

Land and Housing for Poor in Bombay

Author(s): Kannan Srinivasan

Source: *Economic and Political Weekly*, Vol. 16, No. 35 (Aug. 29, 1981), pp. 1411-1412

Published by: Economic and Political Weekly

Stable URL: <http://www.jstor.org/stable/4370157>

Accessed: 10/03/2009 04:29

Your use of the JSTOR archive indicates your acceptance of JSTOR's Terms and Conditions of Use, available at <http://www.jstor.org/page/info/about/policies/terms.jsp>. JSTOR's Terms and Conditions of Use provides, in part, that unless you have obtained prior permission, you may not download an entire issue of a journal or multiple copies of articles, and you may use content in the JSTOR archive only for your personal, non-commercial use.

Please contact the publisher regarding any further use of this work. Publisher contact information may be obtained at <http://www.jstor.org/action/showPublisher?publisherCode=epw>.

Each copy of any part of a JSTOR transmission must contain the same copyright notice that appears on the screen or printed page of such transmission.

JSTOR is a not-for-profit organization founded in 1995 to build trusted digital archives for scholarship. We work with the scholarly community to preserve their work and the materials they rely upon, and to build a common research platform that promotes the discovery and use of these resources. For more information about JSTOR, please contact support@jstor.org.



Economic and Political Weekly is collaborating with JSTOR to digitize, preserve and extend access to *Economic and Political Weekly*.

Land and Housing for Poor in Bombay

Kannan Srinivasan

FROM the released summary of the Kerkar Committee's report, its recommendations seem ominous, coming as they do in the wake of the forcible eviction of pavement dwellers in Bombay. This report clearly marks a radical shift from earlier approaches to Bombay's urban problems.

It has been officially estimated that 50,000 to 60,000 tenements a year need to be constructed in Bombay every year to meet the housing needs of the city's poor. Against this stated requirement, never have more than 6,000 tenements been actually constructed in any year. Over this last year, 6,240 tenements have been under construction under the Lower Income Group Housing Scheme (LIGHS) and 3,301 tenements under the Economically Weaker Section (EWS) Scheme.

It was recognised as long ago as the early 1970s that it was impracticable to attempt to provide all the people who flock to Bombay with 'pucca' housing. Fifty thousand tenements a year would mean an expenditure of Rs 135 crore annually (at Rs 27,000 a tenement) by various state and Central government agencies.

In a major policy decision in 1977, HUDCO and the Government of Maharashtra and the BHADB shifted their attention to the provision of 'sites and services' facilities. A HUDCO paper on the subject proposed was that the government restrict itself to "the provision of sites only, with services like water supply, waste disposal, drainage, refuse collection, access ways, street lighting, etc", but not housing itself. This would be partly "to conserve scarce building materials such as steel and cement, but chiefly because it evokes the participation of the settlers themselves, whose ingenuity and spare-time work supplements the outlays the public authority makes". This was very much on the lines of what had been advocated in a policy paper of the World Bank on 'Urbanisation' in June 1972.

Under the sites and services scheme, there are in progress only 50 open plots at Ambarnath (at an estimated cost of Rs 3,822 of direct investment each), 340 in Dindoshi Malad, 216 at Majeswadi (Jogeshwari) and 114 at Magewadi, Thane, making a total of 710. In the

face of a demand for 45,000 to 55,000 sites, 710 sites is indeed pitiable. The expenditure on every LIGHS tenement (approximately Rs 28,000 with infrastructure) can finance, on average, four sites with services. Then why does the Government of Maharashtra continue with LIGHS six years after it saw the rationale against it? And why does the Bombay Municipal Corporation's code still prohibit anything but cement and steel structures? Continuing highly impracticable schemes — an expenditure of Rs 973 crore said the BMRDA in 1974, an expenditure of Rs 6,200 crore says the Kerkar Committee today — provides the government with a very valuable argument. It can say 'look at the magnitude of finance required; it is an impossible situation; no wonder that we fail'.

LAND, THE CRITICAL FACTOR

This tactic is necessary because the greater scarcity is not of finance, but of land. If the government were to implement the sites and services scheme, there would not be land even to match the finance presently available.

