

HOUSING NGO AS PLANNERS OF THIRD WORLD SQUATTER CITIES

Sub theme: Social divide and Responsive design

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Abstract: This paper examines post -1987 housing reforms characterized by adoption of the enabling strategy globally and nationally. The *enabling approach* as professed by major international agencies like the World Bank and UNHCS advised governments to refrain from any direct role in housing provision and depend on market forces. Instead, they recommended that governments create an enabling environment through policies of decentralization, privatization, deregulation and demand-driven development. Thus enabling approach has seen the evolution of two trends - enablement of market and enablement of communities.

However, Housing policy development in Mumbai, India, demonstrates how the enabling approach accepted globally and nationally got interpreted in a limited way in local housing policies, thereby resulting in market driven housing sector development, largely neglecting the needs of urban poor communities. The paper based on the contextual framework thus established, argues that "NGOs are playing an important role in the housing sector development, especially in the context of the enabling approach, of empowering the urban poor communities to participate in the housing sector development as envisaged in the enabling approach, to enable a demand driven development."

This paper to sustain this argument presents the evidence of the *Alliance* of organizations, made up of SPARC (Society for the Promotion of Area Resource Centers), NSDF (National Slum Dwellers Federation) and MM (Mahila Milan), based in Mumbai and working on empowerment of urban poor communities to attain access to land tenure, housing and basic services.

Keywords: enabling approach, community enablement, market enablement, housing policies, housing NGOs, enabling urban poor communities.

INTRODUCTION

Entering the new millennium, the world has already substantially urbanized with almost 50 % of its population living in urban centers (UNCHS, 2001). The fact that more than one billion of the urban population lives in sprawling slums and squatter settlements reflects the abject state of human settlements in the world today (UNHCS, 2001). The provision of appropriate and *adequate housing* options for the urban poor is the biggest challenge currently facing urban authorities in developing countries.

Many new strategies and approaches have evolved in the past to address the issue of *adequate housing*. Most of these strategies have focused on enabling the urban poor communities to chose and develop their own form of housing (Mukhija, 2001). Housing advocates and scholars promote the concepts of community

participation and empowerment, as they conceive community enablement as the only sustainable and appropriate way of attaining development goals. The evolution of community enablement (Mukhija, 2001) as a concept occurred during a period of marked diminution in the role of government and corresponding growth in the involvement of the allied *Non-Governmental Organizations* (NGOs) or *Community Based Organizations* (CBO's) (Miraftab, 2002). The involvement of Non-Governmental Organizations (NGOs) in development increased dramatically during the 1980's when they were seen as important planning agents (Sen, 1998) in the context of the *Enabling* approach adopted by International agencies such as the UNCHS (United Nations Center for Human Settlements) and the World Bank.

The enabling strategy called on governments to restrict their role in creating an enabled environment (UNCHS, 1990) and to recommend a two-way approach to the development of housing sector policies, with priority given both to the enablement of communities and the enablement of markets (Miraftab, 2002). In reality this took the form of 'structural adjustments' which relied on market efficiency to develop housing for urban poor communities (Baken & Linden, 1993). As a result the enablement of community through indirect means was secondary to the enablement of the market in policies formulated at the national level. Housing policy development in Mumbai, India, demonstrates how the enabling approach accepted globally and nationally got interpreted in a limited way in local housing policies, thereby resulting in market driven housing sector development, largely neglecting the needs of urban poor communities. The paper based on the contextual framework thus established, argues that "NGOs are playing an important role in the housing sector development, especially in the context of the enabling approach, of empowering the urban poor communities to participate in the housing sector development as envisaged in the enabling approach, to enable a demand driven development."

This paper presents the evidence of the *Alliance* of organizations based in Mumbai and working on empowerment of urban poor communities to attain access to land tenure, housing and basic services. The study is based on the analysis of data collected on the organization and its context. The sources of the data include: existing literature on the organization, articles published in scholarly journals, writings by leaders of the organization, newspaper clippings, government documents, books and personal observations. The paper is based on the research conducted by the author as part of his research for a master's degree at McGill University in the Minimum-Cost Housing Program.

The paper is organized in three parts. First, it presents the literature review of the evolution of enablement of the community approach in housing sector development with a greater emphasis on post-1987 housing reforms, characterized by an acceptance of the enabling approach. Secondly, it develops the context framework by presenting the case for the development of housing policy in India and, more particularly, Mumbai. Thus, having put the contextual framework in place, the paper gives an account of the Alliance and the work undertaken by them in housing sector development for the poor. Finally, in the concluding section the author discusses the importance of the role of NGOs in housing sector development, especially in the context of the enabled environment.

