

Private Sector in Affordable Housing? Case of Slum Rehabilitation Scheme in Ahmedabad, India

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Abstract

The trend of involving private sector in affordable housing segment is observed globally. In India, it has been mainstreamed through the Pradhan Mantri Awas Yojana (PMAY) under which one component deals with in-situ slum redevelopment through the public–private partnership (PPP) mode in which the private sector brings in finance and skills to construct housing while the public sector provides land. Taking case study of one slum site, wherein the slum rehabilitation scheme has been implemented in Ahmedabad, this article narrates the bottlenecks faced in its implementation in spite of the agency of an NGO involved as a mediator in the process.

Keywords

Ahmedabad, PMAY, private developer, slum rehabilitation scheme

Introduction

Private sector participation or public–private partnerships (PPP), put forth as panacea for all the development solutions including the one for urban housing, is reflected in the current policy termed as ‘affordable housing’ in India. Cities have begun to respond to it by earmarking Affordable Housing Belts (AHB) or Affordable Housing Zones (AHZs) in their respective Master Plans. However, the definition of Affordable Housing remains ambiguous, largely being defined through ratio approach concentrating on the financial dimension of housing demand, at the exclusion of other dimensions such as location, quality, adequacy, cultural suitability and social and legal dynamics of its provision. Slum Rehabilitation Scheme (SRS), now rebranded as in-situ slum redevelopment in India’s recent national

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housing programme, Housing for All 2022 or Pradhan Mantri Awas Yojana¹ (PMAY), is analysed in this article taking an example of one SRS scheme in Ahmedabad, to understand multiple bottlenecks that may surface in the course of its implementation. The SRS has existed as one of the slum redevelopment approaches, first in Mumbai (since 1995), then in other cities of Maharashtra and since 2010 in Ahmedabad. The assessment is at two levels: one at the policy level in the state of Gujarat, given that the policy has changed multiple times to make this model viable for the private sector participation and another at the settlement level on institutional issues faced in the implementation using qualitative research methods.

With the onset of globalization and consequent high economic growth, the Indian state has shifted to neoliberal² policy framework (see Hall & Biersteker, 2002; and Harvey, 2005, for a more general discussion on neoliberalism). In housing, the shift is towards increasing reliance on market-actors and enabling housing provision through policies of decentralization, privatization, deregulation and demand-driven housing development, an argument that the World Bank (1993) gave long back. In the context of improving living conditions of urban poor settlements, the early policies were largely based on the recommendations of supranational institutions such as World Bank (largely influenced by the work of John Turner (1963, 1967). These have been reshaped from focusing on upgrading slums through community participation to providing service plots to urban poor (Mukhija, 2001). While neoliberalism has altered development strategies in fundamental ways, its relevance to slum rehabilitation is threefold: First, the shift from government intervention to reliance on the free market; second, the shift of responsibility from government to civil society; and third, the rescaling of government from central to local levels (Nijman, 2008). This has not only created an increased dependency on non-governmental organizations (NGOs)/civil society organizations (CSOs) in development policies but has also forged a strong pro-growth urban political arena having little tolerance for policies aimed at supporting slum dwellers and the poor. Of late, the shift is towards increasing private sector's role in low-income housing through various incentives by the government on the one hand and dependence on the NGO/CSO mobilization of the slum communities at the local-level on the other. We see these shifts even in the Indian context, as the next section argues.

Housing programmes in India have repositioned from enabling access of urban poor to land, housing and basic services to 'one-size fits all' mass housing provided by public housing agencies (housing/slum clearance boards), to people-driven approaches such as slum upgrading/redevelopment and sites and services with tenure regularization³ (Mukhija, 2004; World Bank, 1993), to again mass housing by public agencies under the Valmiki Ambedkar Awas Yojana (VAMBAY) and the Basic Services to the Urban Poor (BSUP) component of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM; Mahadevia & Datey, 2015). The SRS is a builder-driven housing programme. The Rajiv Awas Yojana (RAY) introduced the idea of a contextual case-to-case base approach to slum redevelopment, with the understanding that one-size does not fit all (Mahadevia & Datey, 2015). Since the introduction of the PMAY, there is a total shift to the private sector in 'affordable housing', provisioning.

The article is inspired by the in-situ slum redevelopment model driven by the private sector (the SRS), implemented in Ahmedabad city. This becomes important in the current context as this is being proposed as one of the four verticals of 'affordable housing' (for details see the next section). Taking cues from the Mumbai model, in practice since more than two decades, the Gujarat state promulgated the 'Regulations for the Rehabilitation and Redevelopment of the Slums 2010' (hereafter referred as the 2010 regulations). Around 12 slums were approved by the state government (Figure 1 for their location; DNA, 2013). These varied with respect to their location in the city, size, ownership, community composition, housing quality, presence of an external agency (NGO/CSO), level of basic services, etc. Though the policy did not recognize the role of NGO/CSO, in a few cases local NGOs/CSOs were involved externally by the



Figure 1. Location of SRS Slums in Ahmedabad
 Source: CUE (2014).

developer. We have selected a slum case study—Abhujina Kuvana Chappra having dual advantages of being previously covered under the Slum Networking Programme (SNP) and engagement of Mahila Housing SEWA Trust (MHT)⁴ by the developer. However, multiple litigation cases stalled SRS implementation in the slum, thereby delaying the project completion. The data are collected using qualitative research methods—discussions with key stakeholders namely the slum dwellers, private developer, local government and NGO, involved several visits to the selected slum and attending the legal proceedings from 2013 to 2014.

