Against the odds: Slum rehabilitation in neoliberal Mumbai

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Received 24 July 2007; received in revised form 22 January 2008; accepted 23 January 2008
Available online 14 March 2008

In urban India, slum policies have become increasingly reliant on the market and on local ‘self-help’ agencies, a trend in step with the neoliberal turn across the developing world. The emphasis on local solutions is particularly interesting because the challenge of urban slums is now widely acknowledged to be one of global proportions. This paper examines the impact of this changing institutional environment on slum rehabilitation efforts in Mumbai. It provides an overview of Mumbai’s slums and slum policies and it presents a case study of a rehabilitation project in Ganesh Nagar D, a small community in the southern part of the city. While the case of Ganesh Nagar D appears a striking success, it is shown that it was only in part based in new policy schemes and that it in fact violated some of the main tenets of neoliberal policies. It is concluded that some new opportunities for rehabilitation strategies have arisen but that the fundamental conditions of neoliberalism in urban India are unlikely to be conducive to large-scale successes.

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Keywords: Mumbai, India, slums, slum rehabilitation, neoliberalism, globalization

Introduction

An estimated one billion people worldwide live in urban slums, the majority of them in the less-developed world. In the path-breaking UN-Habitat Report Challenge of the Slums (2003), Secretary General of the UN Kofi Annan warned that:

“Without concerted action on the part of municipal authorities, national governments, civil society actors and the international community, the number of slum dwellers is likely to increase in most developing countries. And if no serious action is taken, the number of slum dwellers worldwide is projected to rise over the next 30 years to about 2 billion”.

The UN-Habitat report is one of numerous publications in the past few years that alert us to the gravity of the situation (e.g., Davis, 2006; Neuwirth, 2004). With rapid and continued urbanization in the less-developed world and in the absence of effective policies, precarious living conditions in cities may well become the main challenge to human development in future decades (also see UN-Habitat, 2006). The growing recognition of the global problems of slums in recent years coincides with neoliberal public policy shifts among national governments, major supranational institutions such as the World Bank, and many smaller non-governmental, private organizations. Development policy agendas (rural or urban) have been reshaped in ways that de-emphasize central state control and that shift responsibilities to local (urban) government, NGOs, and the market. These changes are in part intended to democratize development through the involvement of local agencies and communities. “Empowerment” and “self-help”

1 The term ‘slum’ is sometimes contested. This article underscores the importance of awareness of the contextual meanings of the term and the ways in which they figure in political debates. It also explicates that there is enormous variety in living conditions in most cities – certainly in Mumbai – and that empirical definition of what is a slum and what is not, is arbitrary and debatable.
are some of the main concepts that have emerged in this reformed development vocabulary. Thus, while the challenge of the slums has assumed global proportions, the remedies are increasingly sought at the local level.

This article focuses on the implications of a neoliberal environment on urban slum rehabilitation efforts. What new opportunities for rehabilitation are offered under neoliberal conditions? What are the constraints imposed by these conditions? How does neoliberalization affect local agencies, communities, and processes in specific slum rehabilitation projects? What can we say about the odds of success for various projects under conditions of neoliberalization?

The article is inspired by a case study of one particular Mumbai slum, Ganesh Nagar D. Ever since Mumbai (Bombay, prior to its renaming in 1995) became a major city in the second part of the 19th century, it has been beset by shortages and poor quality of the housing stock. Over time, the slum population has grown to exceed 50% of the entire population of (now) well over 12 million. The problem of housing has become ever more pressing and today even many lower-middle income families are condemned to living in slums (Patel, 2005). Ganesh Nagar D, because of its particular nature, provides an intriguing and illuminating case study of rehabilitation in the context of new neoliberal policies. Interestingly, it has been an exceptionally successful project but it appears to have been successful against the odds. Combining this case study with a more general examination of conditions in Mumbai, it is possible to generate some useful insights in the prospects for rehabilitation in Mumbai and urban India at large.

Most of the research for this paper was done from 2005 to 2007. It involved several visits to Ganesh Nagar D and the Mahalaxmi area within which it is located, interviews with local stakeholders, and analysis of pertinent documents. The case-study was combined with a broader literature study of slums and slum policies in Mumbai, Maharashtra, and India. The empirical study was conducted in the context of the theoretical literature on neoliberalism and recent general writings on urban slums.

The rest of the paper is structured as follows. It begins with a brief discussion of the current literature on slums and slum rehabilitation and of the more theoretical literature on neoliberalism in terms of its relevance to slums. The subsequent empirical part of the paper starts with an overview of the history and geography of Mumbai’s slums and the changing policy environment in the city. Next, the paper provides a detailed account of Ganesh Nagar D and its rehabilitation strategy. The final section contains the main conclusions.

**Urban slums in global neoliberal context**

There is a considerable literature on slums in cities of the less-developed world but much of it predates recent theoretical debates in the social sciences on neoliberalism (e.g., Abrams, 1964; Clinard, 1966; Juppenlatz, 1970; Turner and Fichter, 1972; Van der Linden, 1987). For the sake of brevity, we will focus our discussion here on the significance of neoliberalism debates for slum rehabilitation. To be sure, neoliberalism has been a pervasive force in many less-developed countries in recent decades and it has altered development strategies in fundamental ways (for a more general discussion on neoliberalism, see Hall and Biersteker, 2002; Harvey, 2005). The relevance of neoliberalism to slum rehabilitation is threefold: first, the shift from government intervention to reliance on the free market; second, the shift of responsibility from government to civil society; and, third, the rescaling of government from central to local levels.