ESTABLISHING THE GLOBAL CONTEXT

Enablement of communities as a concept first originated in late 60s as a reaction to the change in perception of informal settlements or *slums* as an urban reality resulting from the inappropriateness of the public housing programs (Pugh, 2001). The anarchist writings of John F. Turner, Charles Abram and their contemporaries sowed the seeds accounting for this early change in perception. Turner believed that participation of the communities in housing development was the only way to achieve a sustainable and efficient demand driven housing delivery system (Skinner, 1983; Turner, 1967, 1972, 1977; Mukhija, 2001; Hamdi, 1990).

The ideas of Turners and his contemporaries during the 70s got interpreted into government-administered project based programmes such as Slum-up gradation and sites and services projects (Mukhija, 2001; Pugh, 2001; Skinner, 1987) that aimed to trigger private investments through self-help housing (Baken & Linden, 1993, 2). However most, of these government-administered projects have failed to meet their objectives as they were heavily subsidised and badly managed, and consequently, remained as financially unsustainable and isolated projects that rarely reached their target groups (Baken & Linden, 1993; Keare & Parris, 1992; Mukhija 2001).

The concept of the enablement of communities experienced a change in the late 80s, which was characterized by the formulation of a Global Strategy for Shelter (GSS) by UNCHS. This period experienced dynamic development and progressive innovation in the strategic planning of international housing and

urban policies (Pugh, 2001), which were aimed at scaling up the housing production (Keivani & Werna, 2001). Most of the policy reforms during this phase were influenced by two major players; namely, the World Bank and UNHSC (Mukhija, 2001). A fundamental change in the strategy was by the adoption of the 'enabling approach' and this aimed at exploiting the full potential and resources of the various actors involved in housing sector development (UNCHS, 1990).

The *Global Strategy for Shelter* formulated by UNCHS focused on the production and improvement aspects of housing sector development that has been stressed. The need to produce enough housing for the various target groups and effect the improvement of the existing stock of dilapidated housing was deemed essential for remedying the global housing problem (UNCHS, 1990). The global strategy prescribed a two-fold approach to the development of housing policies, initially based on the enablement of communities, while the other focussed on the enablement of markets (Miraftab, 2002). This new shift in approach was seen, by housing advocates and international agencies, as a conceptual marriage between community enablement and market enablement approaches in housing sector development (Miraftab, 2002). On the other hand, the World Bank's approach to enablement was based on the idea of a more holistic housing sector development to ensure efficient economic and social development (Pugh, 1994, 2001; World Bank, 1991, 1993). The holistic approach towards housing sector development entailed a combination of land policies, housing finance, expansion of infrastructure, self-help, urban governance, pro-poor orientation and housing delivery (Pugh, 2001, 411). The major thrust of the World Bank's enablement approach was towards the enablement of the markets, of which urban poor communities were deemed to form an integral part, whose main objectives were to enable entrepreneurial formal sector, communities and NGOs in housing sector development (Pugh, 1994, 2001; World Bank, 1993).

Both UNCHS and the World Bank asked the governments concerned to refrain from direct involvement and urged them to redefine their role by reallocating resources to develop housing finance systems. These organizations also urged the selective deregulation of any regulations acting as an obstacle in the development process, thereby enabling institutional reforms to decentralize the institutional arrangement and to create institutional frameworks linking governments, the private sector, communities and NGOs working in the various communities (Pugh, 1994, 2001; Mukhija, 2001; UNCHS, 1990; World Bank, 1992). In practice, the World Bank called for a partnership between the private market sector, the public sector, the voluntary sector and communities involved in the execution of housing and infrastructure programmes (Pugh, 2001) related to the concept of Public Private Partnership (PPP), which has been criticized by certain scholars for delivering the opposite of what it actually professed (Miraftab, 2002).