The subsequent section gives a brief chronological account of various slum development approaches, policies and programmes, which evidently shows the shifting role of the government, that is, from housing provider to housing markets' facilitator through privatization and demand-driven approach. The third section reviews the 2010 regulations in Gujarat by presenting a case study and discussing challenges faced by the stakeholders in the fourth section. The final section contains the main conclusions.

Increasing Role of Private Sector in Slum Development Programmes

In early post-independence period, push towards industrialization led to setting up of public sector towns and townships. In housing sector, attention was on housing of the employees of these public sector entities while the low-income housing in the existing cities was neglected. In parallel were rehabilitation programmes for the refugees of partition in cities such as Delhi where they were given a plot of land in the plotted developments called rehabilitation colonies. The neglect of low-income housing in the cities led to the expansion of slums. The immediate policy response was 'slum eradication', through slum clearance acts, promulgated by each of the state government. This approach did not lead to any improvement, and the number of slums and the proportion of population living in them continued to increase till a situation in the early 1970s, when there arose a political need to recognize them and provide at the least basic services to improve local environment, under the national slogan of 'poverty alleviation'. Improving slums and ensuring that lands were available for low-income housing as well as for planned development, arguments supporting nationalization of urban land gained ground in India (Kabra, 1975), leading to promulgation of the Urban Land Ceiling and Regulation (ULCR) Act, 1976. The surplus lands in the hands of individuals were to be acquired by the state for public purposes, one of that being housing for the poor. There is voluminous literature available now on the failure of this legislation. While there are many critical assessments of this legislation, some studies point out massive affordable land supply in the informal sector in its aftermath; for example, see Mehta and Mehta (1989) for data on such a process in Ahmedabad and Das (2003) in case of Mumbai. Case studies of informal housing on ULCR lands are now available from different cities (see Mahadevia & Datey [2015] for case studies of these cities). This led to informal housing settlements, with relatively better living conditions than slums in many cities. These settlements catered to demand for ownership housing as well as for rental housing.

In the decade of the 1970s, there were two other global policy influences in India with regards to slum housing. The United Nations first HABITAT Conference held in Vancouver in 1976 stressed the importance of land tenure being next to food and water in urban areas (Oberlander, 1985), as a solution for slum housing and poverty eradication. On the other hand, an argument led by the World Bank questioning the paradigm of mass housing provided by public housing agencies (housing/slum clearance boards), in the image of the social housing programmes of Europe, gained ground. These advocates supported people-driven approaches such as slum upgrading/redevelopment and sites and services with tenure regularization⁵ (Mukhija, 2004; World Bank, 1993) enabling communities to choose and develop their

own housing (Mukhija, 2001). In all these programmes, the role of the local or state government was seen central, to making lands and cheap finance available while extending tenure to slum dwellers living on public lands. The housing policy shifted to demand-based approach, catering to the households as per their affordability—If the household could only afford improvement then the intervention would be investment in improving water and sanitation facilities in the slum and so on.

Broadly, slum development programmes can be classified into four categories based on the components covered under each category (Table 1). Housing is a heterogeneous good, comprising of land (serviced or otherwise) and other services such as water supply and sanitation. Hence, there has been variation with regard to components included in each of the programme. For example, a programme such as RAY had more than one component. Some of these have been national-level programmes while others have been state-level ones. Legal land tenure is a precondition for programmes that have undertaken dwelling unit (DU) construction. But, giving basic services has not been contingent upon land tenure regularization. We have discussed only the PMAY briefly. For discussion on all others see Mahadevia (2002).

Another way of classifying these urban housing/shelter programmes is through the role of different agencies in their implementation. The programmes presented in a chronological order in Table 2 show that there has been increasing reliance on the private sector for the implementation of slum redevelopment or affordable housing programmes. The SRS programme was first initiated in Mumbai in 1995 and then

Table 1. Classification of Programmes Implemented in India*

Tenured Land	Basic Services Programmes	Shelter cum Services Programmes	Dwelling Unit (DU) Construction
Giving of <i>Pattas</i> (tenure)	Environmental Improvement of Urban Slums (EIUS)/Slum Improvement Programme (SIP)	Slum Upgradation Schemes (SUP)	Economically Weaker Section (EWS) Housing by the Housing and Slum Clearance Boards
Urban Community Development (UCD)	Sites and Services Schemes (S&S)	National Slum Development Programme (NSDP)	Valmiki Ambedkar Awas Yojana (VAMBAY)
	Urban Basic Services for Poor (UBSP)		Slum Redevelopment Schemes (SRS)#
	Low Cost Sanitation (LCS)	Basic Services to the Urban Poor (BSUP)/ Integrated Housing and Slum Development Programme (IHSDP)	
	Slum Networking Programme (SNP)***		
	Rajiv Awas Yojana (RAY)		Affordable Housing in Partnership (AHP)
			Pradhan Mantri Awas Yojana (PMAY)

Source: Compiled by the authors.

Notes: * These have not been put chronologically, as these have continued throughout the period in different states.