The first and perhaps most salient characteristic of neoliberalism is a shift of emphasis from state planning to a reliance on market forces. Partly on the basis of the alleged failures of past state-led development strategies, it is argued that the free market is more likely to deliver desired results. The so-called ‘micro-credit revolution’ of recent years, with the involvement of major banks across the globe, is a common reflection of this transformation. The creation and development of urban land and real estate markets and of private banking all play an important part in present-day slum strategies around the world. Nowadays, slum rehabilitation strategies tend to involve private developers, builders, and financial institutions (Mukhija, 2003).

In India, from the mid-1980s, national economic policies were revised, sometimes gradually, sometimes more radically, to facilitate a shift from a quasi-socialist (or: mixed) and highly regulated economy towards a free-market regime (Grant and Nijman, 2002, 2004). In a country like India, and in a place like Mumbai, it means that if markets did not yet exist, they had to be created. This, often volatile, process of creation has been described in some detail for Mumbai’s land and real estate market (Nijman, 2000) – and as we will see this newly formed land market now plays a major role in slum rehabilitation.

The second shift is from government planning to the involvement of non-governmental organizations or, more abstractly, from state to civil society. This shift is based on two premises. First, successful development strategies demand the active participation of local communities and will otherwise fail for lack of local knowledge – a matter of efficiency. In addition, democratic ideals demand empowerment and control of development at the local level and this, in turn, requires a greater role for civil society. A recent Cities Alliance report (2003, p. 21) states what by now has become common wisdom: “Slum communities should have decision-making roles because they know their community and issues; have to live with the results; can, want, and have a right to participate...”.

The result has been explosive growth of community organizations, neighborhood associations, the so-called ‘shadow-state’ agencies, and other types of NGOs. While NGOs stepped in a vacuum left by the state and as such contributed to the assertion of civil society, their role in urban governance is not unproblematic. A general critique of NGOs is that by their very presence they hasten the further retreat of the state. In this manner, Wallace (2003) referred to NGOs as the “Trojan horses for global neoliberalism”. NGOs lack the comprehensive responsibility of states. Their services are often geographically
limited, almost always spatially fragmented, and often exclude important sub-populations. In this manner, it is argued, NGOs contribute to ‘differential citizenship’ in neoliberal urban environments (Lake and Newman, 2002). Further, NGOs can be criticized because of their inherently undemocratic nature and lack of accountability to the broader populace. In Harvey’s words: “They tend to be elitist, unaccountable (except to their donors), and by definition distant from those they seek to protect or help, no matter how well-meaning or progressive they may be. . . . They often control their clientele rather than represent it”. (Harvey, 2005, p. 177). This is surely meant as a generalization – as we shall see, the main NGO involved in Ganesh Nagar D, despite its limitations, was remarkably successful in promoting the interests of the slum dwellers.

At any rate, this proliferation of NGOs in the neoliberal environment implies that slum rehabilitation strategies must heavily invest in and rely on networking. Elwood (2006, 337) makes the point as follows:

“Urban planning, problem solving, and service delivery are carried out by an ever growing range of actors. Relationships are increasingly complex as public and private institutions are simultaneously the target of community organization grievances and increasingly an important source of financial and administrative support. . . . Navigating this institutional and political complexity requires operating in relationship to an extremely diverse range of actors, positioned at multiple levels, who may have competing or conflicting understanding of the neighborhood and its needs.”

There are some rehabilitation projects in Mumbai that are known to involve a considerable number of stakeholders and extensive networks that reach from the local to the global scale. Patel and Mitlin (2004) (also see Appadurai, 2000; McFarlane, 2004) outline the role and achievements of the so-called “alliance”, a consortium of organizations including the National Slum Dwellers Federation of India (NSDF); the International Slum Dwellers (ISD) organization that is headquartered in Capetown, South Africa; Mahila Milan, a women’s organization in Mumbai; and the Society for the Promotion of Area Resource Centres (SPARC), one of the city’s largest NGOs.

The third principle of neoliberalism, as far as relevant to slum rehabilitation, is the shift of state responsibilities from central governments to local (urban) governments. In part, this is a deliberate change that is in tune with the tenets of neoliberalism: local governments are thought to be better positioned to engage civil society and to respond to the market. But it is also a matter of necessity: urban governments are increasingly forced to compete for (global) capital to maintain their economies and to subsidize public policies. Urban governments, then, have changed from a managerial to an entrepreneurial mode of operation (e.g., Swyngedouw, 2000; Brenner and Theodore, 2002).

With regard to urban slum rehabilitation, neoliberal conditions play a part at two different levels. First, they concretely affect official policies towards slums and slum rehabilitation. In India and other countries, recent years witnessed an immediate impact of de-regulation and marketization on rehabilitation schemes (e.g., Bolay, 2006). In India, there is presently no central government policy that is explicitly aimed at urban slums – they are formulated mainly at the State level and at the municipal scale. New schemes are legislated and regulated that are more or less commensurate with neoliberal ideology. Market forces, particularly with regard to land and finance, are likely to play a greater part in such new schemes than was the case in the past.