The enabling approach as strategy was globally accepted by a broad range of interested perspectives. However, many sceptics of the enabling approach have warned about the potential for possible misinterpretations of this approach, resulting in uneven growth and development of the housing sector and urged the governments concerned to play a larger role to ensure the equitable distribution of resources by enabling potential beneficiaries to pursue their preferences (Miraftab, 2002; Mukhija 2001). Scholars such as Baken, Linden, Jones and Ward have criticized the market enabling approach, and indicated the inappropriateness of the market enabling approach in the context of developing countries, based on the fact that it has largely ignored the existing socio-political situation and the contributions of the informal land and housing markets (Baken & Linden, 1993; Jones, 1996; Keivani & Werna, 2001). Currently advocates of pluralism in housing sector development point out that though UNCHS and the World Bank have favoured the involvement of a multiplicity of actors, their respective policy documents identify the private sector as a key player in housing sector development in urban poor communities, and they stress the development of efficient market mechanisms to achieve pluralism (Keivani & Werna, 2001).

In summary, the enabling approach urged governments in the developing countries to establish an institutional, legislative and financial framework wherein the demands of both the poor communities and markets were comprehensively met. However, in reality, the various interpretations and ramifications of this approach in the formulation of housing policies at both national and local levels have been marked by conflicts of interest between communities and markets that have resulted in community demands being overshadowed by the forces of market dynamism (Miraftab, 2002). The paradigm of India in the specific context of Mumbai is a revealing instance of this.

ENABLING IN THE INDIAN CONTEXT

In response to the *Global Strategy for Shelter*, the Indian Government formulated its National Housing Policy in 1988. The National Housing policy acted as a national level shelter strategy and provided a broader policy framework for holistic housing sector development in the country. Based on this, individual states

were encouraged to develop their own housing plans, developing programmes of sufficient scope to address the gravity of the housing problem. The main aim of the policy was to increase the supply of housing to meet the general demand, and thereby control the further proliferation of the slums and squatter settlements (GOI, 1988; Pugh, 1991).

The thrust of the national housing policy was towards enabling the privatization of housing sector development and the creation of a housing finance system providing affordable housing financed through the adoption of land reforms, housing reforms and an appropriate system of housing finance (Sen, 1998). The NHP as part of its privatization strategy encouraged the involvement of NGOs in housing sector development to propose, implement, and manage housing and urban service schemes for the urban poor communities (GOI, 1988; Pugh 1991; Sen 1998). It envisaged that NGOs would play a larger role in the mobilization of resources for the urban poor, thereby enabling them to participate in housing sector development.

The creation of the National Housing Bank as an overarching financial institution was one of the main objectives of the National Housing Policy (GOI, 1988; Pugh 1991; Sen, 1998). The main aim behind the formation of the NHB was to mobilize the saving from households and capital markets to reinvest it housing sector development, thus enabling it to play a part in the larger economic development (GOI, 1988; Pugh 1991). Thus, it would ensure both economic and social development.

The post-1987 housing reforms have lead to the proliferation of housing finance institutions in India. According to *P. P. Vora*, Managing Director and Chairman of the National Housing Bank, by 1999 there were more than 345¹ specialized housing finance institutions with a total disbursement of approximately 1.6 billion US\$² of housing finance. However, in a study carried out by the National Institute for Urban Affairs, it has been demonstrated that only 50% of all households receive assistance from the formal housing finance sector, while the rest are have to depend on their savings or on the money lenders operating in the informal sector, who charge very high rates of interest (Patel & Burra, 1994; NIUA, 1992). Thus the development of the housing finance benefited only the middle and high income group people. The reason for failure of the formal housing finance system to benefit the poor communities is, on the one hand, attributed to the failure on the part of formal housing finance institutions to understand the low income levels and irregular earning patterns of the urban poor, while on the other hand, it derives from a lack of awareness among poor urban communities about the importance of savings and housing finance. However, today one of the main reasons for constrained access to formal sector housing finance in urban poor communities is the lack of acceptable collateral.

HOUSING SCENARIO IN MUMBAI

Mumbai, the capital of the state of Maharashtra, is known as the financial and commercial capital of India (Desai, 1995) and it is among the most rapidly expanding urban centers in the world (UNCHS, 2001). Adequate housing for all is one of the biggest problems faced by the city. Currently in Mumbai, more than 50% of the population lives in slums or squatter settlements (Afzulpurkar, 1995) that occupy only 4% of the total land (McLeod, 2000). The need for adequate housing has increased with the exponential increase in population. According to MMRDA³ figures the last decade experienced a projected increase of 321,680 households (refer table 1).

Table 1: Accretion of New Households in Mumbai city limits.