** These also had implications on housing development in the cities.

*** Implemented in Gujarat and Madhya Pradesh only. For details see Acharya and Parikh (2002) and Dutta (2002).

SRS scheme was initiated in Mumbai, which now has become the national-level approach.

Table 2. Classification of Housing/Shelter Programmes by Implementation Agency's Role, India

Programme	Year	Government/ Public Agency	Private Sector	NGO/CBO	Household
Urban Community Development (UCD)*	1966	Implemented by Urban Local Body (ULB)	Nil	CBO involved managing community level services provided	Nil
Environmental Improvement of Urban Slums (EIUS)/ Slum Improvement Programme (SIP)	1972	Implemented by ULB or slum clearance boards (SCBs)	Nil	Nil	Nil
Economically Weaker Section (EWS) Housing by the Housing and Slum Clearance Boards	1972	Implemented by state housing boards (SHBs/ SCBs)	In construction, that is, contractors constructed DUs	Nil	Paid instalments for DU
Slum Upgradation Schemes (SUP)	1976-77	Implemented by ULBs, SCBs/ Development Authorities (DA)	Nil	Community organizing for upgrading	Nil or payments towards post-project maintenance
Sites and Services Schemes (S&S)	1976-77	Implemented by ULBs, SCBs/DAs	Nil	Nil	Paid instalments for loans on land plots
Slum Redevelopment Schemes (SRS)*	1995 (in Mumbai)	Regulating	Implemented by private developers	Nil	Nil or payments towards post-project maintenance
Slum Networking Programme (SNP)*	1997 (in Ahmedabad)	Implemented by ULBs	Provided partial finance	Organizing community	Paid part of the cost
National Slum Development Programme	1996	Implemented by ULBs	In construction, i.e. contractors constructed DUs	Manning the community primary health care centres	Nil
Valmiki Ambedkar Awas Yojana (VAMBAY)	2001	Implemented by ULBs, SCBs/ DAs	In construction, i.e. contractors constructed DUs	Nil	Paid instalments for DU
Basic Services to the Urban Poor (BSUP)/ Integrated Housing and Slum Development Programme (IHSDP)	2006	Implemented by ULBs, SCBs/DAs	In construction, i.e. contractors constructed DUs	Nil	Paid instalments for DU

(Table 2 Continued)

(Table 2 Continued)

Programme	Year	Government/ Public Agency	Private Sector	NGO/CBO	Household
Rajiv Awas Yojana (RAY)	2009	Implemented by ULBs, SCBs/DAs	Wherever PPP model of slum redevelopment	Organizing community for selection of development option and post-project maintenance	Bearing part of the costs
Affordable Housing in Partnership (AHP)	2009–10	Regulating & providing fiscal subsidy to developers	Implemented by private developers	Nil	Paying instalments
PMAY: In-situ Slum Redevelopment (ISSR)	2015	Regulating, providing fiscal subsidy & public lands	Implemented by private developers	Nil	Bearing full costs
PMAY: Credit Linked Subsidy Scheme (CLSS)	2015	Regulating & providing fiscal subsidy to house owners	Implemented by private developers	Nil	Bearing full costs but with subsidized loans
PMAY: Affordable Housing in Partnership (AHP)	2015	Regulating and providing direct subsidy to developers	Implemented by private developers	Nil	Bearing full costs excluding subsidy to the developer
PMAY: Beneficiary-led construction or enhancement (BLC)	2015	Regulating and providing fiscal subsidy to households	Nil	Nil	Self-construction/ or through contractors & bearing partial cost

Source: Compiled by the authors.

Note: *Only in few cities/states.

extended to other cities in the state of Maharashtra. The SNP was initiated in Ahmedabad but it was discontinued. However, some of its aspects, mainly the community participation component, were included in the RAY. The BSUP programme introduced as a part of the JNNURM was repackaging of the former Economically Weaker Section (EWS) housing of the public housing agencies. The SRS was introduced in Gujarat in 2010, and has now been mainstreamed into the PMAY as one of the programme verticals.

Pradhan Mantri Awas Yojana (PMAY)

The PMAY is a largely private-sector-driven programme in the supply of housing and households being facilitated to purchase constructed housing from the developers through obtaining interest rate subsidy from government (Credit-linked Subsidy Scheme) or direct subsidy transferred to the suppliers (i.e., the

Table 3. Composition of PMAY

PMAY Vertical	DU Carpet Area (in sq. m)	Subsidies Available
In-situ Slum Rehabilitation (ISSR)	Not specified – at the discretion of respective State/UT slum rehabilitation policy	<ul style="list-style-type: none"> • Central Government Grant ₹1.0 lakhs • ULB Contribution – Land • Rest costs borne by Private Developer
Credit Linked Subsidy Scheme (CLSS)	EWS: Up to 30 sq. m LIG: Up to 60 sq. m	<ul style="list-style-type: none"> • Upfront subsidy at 6.5 per cent for EWS/LIG for loans up to ₹6.0 lakhs (calculated at Net Present Value basis) • For loans above ₹6 lakhs, interest at nonsubsidized rate.
Affordable Housing in Partnership (AHP)	EWS: Up to 30 sq. m	<ul style="list-style-type: none"> • Central Government Subsidy ₹1.50 lakhs per EWS DU • State Government Subsidy ₹1.50 lakhs • Beneficiary Contribution ₹3.0 lakhs • ULB Contribution – Land & Outer Infrastructure
Beneficiary-led individual house construction or enhancement (BLC)	EWS: Up to 30 sq.m	<ul style="list-style-type: none"> • Central Government Assistance ₹1.50 lakhs per beneficiary

Source: Compiled by the authors.

private developers; Affordable Housing in Partnership) or construct housing themselves (beneficiary-led individual house construction or enhancement) through obtaining a subsidy component from the government (see Table 3 for details). The last possibility is in-situ redevelopment of slum, with the subsidy to the developer from central government and land subsidy from the local government. It is a mission to be implemented during the 2015–2022 period, which provides central government assistance to the ULBs through the state governments and the union territories (Government of India, 2016). See Table 3 for details of each component of the PMAY.