Second, there is the indirect impact on slums and slum rehabilitation via the recasting of local politics, prevailing ideologies, and local culture. Emergent neoliberalism is likely to change popular views of slums and the land they occupy; of the role of government in slum upgrading; of the civic status of slum dwellers; of the costs of slums to the city; and of rights to the city of various classes and population groups. And, importantly, it is likely to re-arrange the political agenda and the place of slums on that agenda.

Neoliberalism affects both slum policies and slum politics, and it presents something of a paradox. In terms of development policies, there is a very substantial dependence on NGOs and civil society at large. But in the urban political arena neoliberalism has a tendency to forge a political culture that is strongly pro-growth and that shows little tolerance for potentially ‘wasteful’ policies aimed at supporting slum dwellers and the poor in general. When it comes to slum rehabilitation, this paradox is particularly salient in urban areas with intense competition for land, for example in Mumbai.

**Slums and slum policies in Mumbai**

Mumbai’s housing problems have been on record for over 150 years. The 1872 Census reported that: “The houses of Bombay are far too few in number to afford proper accommodation for its inhabitants” (Sundaram, 1989, 56) and this became a mantra to be repeated in every Census to follow to this day. Things did not improve after Independence, despite the initiation of successive housing policies by Indian government. Indeed, in light of accelerating rural–urban migration, the scale of the problem got worse. According to 1971 census, 77% of all households in Bombay were living in one-room dwellings and the first “slum census” of 1976 indicated that 79% of the slum population had arrived in Bombay after 1960 (Sundaram, pp. 57, 64). In the early 1980s, the shortage of housing exceeded one million units and an estimated four million people had shared access to water standpipes, with an average 270 persons per standpipe (Sundaram, pp. 57, 59). The average number of occupants per chawl, the traditional one-room dwellings that were originally built for workers in the textile industry, was 6.3, sometimes up to 20 or more (Sundaram, 61). According to Mahadevia (1998), from 1976 to 1991 Greater Bombay’s slum population increased from 2.2 to 5.5 million or from 41.3% to 56.6% of the total population.

In the past 15 years or so, the slum population has continued to expand, both absolutely and relatively – though...
the precise numbers vary depending on the source. Deshpande (2004, p. 18) estimates that the share of slum households in Greater Mumbai increased from 37% in 1992 to 49% in 2001.2 Between 1976 and 2001, the overall populations grew with 2% per year but the slum population grew by 2.9% per year (Deshpande, 2004).

In a comprehensive statement about Mumbai’s housing present housing situation, Das (2003, p. 210) estimates that approximately one million people live in jopad-pattis (the more transient, makeshift shelters along main streets) or are completely homeless; that 55% live in more permanent slums, that about 82% of the total population live in one-room dwellings and over 80% of the total population must live in overall substandard housing. Figure 1 shows the location of most slum areas in present-day Greater Mumbai. It is estimated that slums, while housing more than half of the populations, occupy only 12% of the land (EPW 1-22-2005).

Contrary to popular belief among the city’s middle and upper classes, living in the slums is not cheap. A plot big enough for a tent in an established slum now averages about Rs. 370,000 (US$10,000) which is more than double the average annual household income in Mumbai (Nijman, 2006). In addition, it is well known that slum dwellers tend to pay much more for water and other services that are not provided on a regular basis by government regulated agencies (Swaminathan, 2003, p. 96).

Deshpande (2004) provides the following generalized profile of ‘typical’ slum dwellers in Mumbai in 2001 (while acknowledging considerable variation):

- Most are first and second generation migrants, mostly from Maharashtra;
- The reason to migrate to the city was economic, to find work;
- Most heads of households are wage workers in small factories or are daily wage workers; some are self-employed; very few hold formal sector jobs; many face job insecurity;
- Most work in close proximity to the slum: 66% of men and 90% of women walk to work;
- The average household income per month is Rs. 3500 (in 2001);
- About 85% of households report that they “own” their dwelling even though many do not hold a title;

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2 Slum households tend to be larger than non-slum households – hence the share of slum households is smaller than the share of slum population.
• About 75% of all slums consist of one room and cover an average total area of 200 square feet;
• In most slums there are 75–246 persons per public toilet.

There has been a succession of government policies at various levels in Mumbai and in other large Indian cities, beginning in 1956. However, there has never been, to this date, a comprehensive census or survey of all slum dwellers in the urban region. The “Slum Census” of 1979 (published in the Maharashtra Censuses Directorate Bombay, 1986) and of 1989 (published in the Maharashtra Censuses Directorate Bombay, 1996) contain only very limited data and the accuracy is questionable. The government of India defines slums as housing that is “unfit for human habitation or detrimental to safety, health and morals of the inhabitants” (Government of India, 1988). That seems an acceptable definition but it is by no means easy to consistently identify slum dwellings or slum areas on the ground – in other words, the operationalization of the concept of slum is fraught with difficulties. At any rate, as Deshpande (2004) points out, there have to this date never been thorough and extensive surveys of Mumbai’s slum population that would serve as a proper base for policies.

