

Of Squatters and Schemes: Considering City-level Strategies for Housing the Poor in India

By

Sunaree Marshall

B.A. in Architecture
B.S. in Engineering
University of California at Berkeley
Berkeley, California (2004)

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Author _____
Department of Urban Studies and Planning
May 17, 2010

Certified by _____
Professor Bishwapriya Sanyal
Department of Urban Studies and Planning
Thesis Supervisor

Accepted by _____
Professor Joseph Ferreira
Chair, MCP Committee
Department of Urban Studies and Planning

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ABSTRACT

This thesis examines two approaches to housing the urban poor in the city of Ahmedabad in the Indian state of Gujarat – the Slum Networking Project, an attempt to institutionalize slum upgrading at the city-level and the Development Plan-Town Planning Scheme mechanism, an enabling approach similar to land readjustment that seeks to deliver serviced land to the urban land market and contains a provision to reserve some of this land for housing for economically weaker sections of society.

Given the shifts in thinking in the past three decades around housing policies in developing countries, and particularly in India, from project-level approaches to enabling approaches that attempt to tackle housing shortages and substandard quality at a broader scale, this thesis asks the question: What is the appropriate role of cities in adequately housing their poor populations? In conjunction with this, additional questions explored include: What has been the history of housing strategies in India? What are some relatively successful efforts that are not national-level policies or small community-level projects, but instead use the scale of the city to address this pressing issue? What are the barriers to bringing these methods to scale?

This thesis finds that while upgrading approaches may provide basic services to slum dwellers at the project level, attempts to take upgrading to scale must carefully consider the prevalence and implementation capacity of NGO or other intermediaries, the demand of residents for the services offered, the incentives for participation by private sector entities and the pace of urbanization in the city in question. With respect to the Town Planning Scheme mechanism, there has been considerable success in converting agricultural land to serviced urban land and in appropriated land for housing for the urban poor, but concerns remain about the overly centralized nature of the process, its openness to corruption, and its neglect to consider informal or tenants claims on the land to be developed. Finally, it is found that the mere designation and availability of urban land for housing for the poor is not sufficient to instigate housing production and more research is needed to determine appropriate policies to encourage affordable housing development on this land.

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Thesis Reader: Yu-Hung Hong, Senior Fellow, Lincoln Institute of Land Policy and Visiting Assistant Professor, Department of Urban Studies and Planning

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Upon my return from Mongolia, I searched for a way to further my research and discovered, somewhat surprisingly, that to do so would lead me to a new country focus. I am incredibly grateful to my advisor, Bish Sanyal for pushing me to explore new directions and contexts, and not to be content with merely revisiting my past. Bish also believed, perhaps more than I did myself, that this switch midway through the process would be possible and lead to stronger results, something I also thank him for.

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TABLE OF CONTENTS

Abstract	3
Acknowledgements	4
List of Tables and Figures	6
Glossary of Acronyms	6
Chapter One: Introduction	7
<i>Definitions</i>	8
<i>Methodology</i>	9
<i>Limitations</i>	9
<i>Structure</i>	10
Chapter Two: Housing for the Urban Poor – The Roads Taken	11
<i>Slum clearance and resettlement</i>	11
<i>Sites and services</i>	12
<i>In-situ upgrading</i>	13
<i>Urban management</i>	16
<i>Where to?</i>	19
Chapter Three: The Indian Context and a Brief History of Indian Housing Policy	21
<i>The Indian context</i>	21
<i>Overview of Indian housing policies</i>	22
Chapter Four: Understanding the Challenges of “Enabling” Upgrading:	
The Slum Networking Project	30
<i>The Ahmedabad Context: Population</i>	30
<i>Housing and the Urban Poor</i>	30
<i>The Slum Networking Project background</i>	31
<i>Successes of the Slum Networking Project in Ahmedabad</i>	33
<i>Critiques of the Slum Networking Project</i>	34
Chapter Five: Development Plan - Town Planning Scheme	38
<i>Legislative grounding for the Town Planning Scheme mechanism</i>	39
<i>Overview of the Town Planning Scheme mechanism</i>	40
<i>Benefits of the Town Planning Scheme mechanism</i>	46
<i>General critiques of the Town Planning Scheme mechanism</i>	46
<i>Town Planning Scheme mechanism as enabling the housing development process</i>	48
Chapter Six: Conclusion	52
Bibliography	56

List of Tables and Figures

<i>Table 1.</i>	Income Ceiling per month per household for purposes of housing loans (2008 prices).....	7
<i>Table 2.</i>	State policies for provision of housing for low-income groups--the Indian perspicitve.....	24
<i>Figure 1.</i>	Draft Town Planning Scheme No. 95 -- Geratpur showing proposed infrastructure, land appropriations and final plots (red outlines) over the original plots (green outlines).....	42
<i>Figure 2.</i>	Detail of Draft Town Planning Scheme No. 95 showing land appropriated for EWS housing (orange), sale, and garden use as well as original (green outline) and final (red outline) plots.....	43
<i>Figure 3.</i>	Sample F-Form for Draft Town Planning Scheme No. 95 showing land area, compensation and betterment charge values.....	44

Glossary of Acronyms

AEC	Ahmedabad Electric Company
AMC	Ahmedabad Municipal Corporation
AUDA	Ahmedabad Urban Development Authority
BSUP	Basic Services to the Urban Poor
CBO	Community-based Organization
CDP	City Development Plan
CEPT	Centre for Environmental Planning and Technology
DP	Development Plan
FP	Final Plot
GDP	Gross Domestic Product
GTPUDA	Gujarat Town Planning and Urban Development Act
JNNURM	Jawaharlal Nehru Urban Renewal Mission
LIG	Low Income Groups
NGO	Non-governmental Organization
OP	Original Plot
SEWA	Self Employed Women's Association
(S)EWS	(Socially and) Economically Weaker Sections
SHARDA	Strategic Help Alliance for Relief to Distressed Areas
SNP	Slum Networking Project
TPO	Town Planning Officer
TPS	Town Planning Scheme
UA	Urban Agglomeration
ULB	Urban Local Body
ULCRA	Urban Land Ceiling and Regulation Act
UNCHS/ UN Habitat	United Nations Centre for Human Settlements
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

Chapter One

Introduction

In 2007, at the end of India's tenth five-year plan, the estimated housing shortage in the country was 24.7 million housing units, comprised mostly of the 21.8 million units needed for economically weaker sections (EWS) and 2.9 million for lower income groups (LIG), the two poorest classes of Indian society (Joshi & Sanga, 2009) (Table 1, below, shows the income brackets represented by EWS and LIG segments of Indian society). While Indian history is peppered with past attempts to meet the housing needs of the country's poor, a commonly held belief is that little has worked except allowing the poor to house themselves in informal dwellings on occupied land. As India's urban population continues to grow and macroeconomic conditions improve, land and housing markets at times appear permanently closed to those whose incomes have not risen along with the unit costs of land and housing. At the same time, the 1992 74th constitutional amendment and, the Jawaharlal Nehru Urban Renewal Mission, a 2005 centrally-funded urban renewal program seek to hand over more resources to Indian cities to meet the growing challenges of urbanization while pushing for institutional reforms and capacity building.

Table 1. *Income Ceiling per month per household for purposes of housing loans (2008 prices)*

Category	Previous Ceiling before 2010 (2006 prices in Rs.)	Revised Limits March 2010 (2008 prices in Rs.)
EWS	Up to 3300	Up to Rs. 5000
LIG	3301 - 7300	Rs. 5001 -10000

Rs. = Indian Rupees. In 2008, 1 US\$ = 39.41 Rs.
(Government of India, 2010)

In the face of this persistent housing shortage for poor groups, and the nascent decentralization of responsibilities to urban local bodies, there is a need to understand the roles

that city-level actors and institutions can play in the provision of adequate shelter for urban poor groups. The gradual shift internationally, and particularly in India, from housing policies that are heavily reliant on centrally-funded housing production or international aid organization-managed project-based approaches to approaches which seek to enable private actors in the housing sector gives further weight to this need to examine the local government's role in housing the poor.

This research seeks to answer the question: What is the appropriate role of cities in adequately housing their poor populations? In conjunction with this, additional questions explored include: What has been the history of housing strategies in India? What are some relatively successful efforts that are not national-level policies or small community-level projects, but instead use the scale of the city to address this pressing issue? What are the barriers to bringing these methods to scale? This thesis examines two such efforts in the context of the city of Ahmedabad in the state of Gujarat: the Slum Networking Project—an attempt to bring slum upgrading to scale—and the Development Plan-Town Planning Scheme mechanism—an alternative to traditional land acquisition that seeks to bring developed land into the urban land market and set aside some portion of it for housing for EWS groups.

Definitions

Throughout this thesis, the term *informal settlements* is used to identify any unauthorized settlement on land not officially held by the settler, even if it has been purchased or rented on the informal market. This term encompasses the more narrow definition of *slum*, which is used here primarily as a reflection of the term used in the sources used to inform this document—referring to both notified and unnotified slums in the Indian context. The term *urban poor* here is used predominantly to refer to the *housing poor*, those who live in substandard housing (by local

definitions) such as slums, or who would join those areas upon migration to urban areas. While it is acknowledged that not all residents of informal settlements are necessarily income poor, it is those who reside in dwellings that lack adequate infrastructure or have significant public health concerns that the thesis concerns itself most with.

Methodology

This thesis relies primarily on secondary sources in the form of scholarly publications, industry reports, and organization websites. Additionally, publicly accessible Indian government documents from national-level ministries and from the municipal level provide key details. Limited personal communications with practitioners in urban planning and housing in India are also used.

Limitations

This research explores a broad question with respect to city-level approaches to housing the poor, but it is not meant to be comprehensive. Instead, it explores the question through two narrow case studies that generate further questions about upgrading and city-level approaches. While finance is acknowledged to be one of the key elements to an enabling approach (Mayo & Angel, 1993), this research does not address this concept except in the context of the two case study approaches. Broader discussions on housing finance or municipal finance are not included. Further, the relative success or failure of the 74th Amendment to adequately enable urban local bodies is not the main focus of this research, though it would greatly impact the ability of cities to house their poor groups. Finally, the topic of rental housing is not addressed.

Structure

This thesis is divided into six sections. Chapter one is this Introduction. Chapter two gives an overview of the debate over strategies for housing the poor in the international development literature. Chapter three provides a brief history of housing development strategies and policies in India. Chapter four introduces the city of Ahmedabad and examines the Slum Networking Project. Chapter five examines the Development Plan – Town Planning Scheme mechanism. Chapter six concludes.

Chapter Two

Housing for the Urban Poor – The Roads Taken

This section outlines some of the major strategies undertaken to address the challenge of housing the urban poor in the developing world. The purpose is to set the context for the reasons behind shifts in housing policies and programs that have led to the current interest in enabling frameworks for housing development.