Even assuming — as the BMRDA did — that the private sector would build 20,000 low-cost housing units every year, the residual requirement is still substantial: "For 40,000 housing units, about 250 hectares of gross land will have to be acquired and developed annually." But less than 50 hectares on average have been acquired by government annually under the Urban Land (Ceiling and Regulation) Act. In 1977-78 less than 1 hectare was acquired; in 1978-79 this rose to 82 hectares; in 1979-80 it fell back to 21 hectares; and in 1980-81 it was 27 hectares.

The Urban Land Ceilings Act and the Maharashtra Area Development Authority Act were enacted ostensibly to "enable the socialisation of land". Simultaneously, absolutely no land at all has been acquired under the Maharashtra Area Development Authority Act, since it is impossible to acquire under one Act land which is being processed under the other.

Since private lands have been virtually frozen land values have risen tremendously over the past few years. A certain controlled trickle of land has been released annually for 'redevelopment',

i.e., for higher income group housing or commercial purposes. A private landowner can obtain release from the land ceiling if he declares that he intends to construct weaker section housing. The norms of WSH are specified, but they are unenforceable. After a release of land is obtained on a claim of WSH the landowner or builder invariably puts the housing out of the range of the poor. Only the 'white' price is kept just within the limit specified by the government.

ENOUGH VACANT LAND

While land has been unavailable to the government for low-cost housing despite the Urban Land Ceiling Act, there are still very large private landholdings in Bombay and a great deal of vacant land. Of the large vacant private land holdings in Bombay, particularly noteworthy are those of Soli Godrej at Vikhroli, F E Dinshaw at Mulund, Byramji Jeejeebhoy at Goregaon, the Wadia Trust at Kurla, the C B Sharma leaseholding of the Yusuf Khoth at Kanjur and Powai, the N D Sawant Holdings at Borivli and Eksar, the Surji Ballabhdas holdings at Hariyali and the N L Mehta holdings at Bhandup. The Godrej holdings at Vikhroli alone exceed 1,200 hectares of vacant, unencroached and unencumbered land.¹

It has been estimated that 9,577 hectares in Bombay, taking the island and the suburbs together, are vacant land, which should be available for low cost housing. This land can be transferred from various government agencies or acquired from private owners.

Of the 4,773 hectares of land in Bombay Island, the state government owns 284 hectares, the Central government 647 hectares, Bombay Municipal Corporation 421 hectares and the Bombay Port Trust 191 hectares. 584 hectares are leased out by the state government, 426 hectares by the Central government, 606 hectares by the Municipal Corporation and 262 hectares by the Bombay Port Trust. Private owners with different tenures own the remaining 1,352 hectares. Of all this, it is estimated that 617 hectares are vacant and can be acquired or transferred and are thus available for low cost housing and other public purposes.

Of the 31,870 hectares of land in Bombay's suburbs, 12,830 hectares are owned by the state government, 1,640 hectares by the Central government, 760 hectares by the BMC and 410 hectares by the Maharashtra Hous-

ing Board; 160 hectares is leased out by the state government to private parties. Of the rest, 9,480 hectares are in unauthorised possession and 16,070 hectares are privately owned. Of the land in the suburbs, 8,960 hectares are vacant and available for low cost housing. Thus between Bombay Island and the suburbs, as much as 9,577 hectares are vacant land, available for low cost housing. With all this land available, why is the government not acquiring any?

The government has made it virtually impossible to acquire land under the Urban Land Ceiling Act. In 1980 10,000 permissions to transfer land under section 27 have been granted; an area of 206 hectares has been exempted under section 21; 501 hectares involving 1,300 cases under section 22 have been exempted; 17 hectares have been exempted under section 4(3); 1,000 cases have been given exemption under section 20 on aesthetic grounds; and many more exemptions have been given under the Directorate of Industries' special powers of exemption for industrial expansion. Pockets of land, totalling 40 hectares of excess land, have been voluntarily surrendered to government without litigation or acquisition; however, this land is effectively unusable.

Very little of the large land holdings in Bombay of the Government of Maharashtra and the Government of India themselves have been transferred for the sites and services programme or for Weaker Section Housing. For instance, all the land in Aarey Milk Colony, which is grossly underutilised by the Dairy Development Department, has been kept principally as a park for the government guest house there.