We will concentrate on the present policy that dates from 1995 but it should be noted that it was preceded by a succession of other policy measures beginning in 1956 (for a more elaborate description of successive policies, see Mukhiya, 2003). The so-called Slum Clearance Plan of 1956 emanated from the central government and was mainly aimed at eradication without substantial efforts at resettlement or rehabilitation. This policy remained in effect for 15 years without any significant results other than increased hardship for many slum dwellers. In 1971, the State of Maharashtra approved the “Slum Areas Act” that was aimed at “Improvement, Clearance, and Redevelopment”. By this time, it had become clear that sheer eradication did not solve any problems and that efforts had to be made to upgrade or resettle slum dwellers. Five years later, in 1976, the nation-wide introduction of the Urban Land Ceiling Act (ULCA) put limits on transacted lot sizes, with the declared intent to reduce land speculation and redistribute land to the poor. The ULCA has been under fire from left and right for having caused a decline in land supply, increasing prices, and further housing shortages. In 1985, Maharashtra State started the “Slum Upgrading Program” that involved, with World Bank support, the offer of loans to slum dwellers to upgrade their dwellings themselves. High interest rates (around 12%, compared to about 18% on the regular market) were held responsible for the failure of that program. There were some other policies introduced along the way, including the 1991 Slum Redevelopment Scheme (Maharashtra State), but more important changes had to wait until 1995, when liberalization was underway and real estate markets started to adjust to new times.

The policy in force today is the 1995 Slum Rehabilitation Scheme. It was implemented by the Maharashtra State Government and the main responsible government agency created for this purpose is the Mumbai-based Slum Rehabilitation Agency (SRA, see www.sra.gov.in). In this scheme, all slums built prior to 1995 are supposed to be legalized and protected from demolition. In addition, the scheme gives an important role to the market in rehabilitation or resettlement.

Slum communities may obtain permission from the SRA to embark on a rehab project in which the SRA provides the community with legal rights to the land. A developer or builder constructs the new homes on this land and is compensated with the sale of dwellings beyond what the slum dwellers need. This is referred to as the ‘sales component’ of a project. If there is not sufficient space to build over and beyond the slum dwellers’ needs, the developer/builder is entitled to the so-called Transferable Development Rights (TDRs) that allow him to construct additional housing elsewhere (to the north), on publicly owned land, in the metro-area. As such, the 1995 Slum Rehabilitation Scheme uses the free market by creating incentives for developers to engage in slum rehab schemes. The government maintains a key role as it controls the land, and the slum community must organize in order to get all the needed permissions. But it is the high market value of the land that allows for a profitable involvement of the developer without passing the costs on to the slum dweller.

The 1995 Slum Rehabilitation Scheme was designed and introduced at a time when economic liberalization policies were underway (at least since 1991) and were fundamentally changing the urban landscape. India’s liberalization policies have changed the national economy at large but especially urban economies. Indeed, the SRS took effect right at the moment of an unprecedented escalation of real estate values that was directly caused by liberalization measures and rapidly increasing demand for urban land.4 For some time, Mumbai had the highest real estate values in the world, surpassing even London, New York, or Tokyo – even today, they remain high for global standards. The main difference between the SRS and prior policies is that the SRS employs the market and seizes upon the high value of land to allow for profitable involvement of developers and builders. For the first time, there was an incentive for private developers to get in the ‘business’ of slum rehabilitation in ways that were supposed to benefit slum dwellers.

Compared to previous policies, it can be argued that the present scheme (SRS) constitutes an improvement. Some regard the SRS as an important way to solve housing problems as it is based on “cost recovery by input of market forces, whereas the government plays an enabling

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3 TDR values fluctuate along with the private land market. TDRs are priced at the moment of completion of the rehabilitation project and sale of the market-component of the project. Rehabilitation projects can take considerable time and the changing value of TDRs is of considerable interest to the developers and investors. As prices spiraled up in 2006–2007, this was in part contributed to speculative trading.

4 Greater Mumbai’s peninsular geography has always put a premium on space, particularly in the southern parts that contain port and the main business districts. With the ‘creation’ of a real estate market in the early nineties, the values went through the roof, mainly due to an imbalance in the deregulation of demand and supply. For an elaborate explanation, see Nijman, 2000.
role” (Ruiter, 1999, p. 220). Others agree yet point out that it needs better regulatory guidance (Mukhija, 2003). Nonetheless, whether an improvement to past policies or not, most observers still consider the SRS a notable failure for various reasons. First, it is argued that the scheme has simply not resulted in sufficient numbers of people rehabilitated. According to Deshpande (2004, p. 24) the SRS “failed miserably” as only about 26,000 households had moved into better homes by 2002. Most would-be rehab projects do not take off because of their poor location which is not conducive to sale on the regular market – hence developers and builders are not interested. Second, it is often said that, despite the intentions of the SRS, developers still pass costs on to the slum dwellers so they can increase their profit margin. Third, slum dwellers are often persuaded to sell their pre-construction home to the developer who then sells it for more on the market. Or, after a while the former slum dweller cannot afford the taxes or maintenance charges and sells the new home. As a result, the new housing is sometimes occupied by people for whom it was not intended, a process dubbed “down-filtering” or “negative filtering” (Shaw, 2004, p. 176).