Slum clearance and resettlement

Before the reality of continuing urbanization in developing countries had set in, policies of *slum clearance* dominated the sphere, with national-level governments bulldozing and removing informal settlements that encroached on public and private land, believing them to be illegal and substandard. Hardoy and Satterthwaite (1993) suggest that this primarily occurred during the 1950s and 1960s, though in some areas the practice continued as a dominant strategy well into the 1990s (Gulyani & Connors, 2002). While many governments cleared slum areas with little thought to where the displaced residents might go, some paired this clearance strategy with state-led housing production, constructing usually multifamily structures to house the displaced informal settlement dwellers. However, this strategy was largely believed to be too costly in terms of housing production costs, drew criticism from human rights activists as to the fairness and justice of displacement, and did not keep pace with the rapid urbanization faced by countries of the Global South (Hardoy & Satterthwaite, 1993). Additionally, some of the sites chosen for construction of new multi-family housing for low-income groups were sited on the far reaches of the urban periphery, leading to allegations of warehousing of the poor far from the

amenities and resources they needed (schools, access to employment, etc) to sustain their livelihoods and create a better future for their families (Berner, 2002).

Sites and services

Fueled by research by Turner (1968) and others that existing housing programs failed to acknowledge the incremental manner in which the poor constructed their homes, governments and donors turned to a pair of new strategies, *sites and services* and *in-situ upgrading*. Under sites and services schemes, rather than funding multifamily homes, governments, typically aided by international aid organizations (Cohen, 2001), sought to acquire tracts of land and outfit them with bare infrastructure (water and drainage, electrical hook-ups) and a basic structural frame (foundation, load-bearing wall, etc.) upon which the new dwellers could construct their homes. Typically, provision of such land included property rights for the new inhabitants (Hardoy & Satterthwaite, 1993).

Proponents of this type of scheme were often influenced by the neo-liberal populist ideas of Peruvian scholar Hernando De Soto, who argued that given adequate property rights, the poor would invest on their own in their housing and surroundings (2003). While sites and services schemes still exist today, they too have drawn criticism in some circles. Acquisition of urban land for poor groups proved difficult and expensive, leading some governments and donors to resort to land on the urban periphery. This led to similar complaints as the public housing schemes, that the urban poor were being displaced from prime locations in the city and “offered” land in substandard locations without access to amenities. But still, these schemes were disconnected from a broader strategy at the city-level. Hardoy and Satterthwaite (1993) write:

Government sponsored site and service projects can be seen as an attempt to come to terms with that lack of cheap, legal housing plots, but however successful they are at the project level, their limitation is precisely that they are “one shot” projects. Site and service projects appear to tackle the problem but do so on such a small scale that they have little impact. They fail to tackle the real problem: an urban land market that excludes poorer groups. (p. 142)

So as a city-wide strategy, sites and services showed little promise, unless land issues were considered in a broader sense than the project level.

In-situ upgrading

In parallel with sites-and-services, *in situ upgrading* came into vogue. This practice involved recognizing existing informal settlements and providing services, such as roads, water, sanitation, and electrical infrastructure in order to better the conditions of the settlements, especially with respect to public health concerns. In some cases, this also included new construction of improved housing, on the same sites as those currently occupied by informal communities. In situ upgrading had some benefits over sites and services in that it did not seek to relocate the slum dwellers, and recognized the link between settlement location and livelihood. Furthermore, it did not require the lengthy process of identifying adequate urban land for housing, opting instead to target the land already occupied by informal settlements.

While in situ upgrading appears to be a single strategy, it in fact took on many forms in different locales. Most common were community-level projects involving a small number of households linked to community-based organizations such as savings groups (Mitlin, 2007) or to non-government organizations. These projects typically involved some sort of assistance or

subsidy, paired with a self-help component that required that residents provide some of the labor for the construction. Low-cost building materials or construction methods were also typical. Other attempts, sometimes termed *redevelopment*, involved the construction of new housing on the land of the existing slum communities, sometimes returning the entire land area back to the former residents, but more often, implementing a type of land sharing scheme that allowed the land owners or private developers to use a portion of the land for their own purpose, in exchange for granting tenure or constructing the housing.¹

As in-situ upgrading grew in popularity, debate raged over the provision of property rights. Some argued that residents must first be given official titles and rights to the lands they built their homes upon, before any upgrading could take place. Others (Gulyani & Connors, 2002) pointed out that in some cases, upgrading could move forward with the granting of tenure (even short term) instead of titles.

Many upgrading projects employed the use of non-governmental organizations (NGOs) or community-based organizations (CBOs) as intermediaries between financing organizations and the urban poor (Satterthwaite, 2010). Following the tenets of decentralization, it was thought that those NGOs and CBOs that worked directly with the poor would best be able to respond to

¹ Mukhija (2001) uses Mumbai as a case study to suggest that the effectiveness of “self-help” upgrading is subject to certain assumed physical conditions:

1. Low-income housing settlements are in peripheral locations
2. The settlements have a very mixed land use
3. The settlements are clearly and regularly laid out
4. Individual lot-sizes within these settlements are “reasonably” large

Countering prevailing wisdom that the solution to informal settlements in cities lay solely in slum upgrading and tenure legalization, Mukhija shows that in the case of Mumbai, more centrally-located, residentially-dominated slum areas, with irregular, often small lots, led some residents of informal settlements to view demolition and redevelopment as a more desirable alternative to upgrading. Residents of Rajendra Prasad Nagar Dharavi, an informal settlement in Mumbai, occupied land of high value in a prime location and primarily worked away from the settlement. Furthermore, the settlement pattern was irregular, making provision of infrastructure difficult and lots sizes were small, making the possibility of a formal unit in a multi-family structure with a minimum of 180ft², quite attractive. Finally, slum dwellers saw redevelopment as a chance for not just an improvement in their housing condition, but also in the value of their property.

their needs. This also followed popular declarations of the effectiveness of participatory decision-making and grassroots organizing as methods of addressing the concerns of and building capacity among poor communities (Berner & Phillips, 2005).

Upgrading was considered by some as a great success, particularly in its careful consideration of the participation by the urban poor. Some practitioners who worked with poor groups felt that such schemes were empowering, giving control over decision-making about their environment to poor groups, and building their capacity for collective action and project development (Satterthwaite, 2010). Furthermore, it reaffirmed the “right to the city” of poor groups, acknowledging their demand for spaces and locales that gave them access to a productive livelihood, rather than relocating them to far-flung areas of the city. Cohen, Madavo & Dunkerly (1983), in a review of the first ten years of World Bank urban programs, write:

upgrading existing settlements should have equal priority with developing new sites and services, in part because of the advantages in physical access to employment that settlements provided to the poor. Access was considered an important link between shelter, employment, and services, and thus a key factor in the efficiency of the city.
(p. 5)

Others championed the upgrading approach because of its cost-effectiveness and opportunity for cost recovery when compared to a direct provision of housing. For example, the World Bank-financed Kampung Improvement Project in Indonesia, widely-cited as an urban services improvement success, achieved per capita costs of \$37 (Cohen, 2001). Part of the success of upgrading approaches in general was a relaxing of standards of quality of construction and outputs in the upgrading process. Rather than setting building codes and material

specifications to the highest level, an intermediate level was found that could both meet cost constraints and still adhere to basic safety standards (Hardoy & Satterthwaite, 1993).

Still, as a strategy for cities, the project-by-project approach of early upgrading efforts was considered by some time consuming and inefficient. In his review of 30 years of urban lending by the World Bank, Cohen (2001) summarizes the findings of a 1983 World Bank study:

- If the projects enjoyed physical success, they were nevertheless facing numerous time-consuming obstacles and institutional problems such as land acquisition, tendering and awarding of construction contracts, inadequate cost recovery and inadequate coordination among public sector agencies.
- Although the first-generation projects were estimated to have helped 11 million urban poor – a considerable number – this was vastly inadequate to the scale of the needs of the growing numbers of urban poor.
- To address the last two problems above, much more attention had to be devoted to the policy and institutional contexts of projects. Individual neighborhood projects needed to be more closely linked to the policies and routine functions of municipal governments such as operations and maintenance of urban infrastructure and tax collection. (p. 44)

Urban management

This evaluation of project-based investments led to the creation and support of an “urban management approach” to housing and infrastructure. Cohen (2001) writes: “Rather than devote detailed attention to urban projects at the neighborhood level, it was necessary to support processes which generated the necessary capacity to produce many more houses and urban infrastructure networks.” (p. 44) This approach would take the form of “urban management,

[which] in developing countries should seek to achieve the simple but fundamental twin objective of:

- planning for, providing and maintaining a city's infrastructure and services, and
- making sure that the city's local government is in a fit state, organizationally and financially, to ensure that provision and maintenance." (McGill, 1998, p. 469)

Jones and Ward (1994) provide the World Bank's key elements to the New Urban Management Program:

[T]he Bank places "paramount importance" on reducing the constraints to urban productivity. In a recent Bank assessment, four constraints on urban productivity were identified. The first is the deficiency in infrastructure. Here, the Bank advocates that governments must strengthen the management of urban infrastructure and reinforce their institutional capacities to operate and maintain this system. The second constraint is the regulatory framework which the Bank urges governments to overhaul in order to increase market efficiency and to enhance the role of the private sector in shelter and infrastructure provision. The third constraint on productivity is the financial incapacity of municipal institutions, which, therefore, require a more effective division of resources and responsibility between central and local government. Fourth, the Bank identifies the weak financial system, which requires strengthening and deregulating. (p. 39)

In sum, the urban management strategy sought to scale up from project-based approaches to municipality or metropolitan level approaches that could provide a framework to manage and ease the implementation of projects. The New Urban Management Program was a joint effort by the World Bank, UNDP, and UNCHS in testing this new approach, though some would later claim that to conflate the actions and strategies taken by the Bank with those of the UN is a

mistake as the Bank employed a much more strictly neoliberal approach while the UNCHS included community groups and NGOs as potential partners (Keivani & Werna, 2001).

In the field of housing, urban management gave rise to the paradigm of “enabling” approaches to housing development. Again a term with a broad scope, enabling was interpreted by some as support in the form of deregulation of land markets to ease the way for private developers to acquire land for housing production. Another interpretation was the strengthening of municipal finance systems so that local governments could better allocate funds toward housing, rather than rely on center-local transfers or foreign assistance. Institution-building was also a component, in some cases a new authority was created to deal specifically with urban development issues, including housing strategies (Mayo & Angel, 1993). Another group of actors took a different approach to the term “enabling.” For the United Nations Human Settlements Programme (UN-Habitat), enabling strategies also included building systems of housing finance for individuals, including the urban poor, increasing method of participation by the poor in urban decision making and self-help strategies (United Nations Human Settlements Programme, 2006).

Support and criticism for enabling varied based on the type of approach. The defined program of the World Bank in urban management drew quick fire for its neo-liberal slant. As the program grew, critics also pointed to the fact that the “direct link between its policies and poverty groups has tended to become steadily “fuzzier” (Jones and Ward 1994, p. 36). In other words, while purportedly attempting to improve urban management so that municipalities could better shoulder the responsibility of assisting the urban poor, that target demographic was increasingly forgotten in the attention to municipal institutions, finance, etc. Municipalities following Bank models were accused of catering too much to the private sector and forgetting

the needs of everyday urban citizens (2002).