	1991	1996	2001	2006
Population	9925891	10677341	11430000	12181882
No of Households	2050803.9	2209667.9	2372483.9	2538909.9
5-yearly increment in households		158864	162816	166426

Source: MMRDA, 1995

¹ Refer the article on the website <http://www.shilpabichitra.com/shilpa2000/indart14.htm> on "NHB - Role & Functions."

² Assuming 1 US\$ = 45.3 INR based on the conversion rate in October 2003.

³ MMRDA- Mumbai Metropolitan Regional Development Authority.

HOUSING POLICY IN MUMBAI IN THE POST-1987 HOUSING REFORMS PERIOD

The period after the formulation of the national housing policy saw a conscious shift in the housing policy in Mumbai. The new policies adopted by the Maharashtra state government focused on redevelopment as a strategy in exact contrast to the improvement and upgradation strategy adopted in the 70s and early 80s. The focus on redevelopment as a strategy was based on the incentive mechanism, whereby private developers were encouraged to redevelop the slums by cross-subsidizing them, subsequently selling the bonus developable area. This was thought to be a very good incentive for the developers, especially in the context of the marked scarcity of developable land and high paying real estate investments (The Economist, 1995; Mukhija, 2001). Since 1990, the Maharashtra state government has adopted two different redevelopment policies namely, 1) The Slum Redevelopment Scheme (SRD) and 2) The Slum Rehabilitation Scheme (SRS).

SLUM REDEVELOPMENT SCHEME (SRD)

The slum redevelopment scheme was launched in 1991, as part of the sanctioned development control regulations for the city of Mumbai. It was designed as a decentralized, private sector initiative. (Mukhija, 2001) The scheme promoted the redevelopment of slums through promoters, including owners, developers, co-operative housing societies of slum dwellers and Non-Governmental organizations (GOM, 1997). Redevelopment would involve in-situ resettlement of the slum dwellers in apartment units of 180- 225 sq ft (GOM, 1997). These units were partially subsidized with slum dweller contributions of 15,000 Rs per unit, while the balance in construction costs was to be subsidized by the sale of additional floor space, allocated for development under the scheme (GOM, 1997). In order to make the scheme feasible the development of an additional floor area on the slum land was permitted, facilitating the expansion of the maximum built-area by more than 100 percent (GOM, 1997; Mukhija, 2001). However, SRD scheme placed two key restrictions on the redevelopment projects. Firstly, it limited the allowed profit for developers to 25 % of their investment, and secondly, it capped the maximum allowed FAR at 2.5 (GOM, 1997; Mukhija, 2001, 799). The SRD scheme failed because private developers did not find it to be very lucrative in most cases. The viability of SRD, as studied by Mumbai Metropolitan Regional Development Authority (MMRDA), shows that the increase in the density of slums resulted in a reduction of the sale component of the redevelopment scheme, thereby making the project less attractive to the developer (Refer table 2).

Table 2: Viability of SRD scheme.

Density of slum (tenements/ ha.)	Percentage of floor area required for rehabilitation
500	40
825	66.67
1000	81
1250	100

Source: MMRDA, 1995. pg 268.

SLUM REHABILITATION SCHEME (SRS)

In 1995, the SRD scheme was replaced by the new Slum Rehabilitation Scheme (SRS) a scheme initiated by the change in local government. Under the new redevelopment scheme, the slum dwellers were now provided with free housing and removed the profit ceiling that had formerly affected profitability (GOM, 1997). The new scheme was conceptually similar to its predecessor. The only difference was in the number of increased benefits provided for both the urban poor communities as well as private sector developers. Poor people benefited from free housing while the private developers benefited from the increased deregulation and additional incentives in the form of tax holidays and the transfer of development rights (TDR)⁴ (Afzulpurkar, 1995; Mukhija, 2001).

However, such expectations proved to be short lived, since the absurdity of the policy of rendering free housing became especially evident when real estate values in the city plummeted. In fact, the controversial slum rehabilitation policy managed to rehabilitate barely two per cent of the city's 1.2 million slum families in the past decade (TOI, 2003). By March 2000, only 3486 units had been built for housing slum dwellers through the SRS scheme (TOI, 2000; Mukhija, 2001, 801).

⁴ TDR- transfer of development rights permits the transfer of unused development rights from one property to another. This was effective especially in difficult areas where the existing height and Floor Area Ratio (FAR) restrictions would prevent the utilization of the complete development rights on the existing site.