What are the broader ramifications of the neoliberal “project” for the political climate in cities such as Mumbai? There can be no doubt about the powerful emergence of a neoliberal ideology that avows the free market and self-reliance of the individual. The rapid development of the residential real estate market implies increased pressure on land. In Mumbai, it appears that the assertion of the ‘new’ middle class in combination with the marketization of real estate has helped turn this metropolis in some ways into a “revanchist city” (Smith, 1996; Whitehead and More, 2007), where newly affluent classes are taking revenge upon the poor who occupy valuable urban land. In part at least, this must be understood in the context of unprecedented housing construction in this city in recent years that is mostly catering to the middle and upper-middle classes.5

These trends are evident in political pressure by the middle and upper classes on local government and political parties for large scale slum demolition drives (Ramanathan, 2005). A few years ago, in the national newspaper The Hindu, Sharma (10-17-2004) wrote that it is their vote that decides who is elected. This is unfair, they argue, ‘Disenfranchise them’. This is the new cry of some middle class people in Mumbai. The poor living in slums are ‘illegal’ in that they are squatting on land not meant for that purpose, so deny them the vote. This, they believe, will solve the problem of slums…”

This seems a bit hyperbolic and a somewhat unfair generalization of the political disposition of middle class people in this city (who are represented among large groupings of activists and NGOs) – but there is some truth to it and the statement does reflect the changing political relations under neoliberalism (also see D’Monte, 2002). Das (2003) strikes a more composed tone. He observes a trend in Mumbai where

“Ourfits of ‘citizen’ groups (representing small and exclusive groups of middle and upper classes) are now intervening in the housing sector. Their strategy is to oppose those policies of the government relating to the campaign to the right to housing, upgradation of slums, and protection against eviction. These groups and its leaders influence the media too: they campaign in the press against the interests of slum-dwellers. [The result is] a sharpening of class conflict” (pp. 208–209).

At the same time, then, the changing political climate of recent years is expressed in more aggressive efforts by the government to eradicate slums that were built after 1995 (recently there have been debates to ‘update’ the policy and to legalize slums built before 2000). The evictions tend to happen in cycles, easing prior to elections and intensifying after the elections (the large slum populations are often referred to as ‘vote-banks’ for many politicians and parties to be courted ahead of election-day and to be ignored thereafter). Demolitions in Mumbai were particularly widespread and harsh in the past few years, attracting international attention. A spate of demolitions occurring from December 2004 to February 2005 was reported by the BBC, The Economist, and The New York Times. Ganesh Nagar D was spared such a fate, and was able to embark on what has turned out to be a successful project of rehabilitation.

Ganesh Nagar D

Ganesh Nagar D (GND) is a slum in G-Ward in the southern half of Greater Mumbai that is also known as Lower Parel (see Figure 1). It is located north of the old Native Town of colonial times in an area that was dominated by the textile industry for most of the 20th century. It is situated about 100 m east of the railroad just north of Mahalaxmi Station. GND is a fairly small slum covering about 3800 m² or two-thirds the size of a football pitch. It has a very high density and a total population of about 1900 people. It is hemmed in between adjacent slum communities and two six-storey apartment buildings (Figure 2). Situated near the rail tracks and several blocks behind the main roads, GND is hard to find for anyone who is not familiar with the area.

According to oral histories, the slum has existed for almost 40 years, though with shifting boundaries and a smal-

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5 Since 1998, housing construction in Greater Mumbai grew at an average 15–20% per year and it is estimated that in total nearly 300,000 new homes were constructed. In 2004–2005 alone, well over 50,000 flats came on the market. To put the latter figure in perspective: it is twice the amount of new units that was constructed over ten years since the inauguration of the SRS in 1995, the latest government slum rehabilitation policy in Mumbai. Most of the new developments took place in the northern and eastern suburbs, away from the older and more congested southern part of the city. They are almost all high-rise complexes (see Nijman, 2006).
ler and less dense population in earlier times. Like most other slums in this city, it does not appear on any maps and a formal census or survey of any significance of this community has never been done. The Greater Bombay ‘Slum Census’ published in 1991, that lists a total of 1068 slums, identifies one “Ganesh Nagar D Committee” but the registered location of this slum is the southern F-Ward and it comprises a larger area and a larger population. The Census identifies four more slums with some variation of the name “Ganesh Nagar” including one in G-Ward but that has a registered population of only 490 people. Ten years earlier, the 1981 Greater Bombay Census identified two different “Ganesh Nagar” slums (of a total of 619) but neither appears to pertain to the area under study. This kind of confusion is rather typical of Mumbai Census data, particularly with regard to spatial markers of smaller slum areas.

Seen from the sky above, it is hard to see the boundary between GND and adjacent slums (Figure 3) but it is in fact a ‘gated community’ with a main wall separating it from the slum community next-door. It has a single entrance from the road, a pedestrian-filled thoroughfare with shops and stands. Inside the slum, the ally-ways are extremely narrow. All of the structures are single-storey, very small even for Mumbai standards and none have private toilets. Most of the 390 structures are made of concrete or stone with corrugated steel roofs. Inside the slum, everybody knows everybody, individuals and families have little or no privacy, and social life and social control is intense. It is not a place where strangers could wander in without proper introduction (Figure 4).