Self-help, too, had its detractors. Some argued that the NGOs and CBOs assisting poor communities were given too much credit and adulation with respect to their efficiency, freedom from political influence, or capacity to deliver quality services. Some NGOs were even cited as not adequately listening to or respecting the needs of poor communities, upending the main reasons cited for their success (Sivam & Karuppannan, 2002). Others found the whole process of self-help time-consuming and too complex as in many cases communities first needed to be organized, educated, and their capacity for project development built before a physical project could even commence. Attempts to quickly scale up self-help projects, even when a municipal framework was developed, at times led to skipping these crucial steps and negative project outcomes (Das & Takahashi, 2009).

Where to?

While slum clearance has clearly lost prominence as a major component of housing policy, in many cities seeking a “world class city” image, the practice remains *de facto*, if not *de jure*. State-led housing provision failed to keep pace with housing needs of the poor, but centrally-funded housing production schemes also still exist in many areas, particularly where markets continue to fail to provide housing at a price which is affordable for low-income populations. The difficulties of acquiring cheap, adequately-located land for sites and services schemes have led to the downfall of that practice, but its partner strategy—in situ upgrading—retains a devoted following due to its reputation as a cost-effective and participatory practice that sees informal settlements as solutions, rather than problems. But the project-by-project nature of upgrading led to criticisms that it could only achieve success at the neighborhood level, with cases of upgrading

taken to scale few and far between. Some of these critics note that governments and aid agencies would better serve the urban poor by enabling private actors to develop housing. Approaching the housing sector as a market to support, through finance and land regulations, infrastructure provision and institutional capacity building offered an opportunity to tackle the housing problem at a higher level, in a more sustainable way.

This thesis examines two case studies, which represent aspects of taking upgrading to scale, and enabling housing through infrastructure provision and land regulations, respectively, in the Indian city of Ahmedabad. Particular attention is paid to the Development Plan - Town Planning Scheme mechanism because while it has recently attracted much attention, there is less critical research on it than the Slum Networking Project. The next section offers a brief history of housing policies and strategies in India, to provide a base for the exploration in the case studies.

Chapter Three

The Indian Context and a Brief History of Indian Housing Policy

The Indian context

With an estimated 1.16 billion citizens in July 2009, India is second only to China in population, making it the largest democracy in the world. As of the 2001 Indian census, 35 cities within its borders had populations of over 1 million. While its economy ranks the world's fifth largest, given its large population, the per capita GDP is much lower, falling in the lower half of the world's nations (*The World Factbook*, 2009). A recent World Bank study estimating world poverty finds that 24.3 percent of Indians live on less than \$1.00 per day², 41.6 percent on less than \$1.25 and 75.6 percent on less than \$2.00 a day (Chen & Ravallion, 2008).

With this overwhelming population, and particularly the high concentration of poor groups, it is perhaps unsurprising that the housing shortage mentioned earlier in this paper is so persistent. Other factors have contributed to the situation, including a high concentration of land ownership among elites, despite past measures³ taken to curb this phenomenon (Acharya, 1987). The details of land ownership in India, however, are not clear in many cases. In most areas, there are considerable overlapping claims to land, both formal and informal. Patel, et al. (2009), through a study of urban land management in Gujarat, reveal that multiple city level agencies hold separate databases of land ownership with varying levels of depth, statutory backing, and

² The study uses a measure of purchasing power parity (PPP) to estimate the \$1.00 amount in each country.

³ The 1976 Urban Land Ceiling and Regulation Act was meant to limit the amount of urban land held by any given individual. As the preamble states:

An Act to provide for the imposition of a ceiling on vacant land in urban agglomerations, for the acquisition of such land in excess of the ceiling limit, to regulate the construction of buildings on such lands and for matters connected therewith, with a view to preventing the concentration of urban land in the hands of few persons and speculation and profitability therein and with a view to bringing about an equitable distribution of land in urban agglomeration to subserve the common good. (as cited in Acharya, 1987, p. 40)

The repeal of the Act in 1999 is discussed later in this document.

accuracy. This is not even including the claims to land made by occupiers of public and private lands who may have paid for their tenancy through informal markets.

These factors—sizeable poor population, democratic governance, and inequitable and unclear land ownership—are important contextual issues to take into account when evaluating housing policies for Indian cities. What follows is a brief history of past Indian housing policies, at varying levels of government—city, state and national.

Overview of Indian housing policies

Understanding that as a result of the 74th Amendment to the Constitution of India, and the Jawaharlal Nehru National Urban Renewal Mission, municipal governments are being tasked with increasing responsibility with respect to services for the urban poor, this section provides a brief history of Indian housing policy, leading to the reforms that reduced the role of the central government in direct housing provision and increased the roles of local government, the private sector and community groups.

Government involvement in housing in India began in the colonial period, when public health concerns in Indian cities led to the creation of Improvement Trusts:

The Bombay City Improvement Trust...was the first such colonial body to be created, in 1898, as a direct response to the outbreak of plague. It was empowered to control development, make new streets, open out crowded localities, reclaim and drain land, and construct dwellings.... Its autocratic powers to acquire and demolish any property simply by serving a notice, without compensation, were understandably resented by both landlords and tenants. Those displaced by slum clearance often chose not to move into the Improvement Trust chawls, but stayed around the demolished area in even more

congested conditions.... By 1920 the Trust had demolished 24,428 dwellings, but built only 21,837 to replace them, so that after considerable effort and expenditure, it was adding to the quantitative housing shortage rather than alleviating it, and was forced to resort to “slum patching.” Such was its unpopularity for its demolition work, and lack of compensation to slum landlords, that in 1917 there was agitation (which the colonial officials resisted) to transfer it to the municipality. (Home, 1997, p. 171)

Town planning laws emerged in the early 1900s, with Bombay again on the forefront, passing the Bombay Town Planning Act in 1915. The Act sought to mend some of the unpopular elements of the Improvement Trusts’ methods by introducing a “betterment approach, which distributed the cost of development schemes over the land improved, with a fair profit to the owners and a tax on betterment” (Home, 1997, p. 175). In other words, landlords were taxed for the costs of the new roads and other infrastructure provided, but were also able to benefit from the improved value to the land. For the city’s benefit, the Act sought to bring developed land to the market that would otherwise have remained agricultural.

After India gained independence from Britain, in 1947, the newly developed Planning Commission of India was tasked with creating strategy documents for the country’s development, in the form of Five Year Plans with budget allocations for various sectors and initiatives (Rao, 2006). Attention to the housing sector in the first few Plans took the form of direct provision of housing by the central government. As the First Five Year Plan (1951-1956) noted, “it is not possible for private enterprise by itself to meet the housing needs of the lower income groups. The economic rent for even the minimum standard of accommodation is altogether beyond the means of the working class and a large section of the middle classes” (as cited in Sivam & Karuppanan, 2002, p. 71). The Indian central government thus began a series

of programs aimed at providing housing for those who could not gain access to it through market mechanisms. Sivam & Karuppannam (2002) provide a good overview of housing policies and programs in India, included here in Table 2.

Table 2. *State policies for provision of housing for low-income groups--the Indian perspective*

Name of scheme	Aim	Funding agency	Major actors of development
Social housing schemes cross-subsidizing schemes	Housing the weaker sections, cross-subsidization from MIG and HIG to LIG and EWS Composite housing schemes for the poor	Central government, LIC of India	Central and state governments, LIC, state housing boards and development authorities
Slum clearance and relocation	The aim of the scheme was to get the existing slum cleared off and to resettle the inhabitants at an alternative site.	Central government, state government	Central government, state governments
Sites and services schemes	Provision of developed sites rather than complete housing The aim of this scheme was to provide plots with the necessary infrastructure. They were to construct the building depending on their affordability. Incremental housing schemes	Central government, World Bank, the people	Central government, state governments, local communities
Environmental improvement of slums	Improvement of slum environment Improvement in the quality of life of slum-dwellers with minimum financial input	Central government, state governments	Central government, state governments, local communities
Urban community development projects	Serviced sites Community participation	HUDCO, commercial banks	Local communities
Fifth and Sixth Five Year Plans	Serviced sites, partnership of governments and people, people's participation, more finance	Central government	Central government, state governments, local communities
Seventh Five Year Plan	Social housing, rural housing, house loan account scheme, new building material technology	Central government, National Housing Bank	Central government, cooperatives
Eighth Five Year Plan	Provision of infrastructure, streamlining housing legislation, institutional finance, low-cost building materials Enabling environment by governments, self-help	Central government, state governments, private sector	Central government, state governments, private sector, voluntary associations, NGOs
Ninth Five Year Plan	Government would adopt the role of enabler rather than direct provider. This would encourage the private and the cooperative sector to play a major role in the housing sector, modifying the existing legal and regulatory regime Enabling environment by governments, self-help	Central government, state governments, private sector and others	Central government, state governments, private sector, voluntary associations, NGOs

Sources: Ansari (1995); Sivam (1999, 1995); various documents and reports.

Source: (Sivam & Karuppannam, 2002)

During the Second Five Year Plan (1956-1961), the Indian government also began a program of slum clearance and rehabilitation of housing. However, this effort quickly failed as acquisition of slum or other nearby land proved difficult and residents of slum areas, naturally, resisted relocation away from their places of employment. Furthermore, the number of dwellings destroyed outnumbered those constructed, leading to a net loss in housing stock (Sivam & Karuppanan, 2002). As Rao (2006) notes, the majority of the pre-reform government-sponsored housing programs were in the early decades after Independence, but a few other programs came about in the 70s and early 80s—in 1972, the “Environmental Improvement of Urban Slums” program attempted to use self-help principles to upgrade urban slums and in 1980, the “Sites and Services Schemes” sought to provide EWS groups with serviced land on which to construct their own housing (Rao, 2006; Sivam & Karuppanan, 2002). The Fifth Plan (1975-1980) also introduced the idea of cross-subsidization, including high-income and middle-income groups in the target populations for government housing.

Many scholars (Mahadeva, 2006; Rao, 2006; Sivam & Karuppanan, 2002) seem to agree that the pre-1990 programs failed to adequately provide housing to the Indian population, particularly to EWS and LIG segments of society. While some housing was created, a few slums upgraded, and some land allocated to poor groups, the solutions failed to match the scale of the problem and targeted beneficiaries were often not the actual recipients of government housing assistance. Rao (2006) points to a number of additional factors that also explained the country’s poor performance in housing, including the 1976 Urban Land Ceiling and Regulation Act which was intended to restrict landowners from accumulating large amounts of urban land, the persistence of Rent Control Acts in many states which reduced incentives for rental housing

production and maintenance, and difficult tax and fee structures that inhibited the private land and housing markets.

Beginning in early 1990s, there was a significant shift in the direction of national housing policies and programs. In line with the broader trend of macro-economic liberalization, the role of the government in the housing sector was redefined. Instead of direct provision of housing or serviced sites, the emphasis was on “enabling” the private and cooperative housing sectors. Beginning with the Eight Five Year Plan (1992-1997) and the National Housing and Habitat Policies of 1994 and 1998, importance was placed on providing a policy framework with legislative, fiscal and financial systems to give structure to this facilitating role for the government (Rao, 2006; Sivam & Karuppanan, 2002). This meant the organizing of a housing finance sector, suggesting amendments to rent control legislation, emphasizing the provision of infrastructure, and repealing the Urban Land Ceiling and Regulation Act⁴ at the national level.