The redevelopment schemes have been extensively criticized by many as being pro-developer, since developers were given a free hand to exploit real estate conditions under the pretext of redevelopment (TOI, 2003; TOI, 2001). Thus the failure of these policies to perform favourably left a huge gap in the supply and demand of housing in Mumbai. As a housing policy, redevelopment had several drawbacks, especially in the context of the enabling approach that had been accepted globally. Firstly, it concentrated only on the improvement aspects of the housing sector development for the urban poor communities, and it failed to address the issue of providing affordable housing options. Secondly, it pitched urban poor communities, NGOs and formal sector developers against one another in the speculative real estate development in Mumbai, which in fact resulted in urban poor communities being left at the mercy of the private and formal sectors.

The paradigm of Mumbai exhibits how the housing enabling approach, accepted both globally and nationally has failed to translate into a meaningful and appropriate policy at the local level. The limited interpretation of the enabling strategy in the local level policy formation, and the lack of access to formal sector finance, sabotaged any attempt to involve urban poor communities in the housing sector development, thereby ensuring a true demand driven development where the demands of all the actors involved in housing sector development are fully represented. Thus, in this context, the paper now presents the evidence established by an *Alliance* of organizations based in Mumbai, currently working on empowering the urban poor communities to enable them to participate in housing sector development.

AN ALLIANCE OF ORGANIZATIONS ENABLING COMMUNITIES: A CASE STUDY

BACKGROUND AND ORGANIZATIONAL STRUCTURE OF THE ALLIANCE

The *Alliance* is an organization formed by a partnership between NGO and Community Based Organizations (CBOs) based in Mumbai. It was formed in 1987 and comprises of an NGO called The Society for the Promotion of Area Resource Centres (SPARC) that forms an alliance with two other CBOs; namely, The National Slum Dwellers Federation (NSDF) and Mahila Milan (MM). (Patel & Mitlin, 2001) SPARC, a registered NGO, was formed in 1984 (Patel & Mitlin, 2001; Patel, 1999) by a group of professionals who were well connected with the government, corporate elites and global funding sources at national as well as international levels (Appadurai, 2001, 28). SPARC was initiated as a resource centre that aimed at serving the needs and priorities of the poor (Patel, 1999). In its founding years, SPARC worked with the women pavement dwellers in Mumbai, who are the poorest and the most vulnerable members of urban communities (Patel, 1999; Patel & Mitlin, 2001, 2). In fact, SPARC was instrumental in the formation of Mahila Milan (MM), which consists of a decentralized group of women who came together around savings and credit activities (Patel & Mitlin, 2001, 2). Currently, MM, along with the NSDF, have more than 300,000 household members across the country (Patel, *et al.*, 2002, 163). The NSDF is a national level organization, comprised of various federations at the local level and was formed in 1974 by a group of male-dominated community leaders to organize the urban poor communities to fight against forced eviction and secure basic amenities (Patel & Mitlin, 2001; Patel, *et al.*, 2002).

Traditionally, the *Alliance*, works with lower 30% of the urban poor communities, living in informal settlements, which lack access to secure tenure and basic amenities (SPARC, 2003). Thus, secure tenure, housing, finance and basic services, together form the main areas of focus for *Alliance* and its activities in the contemporary urban contexts that have failed to cater to these requirements of those living in the lowest sections of society (Patel, 1999; Patel & Burra, 1994).

ROLE OF THE VARIOUS PARTNERS IN THE ALLIANCE

All three partners in the *Alliance* of SPARC, NSDF and Mahila Milan have a symbiotic working relationship and distinctive functions that complement each other's activities. The *Alliance* enables NSDF to seek the professional and support structure that SPARC also offers, while on the other hand it provides SPARC with a large social movement, capable of expanding its outreach through the NSDF networks (Patel & Mitlin, 2001, 8-9). However, the autonomy of the partners in *Alliance* has been well preserved. SPARC contributes through its managerial skills, technical knowledge and elite connections with the government and global sources funding, while NSDF through its radical network of federations, and its ability to mobilize and organize the respective communities and their resources (Appadurai, 2001; Patel & Mitlin, 2001). MM, on the other hand attracted a critical mass of women who aimed at empowering women through the creation of

survival strategies, building credibility and ensuring women's participation in decision making (Patel & Mitlin, 2001; SPARC, 1997).