The community comprises about 390 families with an average size of five family members. The large majority are Maharashtrians with some people mixed in from north India. Most of the adults migrated to Mumbai 20–40 years ago.
ago and most of the youth are born in Mumbai. All or most are Scheduled Caste\(^7\) (the Co-op’s office displays a picture of Dalit icon Ambedkar, next to images of Ganesh, Sai Baba, and Buddha). Economically, GND appears more or less representative of the overall slum population, perhaps slightly better off due to its ‘established’ nature and relatively good location in proximity to work opportunities. Still, most people do not hold permanent jobs and quite a few are daily wage earners. A small number is self-employed. Of those with permanent jobs, most work in the government sector, especially with the Railways. The average household income is about Rs. 5000 per month, with the highest incomes for those with permanent jobs.

GND has certain characteristics that played a part in the unfolding rehabilitation process. First, it was problematic in that it occupied a very small area and that it was very densely populated. Second, it had the advantage of being a very close-knit and consensus-oriented community with a long history of togetherness. Finally, it also had an advantage in the longtime involvement of a local NGO that proved highly effective in ‘coaching’ the community in its rehabilitation strategy.

At the time of writing, the old slum is demolished and phases I and II of the resettlement project are completed. The project involves resettlement in three new six-storey apartment buildings in the same site to be completed in three phases. During each of the phases, about a third of the families is ‘transitioned’ in various places nearby to allow for demolition of their homes and for new construction. The overall project is expected to be completed by the end of 2008. In all, 390 apartments will be provided to the slum dwellers and five shops to families who currently have shops on the edge of the slum at the main road. The sales component is planned to be five shops and twenty flats on the site. In addition, the project will generate an estimated six thousand square feet in TDR to be sold by the Co-op to other developers.

The new homes are an enormous improvement. Each flat measures 225 square feet plus a kitchen block, shower, and toilet, and a balcony. The living space in the new homes is two to three times as large as in the old slum structures and they provide a much safer physical environment. A major advantage of the project is that resettlement is in situ and people need not make a permanent move to a different location – particularly important for employment but also for social reasons.

Apart from improving their housing and living conditions very substantially, the community members also become property owners. At the end of the project, each family will own their new dwelling (with an estimated market value of around Rs. 850,000 or US$ 23,000). They are free to sell but sales and buyers must be approved by the Ganesh Nagar D Housing Co-op. As such there should be a considerable degree of community control over the project on a continuing basis. Figure 5 shows the inside of one of the new homes (under construction), and Figure 6 reflects the overall project design. Figure 7 shows the construction of the Phase I building.

The resettlement of GND shaped up within the framework of the 1995 Slum Rehabilitation Scheme, even if it originated quite a few years before that. The triggering event was a fire in the slum in 1988 that laid bare the necessity of rehabilitation. Some of the slum structures were destroyed and others damaged. A number of people were injured by fire and/or smoke. The fire underscored the dangerous density of the slum and attracted the attention of an NGO that has been active in Mumbai since the

\(^7\) The official term ‘Scheduled Caste’ is used in government programs. It pertains to what used to be called Untouchables, renamed Harijans (‘Children of God’) by Gandhi, and again renamed Dalits (‘oppressed’) by people movements in the years after Independence.
early 1970s, the Slum Rehabilitation Society (see www.srsindia.org). To avoid confusion with acronyms, it is from hereon referred to as “the NGO”. The NGO has been instrumental in getting the project off the ground and guiding it to completion. Initially, efforts were concentrated on fixing the fire damaged structures, providing support to victimized families, and on getting the community organized towards more comprehensive rehabilitation. With the implementation of the 1995 Slum Rehabilitation Scheme, new opportunities arose and the rehabilitation of GND shifted gears. In the end, successful rehabilitation involved a network of agencies as shown in Figure 8.

The NGO encouraged the establishment of the “Ganesh Nagar D Housing Co-operative” a representative body of the GND community that petitioned the government (the Slum Rehabilitation Authority of Mumbai) for approval of a rehabilitation project in which the city

Figure 5 Inside one of the new flats under construction, Phase I, each flat is a single space with kitchen block and attached shower and toilet. The ‘carpet area’ (including balcony) measures 225 square feet. February 2005. Source: Author.

Figure 6 The overall design of GND rehabilitation/resettlement, with Phase I highlighted. Source: Slum Rehabilitation Society (NGO).
would provide the land for free (technically, an indefinite lease). This requires, by law, at least 70% of all households signed on to the project. In the case of GND, there was 100% agreement testifying to the strong consensus and an exceptionally strong sense of cohesion among the slum households.8

According to the 1995 SRS, the housing Co-op would need to attract a developer but that turned out to be a major challenge. The high density of GND and its unattractive situation immediately next to other high rise buildings on one side and slums on the other side, and its proximity to one of the city jails, seemed to deter prospective investors. The high density and small plot of land also meant that the minimum SRS requirement of 225 square feet per apartment could not be met. For several years, the GND Housing Co-op and the NGO tried to get a small municipal school next-door included in the project so as to increase the land area. However, they gave up on this option when it led to conflict with a neighboring slum dwellers with the prospect of a protracted court case. Later, the authorities approved a design where the balconies were included in the ‘carpet area’ of each apartment so as to achieve the 225 square feet standard.