This article assesses the first vertical designed under the PMAY, also known as the SRS scheme. The SRS, as envisaged in Mumbai, worked on the principle of giving additional Floor Space Index (FSI) to the developers who decide to redevelop a slum pocket so that all residing households in the slum are given a free DU of the size about 225 sq. ft (approximately 21 sq. m) and additional FSI generating additional space available for commercial sale so as to make the project financially viable for the developer. The additional FSI could be made available through Transfer of Development Rights (TDR) on another parcel of land that the developer holds so that through the sale of the latter, the profits are accrued to the developer. This article assesses the process of implementation of the SRS in Ahmedabad city using qualitative field work.

Rehabilitation and Redevelopment Regulations in Gujarat

Gujarat adopted the SRS model of slum redevelopment after discontinuing the earlier somewhat-successful but limited coverage SNP approach. The first city that experienced its implementation was Ahmedabad, although the regulations framed to implement the SRS model were at the state level. Ahmedabad is the seventh largest metropolis in India, with a population of about 6.5 million in the urban

agglomeration in 2011 and a city with multiple innovative practices in housing, public transport and land management (Mahadevia, 2014). The city's economy is highly informalized with about four out of five workers in this sector (Mahadevia, 2012; Mahadevia & Shah, 2012). The estimate of the number of slums in the city vary. But, as per the 2009 estimate of the AMC (AUDA, 2013), there were 834 slum pockets, of which around 60 slums were upgraded under the SNP (Mahadevia, Desai, & Vyas, 2014). The AMC has provided water supply and sanitation to non-SNP slums as well so as to improve the living conditions. There is large informal housing on the city's periphery on private lands, for whom there is no programme as of now. Lastly, about 20,000 BSUP DUs have been constructed, all across the city but with concentration on the city's periphery; the new BSUP units being used for rehabilitation of those displaced due to infrastructure projects (Mahadevia et al., 2014). The SRS approach to slum redevelopment replaced all earlier in-situ slum development approaches.

With the objective of in-situ redevelopment of slums (irrespective of their ownership) through private sector involvement and capturing value of land, by allowing increase in the FSI, the 2010 regulations offered (a) a fully serviced DU, minimum 36 sq. m built-up area (excluding common areas) to all eligible slum dwellers (hereafter, referred as beneficiaries) and (b) social infrastructure depending on the size of the slum. In addition to these, the developer was required to construct minimum 10 per cent of extra DUs, to be surrendered to the Prescribed Authority (PA)⁶ at no cost, which would serve as an extra housing stock to rehabilitate project-affected persons (PAPs) in future. Thereafter, the developer could develop the additional unutilized land (if remaining) for commercial purposes after acquiring it from the local authority at 100 per cent prevailing *Jantri* rates⁷ in case the slum is situated on public land (Government of Gujarat, 2010). The beneficiaries could transfer/sell DUs only after 20 years from the date of possession.

The eligibility of the slum dweller is based on a minimum occupancy period of 10 years in the slum hutment and having state domicile of 25 years. Documents proving occupancy include ration card, electricity bill, proof of being in the electoral rolls or any other proof as decided by the local government. However, during the document collection surveys the NGOs/external agencies in potential slums found that though the residents were occupants of hutments since 10 years, some of them did not possess the requisite formal documents. With pressure from various external stakeholders, the state government (a) amended the criteria of eligibility to setting a cut-off date of 1 December 2010⁸ and (b) including slum hutments allotted a unique Household Identification Number (HIN) under the 2010 socio-economic survey.⁹ This was considered as a liberal policy decision as compared to Mumbai's scheme that had a 1995 cut-off date for a long period till its recent relaxation to 1 January 2000.

It was mandatory for the developer to obtain the consent of at least 75 per cent of the occupants of the slum being considered under the scheme. However, there was ambiguity about the course of action for remaining 25 per cent residents. Besides, the developer had to form a registered cooperative housing society (CHSG) consisting of 11–12 members of the settlement to whom the SRS project would be handed over for future maintenance, after obtaining a completion certificate from the PA. The developer also had to give the competent authority an amount equivalent to 10 per cent of the project cost, which would be transferred to the CHSG later on. Whilst transit accommodation was to be provided by the developer to the eligible beneficiaries during the construction period (from vacating the site to completion of construction), across all cases, the developer and beneficiaries (in consultation with involved NGO/CSO, if any) mutually agreed upon a prefixed monthly rental amount¹⁰ to be provided by the developer to each eligible beneficiary till SRS completion.