⁴ A 1998 article in *Frontline* magazine, before the repeal act passed, reports that the repeal efforts were led by then Urban Affairs minister and member of the BJP, Ram Jethmalani. At the time of the article’s writing, the repeal seemed unlikely to succeed, with a large number of non-BJP members aligned against the bill in the form proposed.

The argument at the time was that the ULCRA had failed to meet its stated goal – “to prevent speculation and profiteering and to ensure equitable distribution of land in urban agglomerations to subserve the common good” and thus “restricted the housing supply for the poor and the middle class” (Mahalingam, 1998). While the Act was meant to be used by the State to identify and acquire urban land held by single landholders that was in excess of pre-prescribed limits (500 square meters for Delhi and Mumbai, etc), in practice, very little land was acquired. Sections 20 and 21 of the bill empowered State governments to grant discretionary exemptions to landholders for reasons such as location or if the land as already set to be used for housing for LIG or EWS persons (Acharya, 1987). Unfortunately, the prospect of exemptions led many landowners with “excess” land to apply for them and State governments granted exemptions for far more acres of urban land than they acquired (Mahalingam, 1998), leading many to claim that the ULCRA was ultimately unsuccessful. Furthermore, the reduced ability to purchase large tracts of land may have actually reduced the amount of land on the market, causing prices to rise and reducing availability for the urban poor and middle classes.

While it can be argued that it was the implementation of the legislation, not the Act itself that was flawed (Kabra, cited in Mahalingam, 1998), the fact of the matter remained that the ULCRA failed to achieve its stated goal and in 1999, the government of India repealed the national level law, with many states subsequently repealing their local versions. As a result, land previously tied up in litigation between landowners and state governments was released to the landowners. While later studies illuminated the amount of land that was returned to the market after states repealed their versions of the land ceiling act (Government of India, 2005), less was written about the actual impact on land prices or housing for the urban poor. In fact, some critics have suggested that the repeal led to increased land speculation and thus higher prices, further barring low income groups from access to land markets (Mahadevia & Bhatt, 2002)

Part of the emphasis on enabling the housing sector was its high employment potential as well as economic linkages backward and forward in the economy (Mahadeva, 2006). The reforms fell in line with the shift in international debate around housing issues in organizations like the World Bank and United Nations Centre for Human Settlements.

While the reforms were lauded by some for their gains for the housing sector as a whole, there is less evidence as to the effect of the reforms on EWS and LIG segments of society. Rao (2006) cites improved access to home loans for the middle class, availability of large areas of land for private housing developers, and public-private partnerships for housing delivery in some cities as key successes of the reforms. The result has been greater affordability of home-ownership for the middle class due to increased housing stock and competitive interest rates. Mahadeva (2006), on the other hand finds that while housing stock and the quality of available housing did increase, so did the population, especially in urban areas, leading to a significant increase in overcrowding in existing dwellings. While not a lot of detailed information is available, it also appears that in some cities, a portion of the new housing stock, in the form of high-rise apartments, lay vacant due to speculation.

On the whole, there exists a significant gap in the literature analyzing the effects of the repeal of ULCRA or revisions in rent control legislation. While both of these actions are requirements for receiving funding under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM)⁵, which began in 2005, some Indian states undertook them earlier than others and the distinct effect on housing and land markets in those areas should be closely examined.

⁵ In 2007, the state of Maharashtra received a stern warning from the GoI, mandating the repeal and threatening the loss of JNNURM funding beginning the following March. While the repeal had the support of both the ruling Congress-NCP coalition and the major opposition party, the BJP, lack of political will to actually raise the issue had left the repeal bill tabled for the previous two sessions of Congress (“Maharashtra assures repeal of ULCA Bill,” 2007).

Persistent land and housing speculation could erase the positive effects of the repeal and revisions, but some cities and states may have found better ways than others to deal with these issues. This is a clear area for more investigation.

The reforms to national level housing policies also coincided with the passing of the 74th Amendment to the Constitution of India which decentralized certain powers and responsibilities, including urban planning, infrastructure development⁶, and slum improvement, to urban local bodies (ULBs) (Mahadeva, 2006). It has taken some years for the reforms to really take effect, and appropriate municipal financing mechanisms are just beginning to take hold. In 1998, the city of Ahmedabad was the first to issue municipal bonds without a state-level guarantee, showing progress toward improved municipal finance. Many cities, too, have reformed or newly instituted property tax mechanisms, another requirement of the JNNURM program. It is hoped that this tax, combined with user charges, will help cities fund more of their own programs and operations.

The Jawaharlal Nehru National Urban Renewal Mission marks a significant step by the central government to incentivize local reforms and actions. This includes mandatory reforms at the municipal level to guarantee municipal funding for services to the urban poor and the provision of those services, including security of tenure at affordable prices, improved housing, water supply and sanitation. But if municipal finance is just getting on its feet, and cities have not, in the past, been tasked with the complete responsibility for these services, will the reforms work? A cursory review of a few of the City Development Plans for the Basic Services to the Urban Poor program within JNNURM reveals common challenges:

⁶ While in the past some municipal level governments undertook urban planning efforts, much of the financing and other assistance for infrastructure development and slum improvement came from the central government (A. Kundu, Bagchi, & D. Kundu, 1999). Mehta and Mehta (1989) suggest that prior to 1988, little attention was paid to urban and regional planning at any level of government and institution reforms were needed to make the best of rapid urbanization in the country.

- a lack of financial resources at the municipal level
- lack of information about urban slums
- uncertainty about available land for housing for the poor
- a lack of coordination between agencies involved in housing, infrastructure, planning and finance
- a lack of connection between infrastructure in the slum areas and the rest of the city
- slow progress historically toward meeting housing or infrastructure goals
- uncertainty about the results of public-private partnerships for housing or infrastructure
- limited private sector participation in slum areas
- rapid city growth that increases the scale of the issues to the metropolitan level

(Ahmedabad Municipal Corporation, Ahmedabad Urban Development Authority, & CEPT University, Ahmedabad, 2006; Hyderabad Municipal Corporation, 2006; Kochi Municipal Corporation, 2006; Surat Municipal Corporation, Surat Urban Development Authority, & School of Planning, CEPT University, Ahmedabad, 2006)

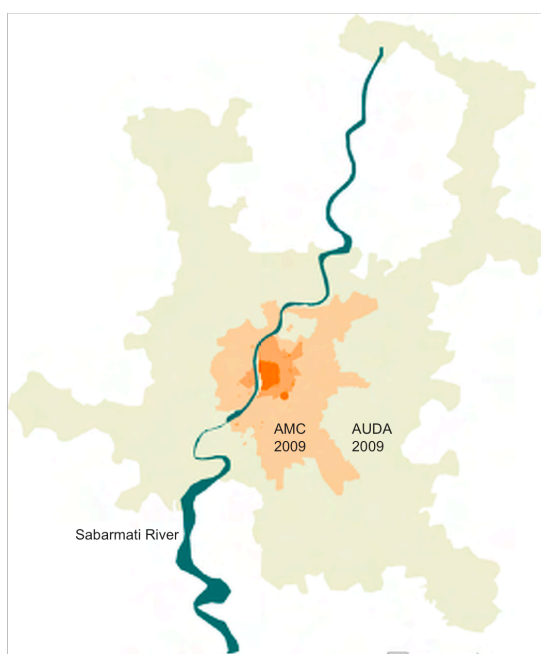
However, some cities have had more success and experience than others with attempts to find solutions to these challenges. The following chapters look at one program and one piece of legislation in the city of Ahmedabad in the Indian state of Gujarat, that have tried to make progress toward the goal of adequate housing for the urban poor.

Chapter Four

Understanding the Challenges of “Enabling” Upgrading: The Slum Networking Project

The Ahmedabad Context: Population

Located in the western state of Gujarat, the city of Ahmedabad is the largest city in that state, the seventh largest city in India, and rapidly growing, housing 23.25 % of Gujarat’s urban population in 1991, and rising to 25% in 2001. The urban agglomeration (UA) population of Ahmedabad increased from 3.31 million in 1991 to around 4.5 million in 2001. The population in the AMC limits increased to 3.5 million in 2001 from 2.8 million in 1991.



Housing and the Urban Poor

The 2006-2012 City Development Plan (CDP) for Ahmedabad prepared for the

Source: Kleinenhammans 2009

Jawaharlal Nehru National Urban Renewal Mission (JNNURM) suggests that while the state of Gujarat has been fairly effective in reducing poverty, with the percentage of the population living below the poverty line (Rs. 24,180 per year in 2001) dropping from 33.3 percent in 1983 to 14.1 percent in 1999-2000, housing conditions in the city of Ahmedabad are still poor—32.4 percent of the city’s population lives in slums and 66 percent of those are below the poverty line. The

average yearly income of slum dwellers in 2001 was Rs. 25,752, just below the poverty line and well within the EWS income bracket.

The Ahmedabad CDP also states that while the number of slums in the city has not increased significantly, the population in the slums almost doubled between 1991 and 2001⁷. The 2001 figure is estimated to be 884,000 people, out of a city population of roughly 3.5 million. This number does not include the approximately 1 million people living in the *chawls*, tenements in the city once built by mills and factories to house their workers, which also lack some basic amenities.

The Slum Networking Project background

Heralded by many (Government of Dubai, 2006; Dutta, 2000; SAATH, 2010; Parikh, 2008) as a cost-effective program showcasing the potential for partnership between the local government (AMC), industry, NGOs, and slum dwellers themselves, the Slum Networking Project (SNP) in Ahmedabad is an example of an initiative that sought to take slum upgrading to scale. Structured to improve upon a previous effort in Indore (A. Kundu, 2001), the SNP sought to bring water and sanitation infrastructure to selected informal communities. As the Ahmedabad Municipal Corporation (AMC) described:

The slums so far were being treated as [a] separate entity devoid of linkages with the city level services. Infrastructure in the slums is inadequate. Without creating additional infrastructural facilities, it is not possible to establish links of slums pockets with the mainstream services. It [was] therefore decided to improve the infrastructure around the slum and establish linkages of all services at an average cost of Rs. 3000/ per dwelling unit.

⁷ There is some discrepancy in the data presented in the Ahmedabad CDP, with one count of the number of slums in the city in 2001 totaling 710 and another totaling 1023. Either count represents a decrease from 1991 figure of 1029.

(2008)

While official title to occupied land was not provided, the AMC did agree to extend ten years secure tenure to dwellers that took part in the Slum Networking Project⁸.

A key element of the cost-effectiveness of the original project was for slum dwellers to provide funding for a third of the cost of each dwelling unit. In the original pilot project (1996-7) at Sanjaynagar, a local textile firm, Arvind Mills, acting through SHARDA Trust, an entity it created specifically for the Project, and the NGO (SEWA-related Mahila Housing Trust or SAATH) involved would each provide the additional third of the project costs. NGOs with strong networks and histories of working in slum communities were recruited to conduct community mobilization and development activities and private engineering firms were used for the design of the infrastructure layouts. While this harmonious story is the one often cited in the bids for Best Practice Awards (Government of Dubai, 2006; Parikh, 2008), most academic articles (Davis, 2004; Samad, 2006) are quick to point out that Arvind Mills/SHARDA Trust pulled out of the initiative after the pilot phase, citing institutional disagreements and a heavy financial burden (Chauhan & Lal, 1999). The AMC took over the private industry share of the

⁸ News coverage of the plight of slum dwellers suggest that in some cases, this does not hold true. Informal settlements continue to be cleared for development projects, such as the highly publicized Sabarmati Riverfront Project, and some of the relocation sites, such as Piplag, lie on the outskirts of the city with minimal access to schools or employment (Nayudu, 2008).