In the *Alliance*, SPARC plays a more retiring and abdicating role (Patel & Mitlin, 2001, 8). In the early years its role included assistance to communities during initial stages of development to explore newer and more successful strategies in an institutional arrangement (Patel & Mitlin, 2001). NSDF and MM, on the other hand, play a more proactive role in expanding the membership of the *Alliance*, and in building credibility and skills to enable poor communities to participate in their own development (Patel & Mitlin, 2001, 8).

Presently, SPARC assumes the role of a bridging institution trouble shooting problems, and mobilizing resources from funding agencies, advocating the community developed processes of the alliance, informing its partners of new government schemes and lobbying with the local authorities about the community driven proposals developed to access housing, finance and basic amenities (Patel & Mitlin, 2001, 9).

STRUCTURE OF THE COMMUNITY NETWORK FORMED BY THE ALLIANCE

The community networks formed by the *Alliance* are based on a bottom up approach which ensures the evolution of a community centered development. All the interested communities form cooperative societies at the local level, while forming a part of the local federation at the city level (SPARC, 1997). There are various local federations at the city level, such as the Railway Slum Dwellers Federation; the Airport Authority Slum Dwellers Federation, the Pavement Dwellers Federation, etc. that together constitute the NSDF (Patel, *et al.*, 2002). However, the necessary autonomy at various levels to decide priorities is preserved and protected all through out the network (Patel & Mitlin, 2001). The Mahila Milan's networks of women's collectives, which are centered on the saving and credit schemes, exhibit a similar hierarchy. The *Alliance* assists communities to establish savings group at the local level (Patel & Mitlin, 2001). Each group consists of 15 households who appoint a woman who then forms part of the loan committee at the settlement level and is responsible for collecting money and repayments (Patel & D'cruz, 1993, 12). A similar committee is formed at the city level which comprises one elected member from each settlement level committee (Patel & D'cruz, 1993). Thus, the community networks formed by the NSDF and MM form the basis of effective community participation and ensure women's participation in the process of change (Patel & Mitlin, 2001).

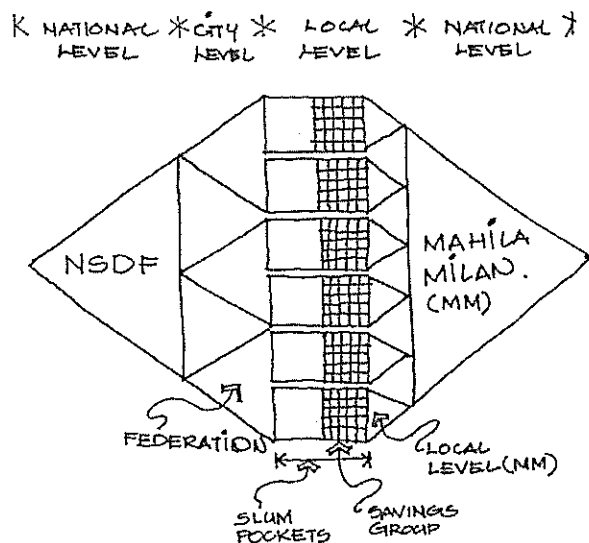


Figure 1: Structure of the community network

COMPREHENSIVE APPROACH EMPLOYED BY THE ALLIANCE

The comprehensive approach developed by the *Alliance* derives from its initial learning strategy, developed by SPARC and the women pavement dwellers of Mumbai (Patel & Mitlin, 2001, 11). It essentially constitutes of three strategies, which are: "to federate", "learning by doing and sharing" and "precedent setting" (Appadurai, 2001; Patel & Mitlin, 2001; Sen, 1998; SPARC, 1997).

Alliance's strategy "to federate" (Appadurai, 2001) is aimed at expanding the existing community network by assisting interested and motivated urban poor communities to form new federations. NSDF and MM played an important role in organizing and strengthening these newly formed federations by developing a sound financial base and training them in the various processes developed by the *Alliance* and its community networks (Patel & Mitlin, 2001).