After obtaining necessary clearances from multiple departments of AMC, the developer had to submit the proposed rehabilitation scheme to the Slum Rehabilitation Committee (SRC) comprising senior officials from the AMC, Urban Development Authority and the state-level Urban Development and Urban

Housing Department (UD and UHD), whichever is the PA. Once the SRC was approved, the UD & UHD had to finally approve the scheme. Once all the sanctions are obtained, the PA had to appoint a consultant to supervise quality and timely execution of the project. The consultant had the power to certify the release of the security deposit of 5 per cent of the project cost with the PA.

This was followed with an independent circular sent by the state government to the AMC providing further clarifications on the roles and responsibilities of the developer as well as the competent authority which included the following:

- At the time of issue of permission, the competent authority had to scrutinize and verify area calculations for a common plot, built-up area, FSI and details of physical infrastructure (such as water supply, drainage, street lighting) and social infrastructure (such as school, welfare centre, dispensary, *balwadi* and society office), and ensure they are in accordance with the regulations.
- The concerned municipal corporation (here AMC) had to issue a final permission for the scheme to make land available for particular use and verify the number of eligible beneficiaries. In case of any differences/discrepancies, the municipal corporation were given power to amend and then approve the proposal.
- The development of the approved scheme/slum had to be carried out by the developer within the time period of three years from the date of approval.
- If in case the eligible beneficiaries were holding hutments of more area or commercial establishment than the area prescribed in the regulations, then it was the responsibility of the developer to convince them and make them accept the lesser area or the developer could provide area as per demand of the beneficiaries.

The 2010 regulations failed to attract the private sector. Subsequently, another amendment to the regulations was introduced in May 2012. The revised regulations provided more incentives to the developers such as transferable FSI and period during which it had to be consumed (Government of Gujarat, 2012). Thus, after the rehabilitation of slum dwellers, if additional FSI was available, it could be utilized on the same slum plot or any other plot in a zone having permissible FSI of 1.2 or more. It could also be utilized on other lands in the city for projects granted under the Regulation of Hotel, 2011, and Regulation for Hospitals, 2011. The remaining FSI had to be consumed within a period of five years from the date of granting permission for slum rehabilitation. Also, the total FSI could not exceed the maximum permissible FSI under these aforesaid regulations.

Following this amendment, rehabilitation schemes by leading developers for eight slums, situated in both eastern and western parts of Ahmedabad, got approval from the State Government (*DNA*, 2012). The number subsequently increased to 12. These schemes largely included slums located on public lands. Although it has been reported that many proposals were approved by the state government before the amendment, the developers did not submit the plans for approval until after the amendment.

Interestingly, neither the 2010 regulations nor the subsequent amendments mentioned the involvement of any NGO/CSO to mobilize the slum residents. Nonetheless, realising the difficulties in the process, some developers approached NGOs/CSOs which had prior presence in the slum for a considerable period of time such as MHT in Kailashnagar (Sabarmati) and Abhuji Kuvana Chappra (Ambawadi) and Insaniyat in Salatnagar. In all, 12 SRS sites were approved in Ahmedabad under the 2010 regulations (see Figure 1). These regulations have now been superseded by the Gujarat Slum Rehabilitation Policy (PPP, 2013) which differs starkly from its predecessor on various aspects such as its applicability on slums situated on public lands only, tender-based selection of private developers, maximum permissible FSI, slum community participation, involvement of NGOs, etc.

SRS Case Study: Bottlenecks in Implementation

This section, based on qualitative surveys in a slum, Abhujina Kuvana Chappra, located in Ward No. 10 in Ambawadi, presents the difficulties faced while implementing the SRS. Abutting boundary of a well-known educational institute, the slum is surrounded by middle-class residential apartments. The slum is on AMC land. The NGO, MHT, was associated with the slum since 2001 when SNP was implemented in the slum.

In spite of being acquainted with the slum residents, the MHT had to put in continuous efforts to convince them to provide their consent for SRS implementation, allay their fears and cooperate in collection and verification of required documents. The idea of getting *pucca*¹¹ DUs in a flat-type arrangement free of cost at their present location was too good to be believed by the dwellers and hence they suspected the intentions of the government as well as the private developer to be involved in the project. The dwellers' first reaction was that the SRS scheme was a ploy to evict them from their present location. One of the main reasons for suspicion was the lack of outreach activities by the AMC to educate the slum dwellers about the scheme, its benefits and process.

Eventually, through the sustained education drive by the MHT, around 70 per cent slum households consented. The NGO arranged interactions between developers and beneficiaries, emphasized and pushed the developer and the AMC to introduce protective measures in the interest of beneficiaries such as issuing photo-identity cards by the developer to each beneficiary, formulating an agreement between each beneficiary and the developer prior to vacating site and issuance of a letter from the AMC to the slum regarding SRS implementation. Since there was negligible accountability of the AMC in this scheme, unlike SNP, such efforts positively impacted the beneficiaries.

Documents proving their occupancy for past 10 years were collected by the NGO. The preparation of redevelopment proposal started sans 75 per cent slum households' consent, in anticipation of obtaining the remaining consent gradually as activities on the site progressed. The SRS proposal consisted three blocks housing 56 DUs and was submitted for necessary approvals by March 2011 (Figure 2). Simultaneously, the developer proceeded with the formation of the slum's CHSG, which got registered by May 2011.