Sites for clearance even included areas included in the Slum Networking Project in the past, which were evicted within the 10 year secure tenure time span. Some allege that even at the temporary rehabilitation site in Piplag, they are being asked to shell out funds for SNP while awaiting homes under the JNNURM scheme (Nayudu, 2009a, 2009b). A September 2009 article on Indian Express.com suggests a level of unpredictability around the Town Planning Schemes:

Claiming that the AMC cannot be sure of its town planning scheme even for the next five years, Anand Patel, Additional City Engineer, who is heading SNP, said: “The town planning schemes and infrastructure projects are conceptualised on a routine basis. After placing the slums under SNP, we cannot remove them from that spot until 10 years, but if a major project has to be developed, we give them alternative rehabilitation, which is a big commitment.” (Nayudu, 2009a)

An October article quoted Patel again: “The slums should enjoy till they are under SNP and AMC decides on their resettlement. Application or removal of SNP is our choice. Moreover, SNP is more of a mental load for us, so we are also thinking of shortening the stay period of SNP from 10 years to 2-3 years.” (Nayudu, 2009b)

costs for each dwelling in most cases, except for a few instances where the Lions Club or Confederation of Indian Industry, private sector-related charitable organizations, offered a contribution (Ahmedabad Municipal Corporation, 2008).

Successes of the Slum Networking Project in Ahmedabad

Between 1996 and 2005, the SNP upgraded around 8,400 dwellings in 45 slum communities, serving an estimated 39,000 people. Some see it as a successful approach in that it recognizes and builds on the efforts of the urban poor to construct their own environment in the face of barrier to entry in the formal housing market. It sees slum communities not as structures to be erased off of or moved on a map, but as conscious decisions to chose an optimal locale for housing and contribute resources, albeit often on the informal market, to its development. Some have also considered the SNP a participatory project, though critics (Davis, 2004; Samad, 2006) show that in fact, one of the limits to the spread of the SNP was the limited choice that slum dwellers had in the package of services provided, indicating that the residents had little influence over project design.

One often overlooked success of the SNP was that the project awakened some of the partners involved to the potential for partnerships to provide services to the urban poor, giving rise to an additional Slum Electrification Programme (Ahmedabad Municipal Corporation, 2008). The program was a partnership between Mahila Housing SEWA Trust, SAATH, AMC, USAID and the Ahmedabad Electric Company (AEC), a private utility company. In the pilot phase, slums that had participated in the Slum Networking Project were targeted for electrification, following a “Willingness to pay” study funded by USAID. In this partnership, the AEC provided the technical aspects, the NGOs and CBOs connected to the slum dwellers and

provided financing (SEWA Bank), and the AMC provided the regulatory framework, permission for “road opening,” and “No-Objection Certificates” which “effectively ceded tenure to the slum dwellers” (Smyser, 2004, p. 26). USAID subsidized the initial household connections in the pilot project, but the project continued after their departure, with a 2008 AMC document reporting that 99,931 households in 350 slums had been covered by the Slum Electrification Project thus far (Ahmedabad Municipal Corporation, 2008). This follow-up project actually achieved greater success than the Slum Networking Project itself, covering around ten percent of the slum dwellers in Ahmedabad, while SNP only covered about one percent (Satyanand, 2007). While the initial AEC tenure requirements related to the tenure granted under the SNP scheme, later amendments allowed non-SNP communities to participate:

The AEC “delinked tenure of land with availing electricity connection and substituted it with an indemnity bond which requires slum dwellers to sign an agreement stating that they would not pursue any legal proceeding with AEC if they were evicted or relocated from their homes in future” (Mahila Housing SEWA Trust, 2009)

Critiques of the Slum Networking Project

The lack of participation mentioned earlier was not the only critique of the SNP. Chauhan and Lal (1999), SHARDA Trust officers, give reasons for the withdrawal of Arvind Mills and SHARDA Trust from the venture, claiming a mismatch of approach between the AMC and SHARDA. They suggest that the Municipal Corporation was not able to relinquish control of key aspects of the project to the private corporation and acted in an unhelpful manner. The authors claim this to be the main reason with financial concerns being secondary. Hesselberg (2002), on the other hand, suggests that the lack of incentive for continued support of such a project, due to

Arvind Mills receding from the global market, paired with financial concerns, may offer a more valid explanation. With no incentive for involvement beyond what the Chauhan and Lal (1999) term “enlightened self interest,” or a desire to push Ahmedabad to become a “Global city,” the financial outlays required for involvement in the project amounted to philanthropy, with little return. As the project scaled up, the cost to the company would only increase. The withdrawal of Arvind Mills meant that other partners needed to replace them in their roles as technical assistance providers and funders for the project. These burdens fell on the NGOs and AMC, with Mahila Housing SEWA Trust and SAATH taking on increasing roles in project implementation and the AMC contributing additional funds (Das & Takahashi, 2009).

Outside of the partnership issues, Das and Takahashi (2009) point out that the project required significant capacity building for the NGOs involved. As community mobilization-driven organizations, it took significant time and energy to build the capacity for technical assistance needed for the project. Additionally, some NGO workers complained that other partners in the project did not appreciate the community mobilization and development process and did not allow adequate time and resources to complete these aspects well. Das and Takahashi explain that at the time of writing, only the two NGOs originally involved in the project have become a part of it. Without expanding their geographic influence, or encouraging other NGOs to join, the SNP is doomed to continue at a pace that will not begin to meet the needs of the rapidly urbanizing city. According to their website (SAATH, 2010), SAATH has since ceased involvement in the SNP. Samad (2006) additionally attributes some of the failure to scale up to parallel systems for service delivery, which had considerable political backing.

The Ahmedabad Municipal Corporation echoes some of the concerns listed above in their 2006 City Development Plan, stating:

- Slow pace of slum upgradation: The number of slums to be upgraded is very large and the present pace of slum upgradation is very slow. It will, therefore, be difficult to meet the challenge in the given time frame unless the project is scaled up substantially.
- SNP -a highly subsidized programme with major chunk of resources coming from the AMC: Despite a cost sharing component built into SNP, very little contribution has been forthcoming from private sector, or the corporate sector. As a result, the AMC has to bear the major share of the costs involved in the programme.
- Low participation of the NGOs resulting in slow progress of the SNP: Over the past 6 years only 16 slums have been upgraded and now another 47 slums have been lined up for upgradation in second phase as against the clearance given to 500 slum pockets for upgradation. Only 2 NGOs are presently involved in this activity with the AMC, which is not enough to motivate large number of slum dwellers to join the project. This essentially means that more and more NGOs are required to be roped in to participate in this project and take up the work of motivating the slum communities to join this project as partners. (Ahmedabad Municipal Corporation, 2008)

The AMC also cites additional issues with reliance on slum upgrading and the Slum Networking Project as the key approach to housing the urban poor:

- Expansion/densification of existing slums posing a greater challenge: The SNP is addressing the current infrastructure demand in slums keeping in view the number of dwelling units existing in each slum. Simultaneously, expansion /densification of the slums is taking place at a rapid pace. In such a scenario the infrastructure provided in the slums will become wholly inadequate, over stressed and may nullify improvements made

if the densification of serviced slums is not checked.

- Lack of efforts to arrest proliferation of slums: In absence of a policy and action to create affordable housing stock for the urban poor in the city, the growth of new slums will remain unabated. (Ahmedabad Municipal Corporation, 2008)

These last two parts are particularly interesting in the context of slum upgrading as a solution for housing the urban poor: that an upgrading strategy alone does not adequately address the issues in a rapidly urbanizing context such as Ahmedabad. Increased infrastructure provision in some informal communities makes them more desirable places to live and paired with persistent land constraints for the urban poor, may lead to increased densification in the slums, which would again overwhelm existing infrastructure. Furthermore, the lack of an adequate program that actually increases housing stock for the urban poor will encourage more slum communities, a lesson that was learned long ago with slum clearance policies.

Chapter Five

Development Plan - Town Planning Scheme

The Development Plan – Town Planning Scheme (DP-TPS) mechanism in Gujarat has gained recent attention as a “friendlier” alternative to land acquisition and development for public purposes (Ahmed, 2007; Jain, 2008; Nair & Ahluwalia, 2010). Bringing together infrastructure development and financing, land use controls, plot regularization, and provision of land for social purposes under one piece of legislation and two linked plan preparation activities is seen by some as a fair, cost effective and non-disruptive method for managing urban growth (Patel, 2009). The DP-TPS is similar to well-documented land readjustment practices in other countries, which set formal and informal rules to facilitate property rights exchanges for urban development projects (Hong, 2010). Land readjustment, however, typically includes greater provisions for collective action and democratic among property owners and tenants, which will be discussed later in this section.

While the DP-TPS process is not specifically targeted to the purpose of housing for the urban poor, by enabling the development of agricultural land and allocating serviced urban land for future EWS housing, it provides a key input into the housing development process. The struggles of Indian cities in finding adequate sites for housing for the poor under the JNNURM program illustrate how needed a mechanism like the DP-TPS process may be. If cities do not have to rely on contentious land acquisition methods to provide serviced land for housing⁹, it is possible that housing development processes may run more smoothly.

⁹ For example, in response to plans by the Vijayawada Municipal Corporation (VMC) to acquire 203.45 acres of agricultural land and use it for the construction of houses for low income populations under JNNURM, 100 farmers of Veduru Pavuluru village vehemently opposed the VMC proposal, further delaying the construction process (“Farmers oppose VMC's plans for land acquisition,” 2010). The VMC proposed to share the land with the farmers 60:40, but the farmers maintained that their land was only appropriate for agriculture and not for housing.

Legislative grounding for the Town Planning Scheme mechanism

While urban planning and appropriating developed land for the poor may be new tasks in some cities, those in the state of Gujarat have been empowered in these tasks for some time. Beginning with the Bombay Town Planning Act of 1915, local government (under state supervision) was empowered to deal with city-level construction and infrastructure matters (Wood, 1958), including “land pooling and redistribution,” under Section 12 of the Act. Home describes:

Derived from the German *Lex Adickes*, [Section 12] stimulated a long discussion at the Town Planning Institute in London in 1920, because such provisions did not exist in Britain. With the consent of the landowners, a public authority could combine their interests, and give them one or more plots to be held under common ownership, in ‘the spirit of true cooperation.’ An owner could pool his irregular plot and receive a better one, and continue cultivating until ready to develop or sell. The Act thus sought to encourage onto the market large areas of development land which without co-operative action would have stayed as agricultural land.” (Home, 1997, p. 175)

The Town Planning Act was re-enacted twice –once in 1954, after independence from Great Britain in 1947, and again in 1976, after the split of the state of Bombay into Maharashtra¹⁰ and Gujarat in 1960. The present legislation in Gujarat is The Gujarat Town Planning and Urban Development Act, 1976 (GTPUDA 1976) that was most recently amended in 1999.