Under the circumstances, the GND Housing Co-op, with the help of the NGO, explored an alternative route. If no developer could be interested in the project, the Housing Coop itself could assume the role of developer, assisted by the NGO. Presumably, the Co-op would be able to break even with revenues from the sale-component of the project. In the meantime, however, the project needed financing and that, in the absence of a private developer, proved a major stumbling block. All of the up-front costs of the project, in any case, had to be covered by the slum dwellers themselves. Three million Rupees (almost Rs. 7700 or more than US$ 200 per household) were collected from members to finance loan application, soil testing and other initial expenses. This, too, took a long time and delayed the project. Eventually, one of the largest home-financing institutions in India, HDFC (Home Development Finance Corporation), was willing to provide a loan of around Rs 12 million or US$ 325,000 to finance up-front construction costs. This was said to be the first or one of the first occasions in India in which a private bank financed a slum rehabilitation project in which the slum dwellers themselves were the developers and the loan was made directly to them. However, in the absence of collateral, the bank demanded a guarantor. The NGO, again assuming a key role as facilitator/negotiator, was finally able to bring the Dutch private development organization Cordaid on board to underwrite the loan. With the acquisition of the loan, the Co-op brought in an architect and a contractor and construction began in 2004. The project is presently in its third and final phase, with all of the families either resettled or in

8 This consensus was temporarily disturbed in 2006 when a number of families and committee members argued for a change of strategy by bringing in an established developer who would guarantee a set amount for the sale of the market share of the project, regardless of the TDR price fluctuations. Some GND families were concerned that, with the long duration of the project, TDR values might over time drop to levels that would not give them the expected revenues, in which case they would face a problem returning the borrowed construction funds. The majority rejected this position because control over the project would effectively be handed over to the developer and because they felt that the amount guaranteed by the builder would probably be below market value. After some months of discussion, the consensus was restored. So far, it turns out to be right decision as TDR prices have increased substantially. At the time of writing (early December 2007) the market value stands at Rs. 2700-3000 per square foot, up almost 40% since early 2006. If prices remain at this level, the GND Housing Co-op will have revenues than can (and are planned to) be used for future maintenance of the new buildings.
transitory housing in the area. The rehabilitation project is expected to be completed by the end of 2008.

Conclusions

Once completed, the rehabilitation of Ganesh Nagar D will have been a remarkable success. The entire community will have new housing and each family will own their own home. The new apartments are comfortable, safe, have electricity, water and sewage and private toilets. The community will be together and will remain in the same location – something vitally important to stay close to jobs. The community will control the eligibility of new buyers, though at present there is no indication that any of the families intends to sell.

But it appears to have been a success against the odds and certainly not one that has been emulated on any large scale. What makes the case of GND so interesting, then, is that it illustrates at once the opportunities and the constraints of neoliberal rehabilitation schemes. In some fundamental ways, GND’s success would not have been possible without the Slum Rehabilitation Scheme (1995) or without the broader liberalization and deregulation of the urban economy since the early nineties. At the same time it is evident that in some very important ways the particular strategy of GND did not conform to SRS blueprints at all. Indeed, it is equally true that within the confines of standard SRS policies and without circumvention of some key SRS principles, success would have remained elusive. Before reaching some more general conclusions, let us briefly reconsider five key elements of GND’s rehab strategy and how they relate to Mumbai’s neoliberal environment.

First, the key principle of the SRS upon which this case of rehabilitation relied is the inclusion in the rehab strategy of a market component of newly built homes. This is what finances new construction and the entire process revolves around it. It became possible by virtue of the rapid development of Mumbai’s real estate market which was, in turn, predicated on policies of deregulation and liberalization of the urban land market since the early nineties. In this sense, the rehabilitation of GND tapped directly into new opportunities in the neoliberal urban environment.

Second, while the central Indian government plays no active role of significance in slum rehab efforts in Indian cities and while the private market has assumed a vital part, state and local government are still involved in important ways. As noted before, the SRS was initiated by the Maharashtra State government. More importantly, it is the municipal government that makes available the land for rehabilitation. It does so in two ways. First, upon approval of an SRS project, the municipal government hands ownership of the occupied land to the slum dwellers (in other words, it legalizes occupation and provides for legal titles). Second, in case of TDRs, the municipal government provides the developer with rights to formerly public land in the suburbs. Thus, while it is true that Mumbai has witnessed a decisive neoliberal turn in the past 15 years or so, one should not assume that slum rehabilitation is now left entirely to the free market. Without government-provided land, the rehabilitation of GND would also not have been possible.

Third, as current writings on neoliberalism would suggest, GND’s rehabilitation relied primarily on ‘self-help’. Indeed, referring to the GND Housing Co-op, the website of the NGO states that “Self Help is the leading principle of Ganesh Nagar Housing society”. The process had to be initiated and pursued first and foremost by the slum dwellers themselves. They formed a representative committee and a housing Co-op, and eventually they even assumed the role of developer. With the latter, they took

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9 See www.srsindia.org.
‘self-help’ a notable step further than was envisioned in the SRS.