It was only after the amendments of the 2010 regulations in mid-2012 (many negotiations between the state government and the private sector who were demanding more relaxations were held) that the approval for SRS implementation in 12 slums (including this particular slum) was accorded in September 2012. Since things on ground remained at an impasse, hopes of the beneficiaries began to diminish. It was only after the receipt of the commencement letter from the AMC in July 2013 that the developer could commence any construction activity. Under such circumstances, in order to gear up the lost momentum, the developer proceeded with the preparation of notarized photo-identity cards of the beneficiaries including details of DU owner along with his/her signatures/thumbprints and details of other family members. In case of unexpected death of the beneficiary, this document provided details of beneficiary's kinship and also enabled the developer in keeping track of the beneficiaries during rent distribution.

While various formalities with the AMC were completed by the developer, there were negotiations between the developer and the beneficiaries (with the involvement of MHT) regarding transit accommodation, details of agreement, rent amount, time-frame of vacating the site, etc. Considering that almost three years had passed since the release of the 2010 regulations, the beneficiaries were sceptical about its implementation, hesitant to shift temporarily during construction period and feared permanent displacement. In order to prevent financial fraudulences and considering beneficiaries' lack of access to formal banking sector, modality of rent distribution was worked out—the developer/representative decided to distribute the amount (₹3,000) in cash to each beneficiary, this was agreed unanimously by all. For the agreement, beneficiaries were adamant to undertake legal expertise, whose fee was to be borne by them.

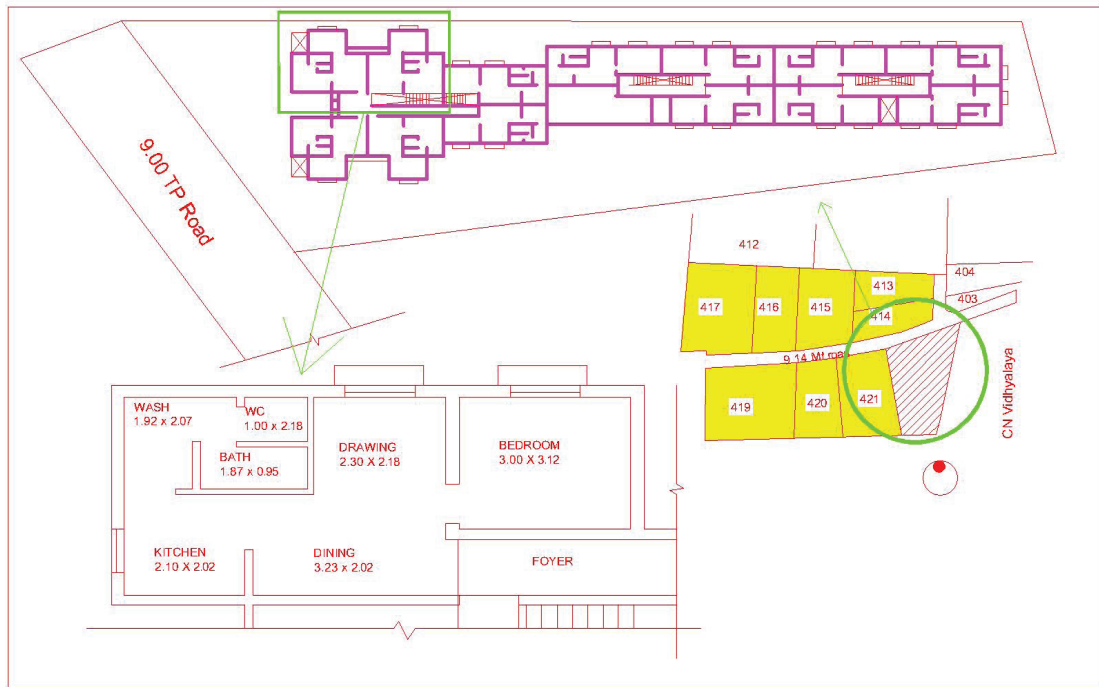


Figure 2. Overall Design of Abhujina Kuvana Chappra Rehabilitation Scheme¹²

Source: B-Safal (developer).

Taking cues from another slum, which had already experienced this phase, Abhujina Kuvana Chappra's beneficiaries were able to negotiate the legal fee charge.

In beginning of September 2013, site verification was undertaken by the AMC and the final agreements were prepared. Only after the receipt of their agreements did the beneficiaries commence shifting their belongings and demolishing their hutments. While some sold debris in market, some stored stone slabs/roofing sheets at convenient places (at their native villages/with relatives) for future use. Beneficiaries had taken rental accommodation at various places in the city. While interviewing the beneficiaries in October 2013, many women, who worked nearby as domestic maids, informed that increased travel distance and time (after shifting to transit accommodations) had deteriorated their health and hence they had reduced their quantum of work. Children continued with their education at original places. Overall, the beneficiaries were anxious about successful completion of the SRS. However, those who had not provided consent, continued to live on the site, unperturbed.

Meanwhile, unexpected conflicting events left the beneficiaries baffled for some months. These included (a) those who had not given their consent were caught in dilemma—whether to vacate the site or not—leading to disputes amongst them and (b) multiple litigations filed in City Civil Court/High Court (around 12 cases were filed over following nine months after commencement of the project by some who were still unwilling to give their consent). The common issue in all these cases was challenging the legality and validity of SRS implementation in the slum either by claiming to be the legal heirs of the plot

on which the slum was situated or availing permanent stay on the project. Petitioners claimed of not being included in the registered slum CHSG, expressed their right of choosing their own developer, etc. They contested that their pleas were consistently unheard by the state government/local government.