The VMC resorted to this 60:40 land-sharing proposal with farmers after realizing the limits of land availability in the city, running into trouble when attempting to acquire land that already had residences established on it, and contemplating the best means to acquire remaining agricultural land (Subba Rao, 2009). The 60:40 scheme came about in the village of Jakkampudi where the VMC faced stiff opposition to proposed housing schemes on worked agricultural land.

¹⁰ Maharashtra too retained a Town Planning Act (Maharashtra Regional and Town Planning Act, 1966), but its Town Planning Scheme function is less used (Patel, 2009).

Under GTPUDA 1976, each city in the state creates a ten-year Development Plan¹¹ which “defines the direction of growth and envisions the citywide infrastructure for the entire development area” (Ballaney, 2008, p. 10). It further makes specific proposals with respect to components of development such as roads, water and sanitation infrastructure, land use zoning, open space, etc. While the plan is created at the municipal level, it is sent to the state government twice for approval and oversight (Ballaney, 2008, 2010).

Overview of the Town Planning Scheme mechanism

Each Development Plan includes area for city expansion – undeveloped land to be opened up. These areas are divided into smaller blocks of 100 to 200 hectares called Town Planning Schemes (TPSs). In preparing the Development Plan, the municipal authority (in Ahmedabad the Urban Development Authority (AUDA) or the Municipal Corporation (AMC)) identifies the priority TPS areas that will be developed first. This identification is based on evidence of informal urban development or land price increases that indicate that the area should be converted from agricultural to urban land (Ballaney, 2010). The TPS areas are initially comprised of irregular plots, which are zoned for agriculture and typically owned by 100 to 250 different landowners. After careful surveying of the TPS area and research into land ownership databases and records, a base map is drawn of the TPS with these Original Plots (OPs) designated. This step is identified by Ballaney (2008) as a bottleneck in the process due to the previously mentioned overlapping and incoherent land management databases and claims. It is also a point of risk for corruption as the power to resolve landownership disputes may rest in a single individual, a representative of the urban development authority or the State-appointed Town Planning Officer, depending on when the dispute is raised (Government of Gujarat, 1976).

¹¹ This was optional in the 1915 Act, but became mandatory in the 1954 revision (Wood, 1958).

Following the preparation of the base map, a Draft TPS, indicating the proposed road layout and sections of land designated for public purposes (parks, schools, EWS housing) and for sale (up to fifteen percent of the total TPS area) is prepared. This plan also includes proposed locations of Final Plots (FP)¹² for each landowner. All together, the appropriated land typically amounts to around 40 percent of the TPS area, and every effort is made to have each land owner lose the same proportion of land¹³. Based on the original value of each piece of land¹⁴, and the proportion ceded to the municipality, a compensation figure for each land owner is determined. At the same time, the increased value of the final (reduced) plot of land, once it is serviced with infrastructure, is estimated. In principle, the land owner is charged fifty percent of this increment as a “betterment” charge. However, in practice, the betterment charge is equivalent to the estimated cost of infrastructure provision distributed across the landowners proportionally to the amount of land held by each (Ballaney, 2008, 2010). Any difference between the compensation value and the betterment charge is calculated and allocated to the appropriate party. All of these values are entered into an F Form—a spreadsheet in a format prescribed in the GTPUDA Rules (Government of Gujarat, 1979) to track the financial information in the TPS process. A cursory review of publicly available data indicates that in most cases, the landowner must pay the municipal authority some amount as the betterment charge exceeds the compensation amount (Ahmedabad Municipal Corporation, n.d.). Figures 1-3 show a sample Draft TPS, detail view showing the original and final plots, and a sample F Form indicating the amount of land appropriated, compensation values and betterment charges for each landowner.

¹² These plots are located as close to the original plot as possible.

¹³ This is considered by proponents of the scheme to be an indicator of the equitable nature of the process. However, in some cases, this has been deviated from, such as for very small landholders who reside on their land (Ballaney, 2010). This calls into question whether taking an equal portion from each landowner without consideration of their dependence on the land for livelihood purposes is actually equitable.

¹⁴ Except in rare cases where changes in zoning, etc. alter the value of the land

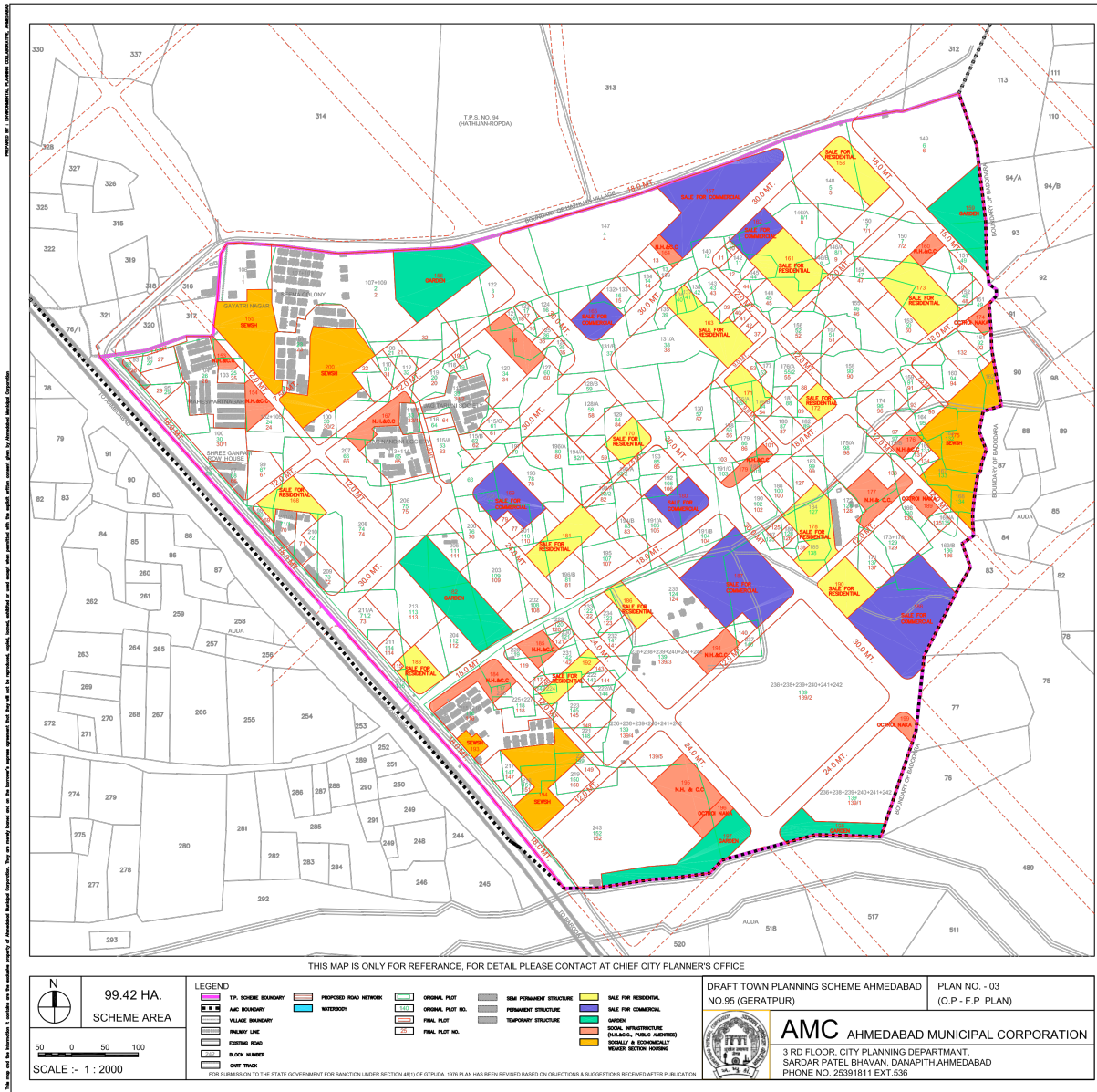


Figure 1. Draft Town Planning Scheme No. 95 -- Geratpur showing proposed infrastructure, land appropriations and final plots (red outlines) over the original plots (green outlines).

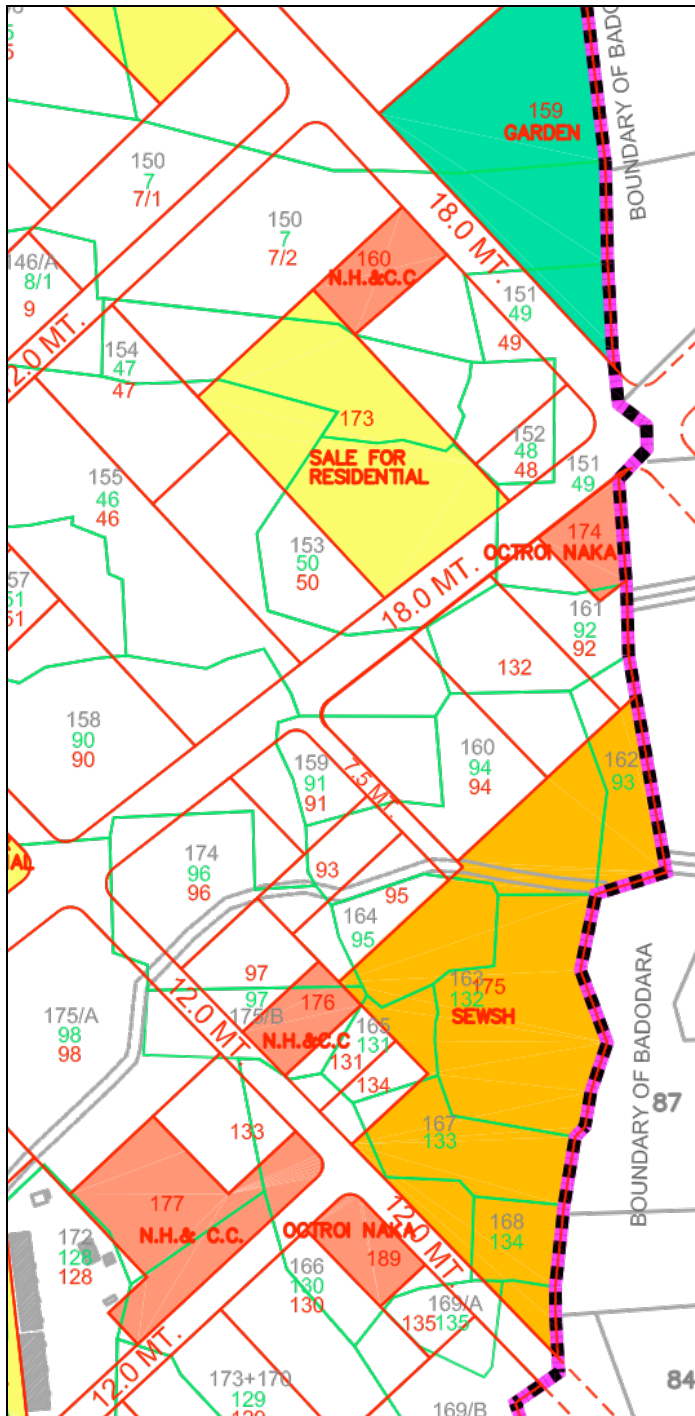


Figure 2. Detail of Draft Town Planning Scheme No. 95 showing land appropriated for EWS housing (orange), sale, and garden use as well as original (green outline) and final (red outline) plots.