GND was unable to attract a developer due to the low prospects of the sales component which was in turn attributed to the high density, small size, and unappealing location of the slum. Mumbai’s developers are closely eyeing the thousands of slum sites in the city and they carefully select the ones with the best prospects for a high profit. Hence, this is where the market ‘failed’ slum rehabilitation. It is also where the SRS blueprint failed and this is why the GND Co-op did not have another choice but to assume the role of developer. Of course, the GND also obtained TDRs as part of the project that can be sold after completion of the project. This carried a certain risk because of the past tumultuous market performance of TDRs, but at the moment the outlook is good (see Footnote 6).

Fourth, in terms of financing, the GND project is a peculiar deviation from SRS blueprints. In the SRS, the developer is expected to get the financing to contract architects and builders – it should be noted that the very idea of private banks financing slum rehabilitation was quite novel in India. In the end, the rehabilitation of GND was indeed financed by a private bank, HDFC. However, the problem of GND itself assuming the role of developer was that they could not by themselves put up the capital. This necessitated the involvement of a guarantor, the foreign-based Cordaid. Thus, a ‘traditional’ foreign development NGO had to come in to provide guaranteed funds, so that HDFC would commit to the loan to the GND Co-op.

Fifth, in line with suggestions from the literature on neoliberalism, NGOs were critical in this process. The Slum Rehabilitation Society, the NGO that supported GND throughout, was probably the most proactive actor, more so than the slum dwellers association itself. The NGO has a strong local base and has been around a long time (since 1975). Its leadership has been unusually stable (it has not changed), knows the territory very well, and has had very close and relations of mutual respect with the slum dwellers. By the end of 2008, the GND project will have been underway for a total of 20 years, and 13 years since the SRS took effect. It has been an excruciatingly slow process with various twists and turns and with the undying dedication of the NGO that has constantly been on the side of this community since the fire of 1988. The completion of this rehabilitation effort rests in no small part on the unusual combination of a persevering, patient, and consensus-oriented slum community with a deeply committed, highly skilful, and equally patient NGO. The small size and local base of the NGO were well-suited for this project, and its global connections to Cordaid proved invaluable. The NGO played a major part in the necessary networking with government agencies, financial institutions, builders and other players.

What does all of this mean in more general terms for the prospects of slum rehabilitation in Mumbai and other Indian cities? Given that the challenge of slums is assuming global proportions, is it possible to meet that challenge with piecemeal, localized, approaches? It seems evident that for most slum communities, the prospects are dim. Like GND, most slum communities occupy small areas in poor locations and are of no interest to private developers who have plenty to choose from. This means that the only option would be to assume the role of developer, as did GND. But it is a major challenge to acquire the backing of a guarantor. Furthermore, most slum communities are not likely to be as homogeneous, stable, and unified as GND, making it hard for them to pursue a forceful and diligent strategy. Even in this case, rehabilitation will have taken about two decades. It is hard to imagine that large numbers of other slum communities and their supporting NGOs would have the stamina and longevity to complete this very long and uncertain road of rehabilitation.

It appears that in Mumbai’s neoliberal urban regime and, more specifically, in current slum rehabilitation schemes, too much is expected of the market. It is not so much a matter of fine-tuning a policy or eliminating minor imperfections. If we have to assume that developers are only interested in the most lucrative projects; that most slum rehab projects return relatively modest profits; and that most groups of slum dwellers will not be able to replicate the endeavors of GND; then the urban land and finance markets will not deliver a large scale solution to the challenge of the slums.

Perhaps this is already clear from the most recent developments in Mumbai, where local and state governments have turned to yet another strategy. In 2007, government invited bids for large scale redevelopment plans of Dharavi, often dubbed ‘Asia’s biggest slum’. These projects would involve hundreds of thousands of people and large areas of very valuable land in the topographical center of Greater Mumbai. A far cry from notions of ‘self-help’, these projects would put control firmly in the hands of big development corporations, presumably with government oversight, and most likely with little say for slum dwellers.10 In those circumstances, one might wish for the imperfections of well-meaning NGOs that are sometimes denounced by critics of neoliberalism!

The case of GND helps to understand the apparent lack of progress with slum rehabilitation across the city. Slum populations have continued to increase both absolutely and relatively in recent years. From a global perspective, Mumbai does not seem much different from other big cities in India and elsewhere in the less-developing world. The rehabilitation of Ganesh Nagar D is a compelling story of a very poor urban community improving its lot in significant ways. This half acre of community land in south central Mumbai is a ‘space of hope’ in that sense. Some local battles are hard-fought and won. But in the current policy environment, it remains an island of success.

Acknowledgements

This research was made possible with the support of the National Science Foundation, Grant BCS-0721025. With

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10 Bids for the redevelopment of Dharavi are presently considered by local government and slum dweller organizations have protested. See Menon (2007).
thanks to Nauzer Bharucha, Celine D’Cruz, Richard Grant the Slum Rehabilitation Society, the people and housing Co-op of Ganesh Nagar D, and especially to Adolf Trager and Ranjita Pawar. The usual disclaimer applies.

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