Due to these cases, demolition work at the site stalled mid-way and no activity proceeded. The petitioners demanded hefty bribes, larger share of DUs, distribution of profits, etc. from the developer in lieu of their consent. However, the developers refused to submit to their demands. Attempts of beneficiaries in convincing the petitioners to join the scheme, in the larger benefit for all, went futile. Many of the hearings of Public Interest Litigation (PIL) cases ongoing at the local City Civil Court/High Court (wherever these cases were filed) were deferred due to absence of the petitioners on the date of the scheduled hearing, thus prolonging the litigation. Since the petitioners had not vacated their hutments, the construction work stalled. As the deadline of completing the project within three years after the date of approval was approaching and due to increased exigencies,¹³ the developer put forth his grievance to the AMC. Hopes of the beneficiaries began to wear out which stemmed into frustrations against the petitioners. From time to time, the beneficiaries met various AMC officials to access the situation and probable consequences. In response, the AMC officials attempted to negotiate with the petitioners to vacate their hutments and cooperate with the developer for SRS implementation; however, the situation remained unresolved.

As time progressed, cases filed in the Civil Court were eventually withdrawn by the petitioners with a condition to be able to approach the High Court in future, if necessary. Multiple individual cases were filed in the High Court. The High Court took some time to understand that there were multiple petitions for the same case. The High Court ordered the petitioners to make a representation to the AMC with sufficient valid documents to support their demand. The High Court also ordered that these petitioners would be treated at par with other beneficiaries if their claim to DU in the new scheme were found valid. The High Court disposed of the case with a warning as to not entertain any future claims on the matter. Also, the developer was ordered to commence construction work at site keeping in account the DUs required for the petitioners.¹⁴ The verdict of these cases was a relief for the beneficiaries as the project had already been delayed by nine months. The construction of the SRS was completed by the developer by October 2014. As per the 2010 regulations, the completed DUs were allotted to the beneficiaries by a computerized draw so as to allay the potential allegation of nepotism.

Emerging Policy Issues

Four broad policy issues emerge from this case discussion from the perspective of up-scaling this approach or considering this as the sole approach for addressing the question of development of the existing slums in urban India, as envisaged under the PMAY. These broad issues are with regard to the financial viability of the approach for all existing slums, governance of project, the framing regulations with regard to the approach and the responsibility of the state in housing the urban poor. Before we move to discussing the policy issues, the SRS approach has advantages as listed by Bhide (2012):

1. It is based upon the concept of land-sharing. By granting higher FSI to slum areas, it has the potential of freeing lands for 'development' while ostensibly not harming the interests of the slum dwellers.
2. The scheme is firmly located in a planning paradigm that is unaccommodative of 'irregularities', that is, slum as a housing typology in the urban landscape. But, at the same time, there is a humane approach in which slums are sought to be developed.

3. It attempts to address the issue of lack of resources for housing the poor by bringing in private and market initiatives. Higher FSI and TDR are incentives offered to developers. In this sense, the implementation of the programme is largely dependent on the vagaries of the real estate market.
4. This is a programme in which the facilitative role of the state could be operationalized. The Slum Rehabilitation Authority (SRA) in the case of Mumbai and PA in the case of Ahmedabad assumes several responsibilities in this context, stimulating the housing market, facilitating participation of developers in the programme, arbitrating between developers and slum dwellers and advocating changes in the policies of other administrative institutions.

In case of Ahmedabad, the AMC adopted the state-level regulations related to SRS, but these were not practical for the developers, who subsequently pushed for changes in the regulations, as this article discusses to make it viable for the latter to move into low-income housing segments. As we see under the PMAY, to make low-income housing viable through the market route, many incentives are required for the developers. In the case of in-situ slum redevelopment in PPP mode, the incentives for the developers are two land management tools, FSI and TDR. But, it is not necessary that these will work in all situations. The slum discussed here is in the western part of Ahmedabad city where land prices are high. In fact, the slum is quite centrally located for it to be viable. The dilemma now lies on the selection of slums under the two concurrent policies on in-situ redevelopment. The recent Gujarat Slum Rehabilitation Policy (PPP, 2013) states that the SRS can be implemented only in slums situated on public lands, which excludes slums and informal settlements on private lands; while under PMAY all slums irrespective of their land ownership are eligible for SRS however with the clause that central government assistance cannot be used for SRS in slums on private lands and that the onus of incentivising the land owner/developer lies on the state government/ULB.

The second issue is with regard to the financial viability of the approach. In-situ slum redevelopment in PPP mode is viable only for centrally located slums where the land prices are high. If the land prices are not high, as in case of peripheral slums, to make it viable, the FSI and TDR norms have to be changed. This means that the regulations have to be location specific rather than general for the city and/or for the state. The SRS regulations in Gujarat are applicable across the state. This will make this approach financially unviable in the context of large number of slums located on low-valued lands. In Ahmedabad, since the framing of the 2010 regulations till 2015, when this study was completed, only 12 slums were listed to be developed using the SRS approach. This meant coverage of only 1.3 per cent of the total slums listed by the AMC as slums benefitted from this approach raising a big question mark over the viability of SRS (the ISSR component of the PMAY) as the only approach to addressing the development of the existing slums. Non-viability is largely due to the location issues.