FORM F (RULE 21 AND 35)																			
DRAFT TOWN PLANNING SCHEME NO. 95 (GERATPUR), AHMEDABAD REDISTRIBUTION AND VALUATION STATEMENT																			
THE GUJARAT TOWN PLANNING AND URBAN DEVELOPMENT ACT - 1976																			
No	Name of the Owner	Tenure	Block No.	ORIGINAL PLOT			FINAL PLOT			CONTRIBUTION (+) UNDER SEC. 80 Column 9(b)-Column 9(b)	Increase Column 79)-10(a)-Column 9(a)	Contribution (Section 79) 50% of Column 12	Net demand from (+) or by (-) owner being the addition of columns 11, 13, 14	Remarks					
				No	Area in sq. mt.	Value in Rupees	No	Area in sq. mt.	Value in Rupees										
				Without reference to value of structures	Inclusive of structures	Without reference to value of structures	Inclusive of structures	Without reference to value of structures	Inclusive of structures										
1	2	3	3(a)	4	5	6(a)	6(b)	7	8	9(a)	9(b)	10(a)	10(b)	11	12	13	14	15	16
1	Savitaben w/o Shantilal Chumilal, Anil Shantilal, Bipin Shantilal, Kirt Shantilal OR Ahmedabad Dist. Co.Op. Bank. Ltd.		107+109	1	10117	526084	526084	1	6070	315650	2409869	2409869		-210434	2094219	1047110	0	835676	1. Rights of Owners in F.P. as per their shares in O.P. 2. Owners to receive compensation and pay contribution in proportion to their shares in O.P. 3. The rights of OR holders in O.P. is transferred to F.P.
2	Anandibhai Muchandbhai, Kiribhai Muchandbhai, Hansindani Muchandbhai			2	36119	1444760	1444760	2	21671	868656	8235132	8235132		-577904	7368276	3684138	0	3106234	1. Rights of Owners in F.P. as per their shares in O.P. 2. Owners to receive compensation and pay contribution in proportion to their shares in O.P. 3. Right of access provided for O.P-F.P. 3
3	New Anandham Co. Op. Hsg. Society Ltd.			3	10219	255475	255475	3	6131	245256	2575188	2575188		-10219	2329932	1164986	0	1154747	1. Rights of Owners in F.P. as per their shares in O.P. 2. Owners to receive compensation and pay contribution in proportion to their shares in O.P. 3. Right of access provided for O.P-F.P. 3
4	Chandrakant Somchand, Manubhai Anandbhai, Gyanbhai Somchand, Anandbhai w/o Navinchand Somchand, Binita Navinchand, Mona Navinchand, Bhairavi Navinchand, Anandbhai Navinchand gardian of Jinal Navinchand			4	42897	1072425	1072425	4	25738	642455	10810044	10810044		-428970	10166589	5083295	0	4654325	1. Rights of Owners in F.P. as per their shares in O.P. 2. Owners to receive compensation and pay contribution in proportion to their shares in O.P.
5	V.K.of Gaucharan, Gerapur Gram Panchayats			5	10825	216500	216500	5	6495	129900	2370675	2370675		-86600	2240775	1120388	0	1033788	1. Rights of Owners in F.P. as per their shares in O.P. 2. Owners to receive compensation and pay contribution in proportion to their shares in O.P.
6	Ateshkumar Gulabchand	RT		6	30958	619160	619160	6	18575	371496	6779802	6779802		-247684	6408306	3204153	0	2958489	1. Rights of Owners in F.P. as per their shares in O.P. 2. Owners to receive compensation and pay contribution in proportion to their shares in O.P. 3. The rights of OR holders in O.P. is transferred to F.P. 4. Rights of Collector, Ahmedabad (for Gov. of Gujarat) to receive compensation in O.P. as prevailing rules 5. Tenure of O.P. is transferred to the F.P.
7	Chaganbhai Somabhai, Ranchoodhai Somabhai, Jashuben Somabhai OR Collector Ahmedabad for GOG			7	14974	289480	289480		8884	179688	3683604	3683604		-119792	3503916	1751958	0	1632166	1. Rights of Owners in F.P. as per their shares in O.P. 2. Owners to receive compensation and pay contribution in proportion to their shares in O.P. 3. The rights of OR holders in O.P. is transferred to F.P. 4. Rights of Collector, Ahmedabad (for Gov. of Gujarat) to receive compensation in O.P. as prevailing rules 5. Tenure of O.P. is transferred to the F.P.
8	Chaganbhai Somabhai, Ranchoodhai Somabhai, Jashuben Somabhai, Shakrabhai Dhayabhai s/o Lalajiva, Govindbhai s/o Lalajiva, Kashiben d/o Lalajiva	NT		8/1	2252	45031	45031												1. Rights of Owners in F.P. as per their shares in O.P. 2. Owners to receive compensation and pay contribution in proportion to their shares in O.P. 3. The rights of OR holders in O.P. is transferred to F.P. 4. Tenure of O.P. is transferred to the F.P.
9	Collector Ahmedabad for GOG			8/2	8169	163380	163380												5. Block. No. area is taken as per DSO Record (Aekrikaran f O.P. area is taken as M.A.
10	Umyashankar Mamekal			9	2226	44520	44520	9	1336	26712	460782	460782		-17808	434070	217035	0	199227	1. Rights of Owners in F.P. as per their shares in O.P. 2. Owners to receive compensation and pay contribution in proportion to their shares in O.P. 3. The rights of OR holders in O.P. is transferred to F.P. 4. Tenure of O.P. is transferred to the F.P.
11	Niabben Pursotamdas, Lataben Pursotamdas, Gliben Pursotamdas			10	405	8910	8910	10	243	4860	83835	83835		-4050	78975	39488	0	35438	1. Rights of Owners in F.P. as per their shares in O.P. 2. Owners to receive compensation and pay contribution in proportion to their shares in O.P. 3. The rights of OR holders in O.P. is transferred to F.P.
12	Ramanji Dhayaji, Somaji Dhayaji	RT		11	911	20042	20042	11	547	12025	217000	217000		-8017	204975	102488	0	94471	1. Rights of Collector, Ahmedabad (for Gov. of Gujarat) to receive compensation in O.P. as prevailing rules 2. The rights of OR holders in O.P. is transferred to F.P.

Figure 3. Sample F-Form for Draft Town Planning Scheme No. 95 showing land area, compensation and betterment charge values.

After the preparation of the Draft TPS, notice of the intention to prepare a TPS is published in local newspapers and landowners in the area covered by the TPS are invited by the entity producing the planning scheme¹⁵ to a public meeting to express their concerns or objections to the proposed scheme. This initial meeting and the subsequent redressal process deals with issues related the physical layout of the TPS. After the planning entity has reconciled physical layouts in the Draft plan with landowners, it is submitted to the State government and sanctioned as a Preliminary TPS. Then, a State-appointed Town Planning Officer (TPO) conducts a separate grievance and redressal process with individual landowners related to compensation and charges. When the TPO has finished the grievance and redressal process with respect to financial issues, the plan is sanctioned as a Final TPS¹⁶. For a more detailed explanation of the TPS mechanism, see (Ballaney & Patel, 2009; Ballaney, 2008, 2010).

The nature of public participation by landowners and tenants in the TPS process is a key difference between the DP-TPS mechanism and other land readjustment processes. Hong (2007) notes that in most countries employing the practice, a supermajority vote of affected landowners is needed to approve a land readjustment scheme. In contrast, according to GTPUDA (1976), any affected person's written concerns or objections to the plan will be considered, but the decision to alter the scheme is up to the urban development authority, with the State government holding the power to sanction the scheme. This is substantially different from the democratic process in land readjustment and opens the door to potential corruption, whereby the concerns of political

¹⁵ Initially this was the Urban Development Authority, but in recent years, with the existence of private urban planning firms, they are more likely to take on the role of TPS preparation. In Ahmedabad, the Urban Development Authority has delegated some of the TPS-related responsibilities to the Ahmedabad Municipal Corporation as well. Private planning firms are also frequently contracted by AUDA or the AMC to administer the TPS process. (S. Ballaney, personal communication, April 30, 2010).

¹⁶ Amendments to the GTPUDA 1976 in 1999 allowed infrastructure development and social service land allocations to begin as soon as the Preliminary TPS was sanctioned. This, combined with increasing privatization in the urban planning field, increased the popularity and speed of the Town Planning Scheme Mechanism (S. Ballaney, personal communication, April 30, 2010).

or economic elites are given more weight and consideration in the hearing process. News reports (Dave, 2010; Express News Service, 1999, 2009) indicate that there is some concern about the planning and redressal process with respect to equity, participation and corruption.

Benefits of the Town Planning Scheme mechanism

As mentioned earlier, one of the main benefits of the TPS mechanism is its relative fairness and ease of use as compared to traditional land acquisition processes that appropriate all of a person's land for public purposes. For example, if the urban development authority intended to build a road in a certain site, only the land directly in the road's path would be acquired, at a low level of compensation. The landowner of that parcel would lose out considerably, while the owner of a parcel directly adjacent to the road would benefit considerably from the improved infrastructure. Alternatively, the state would acquire all of the land adjacent to the road, at a considerable cost, and be the sole beneficiary while landowners feel that their property rights had been violated. As a land pooling and redistribution scheme, the TPS mechanism endeavors to distribute costs and benefits more equitably among landowners¹⁷.

General critiques of the Town Planning Scheme mechanism

Drawing on Ballaney (2008, 2010), who has worked for over 20 years on TP Schemes, and a comparison with common practices of land readjustment mechanisms, the following are some of the weaknesses of the TPS mechanism:

¹⁷ It is unclear, however, exactly what is the process when an individual landowner objects to or refuses to cede land to the local government. Patel's (2009) claim that the TPS process has been tested and upheld by the justice system suggests that schemes do move forward, however, more research is necessary to determine if "holdouts" receive better compensation or more favorable land, reducing the equitable component of the process.

- Lengthy time frames: Ballaney states that the State Government typically takes much longer to completely approve a TPS than the four-year period allocated for the completion of the schemes. This may be unsurprising given that the State must review each TPS four times before completion. A look at the approval times for Preliminary and Final TPSs indicates that it is not at all unusual for approval to take well over a decade (Ahmedabad Municipal Corporation, n.d.; AUDA, n.d.), making any valuation or cost estimates obsolete. In some cases, landowners have protested the delays, drawing the attention of the courts (Dabhi, 2010).
- Individualized grievance and redressal process: The one-on-one nature of the grievance and redressal process gives power to “holdouts,” who can delay the approval process as well as leaves considerable scope for corruption and favoritism since processes may not be transparent. By comparison, typical land readjustment mechanisms rely more on group decisions and votes, providing a more open process and reducing risk of holdouts.
- Centralized processes: The State Government and particularly the Town Planning Officer wield considerable control in the DP-TPS process. Landowners are given little choice as to whether or not to proceed with a TPS at initial stages. Furthermore, any inaction at the State level¹⁸ can lead to significant delays. Furthermore, the consolidation of power with the TPO again leaves the process open to corruption. Finally, the considerable State oversight is not in line with the spirit of the 74th Amendment, which is meant to allocate greater responsibility to the local bodies.