"Learning by doing and sharing" (Sen, 1998) is also a strategy employed by the *Alliance* to ensure the participation of the various communities in the development of approaches that address their priorities of concerns. Moreover, it is based on the fact asserted by many researchers, such as Paulo Freire and John Turner in the past that the urban poor have always employed the most effective strategies to access development, which need to be merely refined and not further reviewed (Freire, 1970; Patel & Mitlin, 2001; Turner, 1972). The process of "learning by doing" (Sen, 1998) starts with communities' first identifying priority issues and problems. It is then followed by a series of discussions and debates that leads to the formulation of a probable solution for addressing the given issue (Patel & Mitlin, 2001). The solution thus devised is practically tested by one of the member communities through the organizational and financial support rendered by the *Alliance* (Patel & Mitlin, 2001). The solution thus employed is then analysed for its shortcomings, which are thereafter refined and shared with other communities in the *Alliance* network, who can then replicate them successfully (Patel & Mitlin, 2001). Thus this strategy enables the development of approaches based on the participatory mechanism.

The "Precedent setting" strategy employed by the *Alliance* has enabled members to engage in a meaningful dialogue with the authorities to bring about a positive change in their approach (Appadurai, 2001, 33; Patel & Mitlin, 2001). It has helped the *Alliance* to demonstrate to the city officials and donor agencies, the effectiveness of community driven development in achieving simple and practical solutions to the problems faced by the city and its urban poor communities (Appadurai, 2001; Patel & Mitlin, 2001, 16).

Over a period these strategies have helped the *Alliance* to develop a number of activities, which serves as tools to educate urban poor communities during early stages of development and later such strategies have served to improve their preparedness to participate in housing sector development. The need to develop and improve the preparedness of the various communities was based on the belief that many good policies and pro-poor reforms remain unused through lack of exposure, capacity, and the lack of preparedness of the communities that stand to gain through such processes (Patel & Mitlin, 2001, 15). The core activities developed by the *Alliance* are: "Community savings," "Self-enumeration and mapping," "housing training" and various "pilot projects". (Appadurai, 2001; Patel & Mitlin, 2001, SPARC, 1997) "Community saving" and "housing training" activities assist the urban poor communities to enhance their financial credibility and their capacity to engage in housing construction process (Patel & Mitlin, 2001). On the other hand, "pilot projects" and "self-enumeration and mapping" activities enhance their negotiating capacity, whereby they can initiate a positive dialogue with government authorities and funding agencies (Appadurai, 2001; Patel & Mitlin, 2001).

The "community savings" activity is organized and managed through the Mahila Milan network and consists of two schemes; namely, the housing saving scheme and crisis credit saving scheme. (Patel & D'Cruz, 1993; Patel & Mitlin, 2001; SPARC, 1997) The crisis credit scheme was initiated with the objective to cater to the immediate finance needs required to address a crisis situation (Patel & D'Cruz, 1993). It is based on the principle of micro-financing and involves the daily saving of small amounts, which are then collected by an elected member of the savings group (Appadurai, 2001). In housing savings schemes on the other hand, the communities have to save a small amount of money regularly on a monthly basis by opening an account in a formal banking institution (Patel & D'Cruz, 1993). Though such savings are very small in comparison with the actual amount needed to build a house, they help to demonstrate the commitment of the communities to shelter upgradation (Patel & D'Cruz, 1993).

"Housing training" as an activity emerged out of the urgent need to improve the building capacity and managerial skills of the urban poor communities (Patel & Mitlin, 2001). The federation has initiated a team of volunteers, who visit other communities and train them in housing construction activities (Patel & Mitlin, 2001).

The *Alliance* has developed "self-enumeration & mapping" activity to form an authentic database to serve urban poor communities, thereby developing an awareness of the power of such kinds of information in dealing with the state and central government authorities (Appadurai, 2001). NSDF and MM train the various communities to conduct surveys and map the settlements they reside in, and these activities

implicitly facilitate effective interaction within the communities and they help them to identify the priorities of problems (Patel & Mitlin, 2001).

The *Alliance* uses "Pilot projects" as an important tool to complement its precedent setting strategy and further enables it to engage in a meaningful dialogue with the government authorities and other funding agencies (Patel & Mitlin, 2001).

MEASURING THE SUCCESS OF THE ALLIANCE

ACCESS TO FINANCE

Currently, the *Alliance* has a well developed community savings activity, efficiently managed through the MM networks. Community savings activity has been able to mobilize the small household savings of the poor to generate a cumulative fund of 44 million rupees⁵ (McLeod, 2000). Annual housing savings have exceeded 25 million rupees, while crisis funds have been able to generate an annual saving in excess of 10 million rupees (Patel & Mitlin, 2001). The following table shows you the annual savings generated by community savings activity for the period of 1990-1999.

