City and Industrial Development Corporation of Maharashtra (CIDCO), its value was minimal. The hidden success is the highly successful strategy for the heavy-financing city by using its unique method of Reserve Price (RP) and differential land disposal and pricing policies to make it affordable to all income groups and all land users. How 15% of land sale at market price has generated 75% of internal revenues making Navi Mumbai Project self financed.

The smart decision of dealing with locals was 12.5% scheme. In 1994 Government of Maharashtra / CIDCO has decided to implement **12.5% Scheme:** i.e. handing over about 12.5% of their own land being acquired by CIDCO after development back to the PAPs. Normally, these plots are being sold to the builders by the Project Affected Persons (PAPs) in order to fetch more financial benefit. The land value of vashi node was Rs. 85 (\$ 2) per sq. mtr. in 1985 and is now 60, 000 (about \$ 1500) per sq. mtr. **this scheme made the villagers real partners in progress.**

The city during the last three decades also saw erosion of manufacturing base, slump in the market based development and changing economic scenario. This had direct impact on progress of the city. But even these growth retarding factors have not been able to hinder or stop the progress of the development. The study also reveals that how the rapid mass urbanization,

coupled with economic growth has turned the area into an economic coastal belt. The SEZ and International Airport have the capacity to transform into a more vibrant and self-contained city with its own identity at national and international level.