The sites and services programme is feasible, according to the World Bank, with cost recovery and cross subsidisation. Cross subsidisation is the only way out within the present market/political system and given the limited resources of the government and the capital locked up privately. As for cost recovery, including cost of land at Rs 2,000 to Rs 7,000 per site, the World Bank estimates that such basic shelter is within the reach of the poorest, on the World Bank's norm of 6 per cent of income being spent on housing.

Resourceful state government administrators have suggested variants of the World Bank scheme for cost recovery, such as providing land for LIGHS/MIGHS to private developers on condition that they first build the required sites with services. But the

system's mechanism is inadequate for ensuring this. Virtually none of the weaker section housing built over the last five years by the state government or private builders (in exchange for relaxation of the urban land ceiling) is in fact actually occupied by members of the weaker sections. In the very few cases where the poor do occupy the houses, the construction is lamentably poor. But by and large, the incentive for private builders to build tenements for the poor or provide sites and services is insufficient, the return on investment can never compete with that normally available to private builders.

FUTILITY OF 'SURGICAL INTERVENTIONS'

In fact, why all such 'surgical interventions' are doomed — why sites and services was bound to fail, why cross-subsidisation would not work, why CIDCO could never have succeeded, why the Kerkar Committee was formed — ultimately comes down to the question of land. All discussion of what do about Bombay's housing problem takes place in a vacuum, without reference to land. In the absence of political will on the part of the state government to acquire land, all schemes for housing the poor, whether sites and services or LIGHS, must remain non-starters. What makes one specially suspicious of the government's seriousness in regard to the use of powers available to it, such as under the Urban Land Ceilings Act or the new instruments which may be devised to carry out the Kerkar Committee's recommendations, is its unwillingness to make available public lands for housing the poor. By refusing to grant security of tenure to the city's squatters, the government has gone along with the system's requirement of a floating and insecure pool of labour, kept perpetually submissive because it is perpetually insecure.²

The same factors have been responsible for the failure of the various housing agencies' attempts at providing housing for the poor. First, they would require a subsidy of at least Rs 35-40 crore annually to get anything like an acceptable rate of return on their investment. But even more important, these agencies simply don't have control over land. Take CIDCO, for instance. With Nhava-Sheva port, and with the rail link to the twin city, CIDCO could have become an effective counter-magnet to the continued development of Bombay, especially of the Backbay Reclamation Scheme on the

city's southern tip. But the direct competition of CIDCO-controlled property and prices with urban property-owning and building interests in Bombay meant that the project could never go through.

The World Bank's argument for urban improvements runs thus: (i) the rural poor should be detached from unproductive agriculture; (ii) if there is no amelioration in the quality of life for urban slum-dwellers, there is grave danger of serious disaffection and revolt; (iii) however, the cost of providing tenements rules out all solutions but sites and services. In the light of the World Bank's stated refusal to finance "direct production of housing" it is amazing that the Kerkar Committee should anticipate more than Rs 2,000 crore from the Bank for housing slum-dwellers in Bombay.

KERKAR REPORT'S PURPOSE

The Kerkar Committee's report is, in this context, very clear-sighted about one objective: how to get access to urban land frozen by the Urban Land Ceilings Act and by slum-dwellers. It would rather seem that this is the real purpose of the Kerkar report. The Urban Land Ceilings Act was meant to enable the government to acquire land; in its final form, however, what it did was to substantially freeze further building in Bombay. This led to tremendous speculation in urban property by builders and enormous profits without any production, with returns on investment exceeding 600 per cent.

The Kerkar Committee provides for controlled expansion of supply of land for private builders. Each eviction of slum-dwellers will mean a controlled release of urban land on the market. Evictions will be easier to justify because there is the much-publicised intention to provide alternative housing to the evicted. It does not seem likely that so much investment will actually ever be made on housing the evicted slum-dwellers. In fact, the precise purpose of the government's intention of providing tenements at a high cost rather than sites is to be able to later avoid responsibility for any meaningful programme of housing the poor, by demonstrating the impracticability of the task in terms of the requirement of finance.

Notes

- 1 An estimate of the value of Godrej urban land in Bombay alone puts it at several times the fixed assets of Godrej and Boyce.
- 2 See "Slums: Workers' Colonies" Lokshahi Hakk Sanghatana, Bombay.