There are also contextual factors that inhibit the effective use of the TPS mechanism:

- Incoherent land databases: As mentioned earlier, the multitude of land databases slows down the initial mapping process and give space for corruption as the owner and parcel

¹⁸ Even if unintentional and due to overburdened public servants

boundaries identified by the TPS drafting process become the official record after a scheme is sanctioned. Land ownership disputes are handled by municipal or state-level employees who could use the process to gain rents.

- Lack of asset management framework at the municipal level: In many local authorities, land assets are not adequately catalogued or managed.
- Severe undervaluation of land: Because of high stamp duties and other land related taxes historically, official records of land prices are severely undervalued. Due to the current process of valuing final plots in TPSs by adding the cost of infrastructure to the officially recorded land price, the final plots too are undervalued. As a result, landowners gain significantly from the TPS process¹⁹, while the local government at times needs to draw from other sources to finance its infrastructure (since prices change while TPSs go through the approval process). While in the short term, this increases the likelihood that landowners would be willing participants in the TPS; it also presents a potential drain on municipal finances²⁰.

Town Planning Scheme mechanism as enabling the housing development process

Nair and Ahluwalia (2010) report in *Indian Express* that in the past five years, around 11,000 units of housing for the urban poor have been constructed on land appropriated through the TPS mechanism in Ahmedabad. While this number is not significant when compared to the estimated 884,000 living in slums in the city, when placed side by side with the roughly 8,400 households served by the Slum Networking Project between 1996 and 2005 (Ahmedabad

¹⁹ Ballaney (2010) estimates that the difference in final plot valuation and actual market value may be as high as a factor of 10 or 20.

²⁰ Furthermore, if this difference in valuation is the main reason landowners are interested in the process, this would present a major challenge in the future if valuation were brought closer to market prices.

Municipal Corporation, 2008), it is quite an accomplishment. One advantage of the TPS process is that it reconciles the many ownership claims on land parcels and records them²¹, then appropriates a certain portion (up to 10 percent by law) of the land for housing for EWS persons²². This way, land is available for future use when government or private bodies seek to develop affordable housing. Joshi and Sanga estimate that by 2006, TPSs had allocated around 135 hectares of land for EWS housing. The process is systematic and provides a significant benefit to those who are giving up a portion of their land, so it is significantly less contentious than land acquisition for the express purpose of affordable housing. The land is also not paid for by the municipality as costs can be recovered through the betterment charges (Ballaney & Patel, 2009). Furthermore, in contrast to cheap land on the far reaches of the urban periphery, land appropriated through the TPS process is already developed and may be adjacent to employment opportunities.

At the same time, there are some issues with the use of the TPS mechanism to enable affordable housing development. While GTPUDA 1976 recommends around ten percent of the land in every TPS be appropriated for EWS housing, in practice, the amount is closer to 5-8%²³. This is in part because in some cities, acquiring the full 50 percent of the land area enabled by the legislation is not politically feasible (Ballaney, 2010). Joshi and Sanga also point out that not all land reserved for EWS housing is necessarily buildable or well-located, though a staff

²¹ As Ballaney and Patel (2009) point out, this is by no means quick or easy, and improvements to the cadastral system in Indian cities would greatly expedite the process.

²² While in other countries, the appropriation of private land for housing for the poor might be protested as a violation of property rights, it does not seem to be the case here. Allocation of some land for poor groups seems to have gained common currency, with the 2010 Gujarat Integrated Township Policy also setting aside land and housing for EWS groups (GUDC, 2010).

²³ Joshi and Sanga (2009) calculate that of the 986 hectares of land allocated for public purposes through TP Schemes by 2006, about 13.7 percent were designated for EWS housing.

member at an urban planning firm which prepares TP Schemes states that efforts are made to position those parcels close to relevant amenities like industry or social infrastructure²⁴.

Some larger considerations are the use of lands before and after the TP Schemes are set in place. By design, the Town Planning Scheme mechanism deals only with formal ownership as per records residing with different agencies in the local government. As is well known, however, informal settlements may exist on these lands, and many residents of such settlements have in fact paid, albeit informally, to occupy the land on which they constructed their dwellings. Since the TPS process involves only the official owners, it does not address the residents of these settlements directly. Since the final plots does not line up directly with the original plot, the land on which the settlements exist could be under new ownership that did not support their existence. As a result, a TP Scheme could conceivably displace as many people as it enables housing for²⁵.

It is also important to recognize that the TPS merely sets aside land for EWS housing; it is not tied to any additional legislation or powers to expedite the actual construction of said dwellings. Joshi and Sanga (2009), in a survey of appropriated TPS land, find that only six percent of lands allocated for SEWS housing under TPS schemes actually contained housing. Some land is occupied by informal settlements of poor groups, which are illegal under the GTPUDA, and thus vulnerable to clearance. A significant portion lay vacant (27.55 percent) or was still under agricultural use (20 percent), with the rest occupied by other commercial or residential development. The authors claim that even with JNNURM BSUP funding available, housing development showed little progress, though AMC documents reveal at least the

²⁴ There is, however, some degree of NIMBYism, with some landowners not wanting EWS housing located adjacent to their parcels. However, a TPS prepared in Ahmedabad, Prahladnagar, was able to locate a significant amount of EWS housing in a very affluent urban area, suggesting that this practice does not always hold true.

²⁵ To do so brings up complicated property rights issues not discussed here. However, Ballaney and others are currently working on a theoretical system to manage property rights in these cases, which is still in early stages of development.

intention of using TPS appropriated land for this purpose²⁶ (Ahmedabad Municipal Corporation, n.d.). This begs a larger question—if available land and financing are not adequate triggers for housing development for the urban poor, what is?

²⁶ However, some of these TPS allocations are from Schemes approved decades ago, again raising the land management question stated by Ballaney earlier.

Chapter Six

Conclusion

Making space in the city for the urban poor, whether by legitimizing informal land claims through government-sponsored upgrading schemes, or systematically reserving land for poor groups as town planning schemes are laid out, is necessary in contexts where a mismatch between incomes and housing prices make adequate land and shelter for all an impossibility under market mechanisms.

While upgrading programs at a small scale are lauded for their participatory nature, ability to adapt to the needs of the urban poor, and ability to build on the informal construction methods already being undertaken by poor groups, the Slum Networking Project, an attempt to institutionalize upgrading through municipal government, NGO and community partnerships, failed to reach scale in the city of Ahmedabad and appears to be receding as a city-level strategy. Scholars and practitioners who have examined the Ahmedabad Slum Networking Project found that the project design did not offer upgrading options that met the desires of slum dwellers, private sector partnership proved unsustainable for institutional and financial reasons, and reliance on limited NGO capacity for both community mobilization and implementation created bottlenecks in scaling up promising pilot efforts. Furthermore, an upgrading approach without a complementary housing production program does not adequately address contexts of rapid urbanization and the densification and expansion of slum areas that accompany them.

A much heralded piece of legislation that seeks to offer a more equitable alternative to land acquisition is designed to limit unplanned urban growth through land pooling and reconstitution and offers an alternative path to making space for the urban poor. The Development Plan-Town Planning Scheme process in the state of Gujarat is enabled by the

Gujarat Town Planning and Urban Development Act of 1976, which explicitly requires a percentage of each newly reconstituted and serviced TPS area to be reserved for housing for Economically Weaker Sections of Indian society. Preliminary research suggests that this mandate has been successful in reserving some land for EWS housing, but the speed of the DP-TPS process, the quality of reserved land, and the slow progress toward utilizing the reserved land are all causes for concern. While the Ahmedabad Municipal Corporation has activated many of the reserved plots for housing under the Jawaharlal Nehru National Urban Renewal Mission's Basic Services to the Urban Poor (JNNURM BSUP) program, much of this land had been available for years, if not decades, with no housing built upon it. It is clear that land reservation alone does not provide adequate housing for the urban poor. However, under conditions where external factors, such as national government initiatives, foreign assistance projects, or economic crisis make affordable housing production a priority, serviced urban land remains a key input into the housing development process –and input that is scarce in many Indian cities.

An April 2010 report by the McKinsey Global Institute on “India’s urban awakening,” suggests that in order to bridge the gulf between urban populations and affordable housing stock, a plurality of approaches is necessary. Inasmuch as upgrading may empower poor groups, recognize their efforts in housing construction and their (informal) purchase of the land on which they live, there is strong justification for it as a general strategy. However, the lessons of the Slum Networking Project are many in terms of the complexity of multi-organizational partnerships, the tension between rigid service options that allow for ease of implementation and an array of choices that meet the needs and desires of slum residents. The capacity of non-government organizations to conduct both community mobilization activities and implement upgrading projects is severely limited. Cities wishing to emulate the Ahmedabad SNP should

consider the strength and connectivity of its NGO partners or determine who else might join in the project. The evidence is stacked against industry as a philanthropic partner (even when it is relabeled ‘enlightened self-interest’), but the success of the Slum Electrification Programme suggests that utility companies that could see an expanded customer base through the upgrading process may be willing partners. Finally, while upgrading alone cannot keep pace with rapid urbanization in some contexts, particularly cities that are staying static in population, upgrading may provide the best option to guarantee adequate housing for all. In these locations, the market value of land may not be very high, due to low growth, so “enabling” approaches would not be appropriate.

As for the Town Planning Schemes, in areas with rapid urbanization, a scarcity of developed land, and thus high land values, the DP-TPS mechanism presents a clear opportunity to both bolster the urban land market by developing land and to simultaneously allocate space in newly developed areas for housing for the poor. However, there are considerations when applying this mechanism, the largest of which relate to the relationship between the urban local bodies and the state government and to the connection between the process and the reality of informal settlements in India. While the DP-TPS process appears to be a local government one, the large number of state-level reviews and approvals required by the current legislation delay progress and vest too much power in the Town Planning Officer as a single individual. As this same legislation does not exist in other Indian states, with the exception of Maharashtra, any city wishing to copy this model should seek to reduce the involvement of the state-level government in any proposed new legislation.

The question of how DP-TPS relates to the existence of informal settlements is perhaps best thought of in terms of its legislative history. The Bombay Town Planning Act of 1915 arose

during a period when clearance and reconstruction was still the accepted norm for urban slums. Public health concerns overrode those of property rights during that era. The failure of subsequent amendments to the Act to address the reality of informal claims to urban land is perhaps unsurprising, given ongoing debates about legalization of tenure for informal settlements. This “glossing over” of the topic of encroachments may allow the DP-TPS mechanism to proceed more quickly than if each TPS managed a rubric of not just 150 landowners, but also another 500 users. That said, with the danger of a promising strategy for the appropriation of land for the poor adversely affecting this same population through displacement, the issue of property rights beyond ownership must be addressed.

This thesis brings about a multitude of areas for further research. Among them are:

- *What additional mechanism or pressure is needed to encourage housing development on the land appropriated by the Town Planning Scheme Process?*
- *What will a negotiation process with informal settlements on TPS land look like?*
- *Without the near century of legislative history to build on, how can other Indian cities or states emulate the DP-TPS process? Is it politically tenable?*
- *What have been the local land and housing market effects of the repeals of the Urban Land Ceiling and Regulation Act? Of the Rent Control Acts?*

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