The third major issue in this approach is the governance of the project. There are many issues here. First, the developers are not attuned to work with low-income households, particularly with slum households to understand the latter's needs, social organization, politics and affordability nor have wherewithal to assess the genuineness of the slum dwellers. The probability of wrong households claiming their stakes are high, given that the scheme envisages providing free housing to the 'existing' slum dwellers by the developers. The fear of such dynamics brought the MHT (the NGO) into the process to proactively assist the developer and the AMC in the individual slum project and played a mediator role, between the two stakeholders, the slum dwellers and the developer, to facilitate negotiations in case of conflict or perceived conflict as well as protect the interest of the slum dwellers. Even then, the process faced some bottlenecks.

The second issue related to the governance is to establish the eligibility of households as beneficiaries in the project. For the purpose, a cut-off date is announced, that is, only households which could establish

their residency in the slum prior to the cut-off date could be listed as the beneficiaries. In case of Ahmedabad, a more liberal approach than in Mumbai was taken, of extending the cut-off date to 1 December 2010, matching with the date of the announcement of the regulations. Besides, more flexible proof of residence was accepted in an effort to reach out to the existing dwellers. There was also an issue of addressing wrong inclusions, that is, vested interests penetrating the scheme and claiming rights. The report of Comptroller and Auditor General of India (CAG) on local bodies (2017) highlights undue favours provided to developers in form of excess TDR, lower payment of land premium for vacant land and relaxation in execution of works (irregular approval of slums under 2010 regulations and discrepancies in eligible beneficiaries as identified in the 2010 socio-economic survey conducted by the AMC, etc.). In the case presented here, the 25 per cent who did not consent were pushing for wrong inclusions, indicating that even among the slum dwellers, we might be confronted with individuals who would want to gain undue benefits from any subsidized housing programme. Question is, how to stem this and is there any agency that could assist in the same. The regulations fail to mention on the following: (a) course of action to be undertaken for the remaining 25 per cent slum dwellers who do not provide their consent for SRS, thus leading to uncertainty about their inclusion and (b) preventive strategies in event of any litigation cases during SRS.

The third issue in governance is how to start the process of such kind; that is, who takes the onus of the starting the process to gain confidence and participation of the existing dwellers. In this case, the private developer approached the MHT to be such an agency. The partnership of the MHT with the developer was not envisaged by the state and was not part of the 2010 regulations and if the NGO was not present, would the project have gone on. If no NGO is present, who is responsible for the same? Working with the slum dwellers is not the responsibility of a developer. The fourth governance issue is the approval process of SRS, which as it stands now in case of Ahmedabad, is complex, requiring multiple clearances at the municipal corporation level and then at the state government level. The state government could fully charge the municipal corporation with the responsibility of giving single-window clearances.

The fifth issue in governance is limited role of the primary stakeholders, the slum dwellers, in the process except firstly providing consent and then forming CHSG for post-project management. They are not involved at any stages of the project and fated to accept what is offered. The slum dwellers' lack of any prior experience in handling a CHSG and affairs of site maintenance without any mobilization and training is further limiting their role.

The last overall issue is of policy. Does the local government have any responsibility in such PPP approaches or is that a way of passing on the responsibility to the developer? In the case studied here, the SRS has largely depended on the enthusiasm of the developer, which hinges on the available benefits. Presently, the role of the authorities merely appears as a facilitator (in simplifying the process for developer), as an informant (informing the slum dwellers to cooperate with developer during implementation), as an evictor (assisting developer in eviction, if need be) and as an arbitrator (in case of any disputes between stakeholders). It appears that the local government simply had shrugged-off its responsibility acting as a passive spectator.

Notes

1. Prime Minister's Housing Scheme.
2. Term neo-liberal is used for the want of any other work describing withdrawal of the state from welfare. Indian state was minimally engaged in welfare, particularly in the urban context wherein state subsidies have largely benefitted those in the formal sector than those in the informal sector.
3. By giving *pattas*, a form of granting land tenure/lease right for a time period to slum dwellers.
4. A local NGO working on urban housing issues in the city.

5. By giving *pattas* – a form of granting land tenure/lease right for a time period to slum dwellers.
6. Either Municipal Commissioner or the Chief Executive Authority in the Municipal Corporation or Collector & Chairman of District Urban Development Agency in the Municipality area.
7. Indexed rates set by the revenue department to set price for levying of property tax.
8. A slum dweller who came to the city after the cut-off date was not eligible under this scheme.
9. This supported the occupancy clause and deterred people from setting hutments overnight so as to be part of this scheme and gain undue benefit. In Mumbai, many fake households gained entry in the list of eligible beneficiaries through creating false documents by paying exorbitant amounts to slum-lords/local leaders.
10. Decided as per prevailing rent of hutments across the area.
11. *Pucca* DUs is when the wall and roof materials are all of permanent type.
12. Disclaimer: This image is for representational purposes only. It may not appear well in print.
13. Developer continued paying the monthly rent amount to the beneficiaries.
14. Ten per cent extra units were already considered in the rehabilitation proposal. Any change in the total number of beneficiaries meant a reduction in the housing stock available to the AMC.

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