Table 3: Annual Community savings for the period 1991-99 (in Indian rupees)

	Crisis savings	Housing savings
1991/ 92	125,000	684,833
1992/ 93	125,000	345,333
1993/ 94	134,375	6,983,109
1994/ 95	322,500	9,411,940
1995/ 96	765,625	9,274,786
1996/ 97	1,750,000	18,344,057
1997/ 98	4,375,000	24,451,150
1998/ 99	10,500,000	3,853,053

Source: Patel & Mitlin, 2001, pg 22

Thus through its community savings activity the Alliance has been able to demonstrate its capacity to efficiently manage large funds to formal financial institutions, donor agencies and government authorities. This has helped to establish the credibility of the urban poor, thereby enabling them to access the formal sector finance. The following table shows the forms of finance currently used by the communities.

Table 4: Forms of finance accessible to the communities.

Short term Loan for economic activities for women.	Credit line obtained from Rashtriya Mahila Kosh a Central Government fund of Rs. 350 Million = US \$ 7.6 million
Short term Bridging loan	Provided by Citibank @ 14% interest.
Bridging finance	Funds obtained from Northern NGOs (NNGOs) like CORDAID and MISERIOR
Long term Housing loan (10-15 yrs)	Obtained from HUDCO against 10-25% security deposit.
Funds as Guarantee for accessing formal sector housing finance.	Fund obtained from NNGOs Like SELAVIP and Homeless international.

Source: McLeod, 2000, pg 11

ACCESS TO HOUSING

The *Alliance*, with the help of housing training activity has enabled urban poor communities to participate in a number of housing construction projects. During the 90's *Alliance* members, with the organizational support of the *Alliance* have successfully developed and replicated the Mahila Milan House. By March of 1999 the communities had successfully constructed more than 3,500 houses at a standard cost of Rs. 30,000

⁵ This figure is derived from the study conducted by Ruth McLeod between April-August 2000.

per dwelling (Patel & Miltin, 2001, 21). Currently, apart from MM house, the communities are involved in constructing and managing various transit housing and rehabilitation projects (McLeod, 2000). The following table summarizes the housing portfolio of the *Alliance*.

Table 5: Housing portfolio of the *Alliance*

Mahila Milan Houses	
	No of Units
in Andra Pradesh	1000
in Sholapur	2250
in Pune	500
in Bhuvaneshwar	500
Redevelop Housing Projects	
	No of Units
Markandeya in Mumbai	91
Adarsh Co-operative Housing in Mumbai	53
Jankalyan Housing Co-operative in Mumbai	118
Milan Nagar in Mumbai	536
Rajeev Indira and Suryodaya in Mumbai	213
Sai Kripa in Mumbai	105
Rajendra Nagar in Pune	56
Priyadarshani Co-operative in Bangalore	52
Jagjeevan Nagar in Hyderabad	71
Raipole in Hyderabad	81
Ambedkar Nagar in Hyderabad	20
Transit Housing	
	No of Units
for pavement dwellers in Mahol	3100
transit camp at knajurmarg	915
household affected under the MUTPII project	2500

Source: McLeod, 2000.

ACCESS TO BASIC SERVICES

Access to basic services has been one of the core issues addressed by the *Alliance* since its inauguration. Over the last decade the *Alliance*, through its various pilot projects, enabled the communities to build and manage community toilets. Since 2000, the *Alliance* has enabled the communities to take up contracts to build and manage community toilets in collaboration with the municipal authorities. In the period from 1999-2001 *Alliance* has successfully constructed and managed the 114 toilet blocks through the Pune⁶ Sanitation Project. (Burra, 2001) Currently, the *Alliance* has a contract of building 320 toilet blocks as part of the World Bank funded Mumbai Sanitation Project. (TOI, 2001)

CONCLUSION

The paper through the paradigm of the *Alliance* highlights that NGOs play an important role in housing sector development in the present context, where governments have failed to tackle the wide spread problem of adequate housing. The *Alliance*, and especially SPARC, through its long-term partnership with urban poor communities, has been able to plan a comprehensive approach that enables the poor to access finance, housing and basic services, which had largely been denied through governments enabling approach. Thus currently, they assume the role of planners enabling the urban poor communities to participate in shaping their physical environment.

⁶ Pune is an Indian city in located in the state of Maharashtra and is at a distance of 180 km from Mumbai.

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