Informal Housing Markets and Redevelopment
- A Case Study of Dharavi

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Preface

During our academic years at the Faculty of Engineering, Lund University, we have obtained fundamental knowledge regarding property related economics, law and technology. Throughout the education, we subsequently became interested in the subject of development of land and cities. As both of us are internationally oriented, we saw the possibility to deepen our knowledge by focusing on an international matter in our master thesis. We are grateful to SIDA for providing the economic grant that made this research and the journey to India possible. We would also like to thank our supervisor Stefan Olander, Associate Professor at the Division of Construction Management, Lund University, for giving valuable support and advice throughout the course of research.

The time spent in Dharavi, Mumbai during our case study has been very intense and at times difficult, but foremost interesting and rewarding. We have obtained many significant experiences, which we would not have been able to gain from a desk in Sweden. For this we would like to thank field experts for sharing their thoughts and the inhabitants of Dharavi for their time and hospitality upon inviting us into their homes and sharing their life stories. We are especially grateful towards Venkatesh Ganesh, our interpreter and later friend, who in excess of case study related matters has shared personal thoughts and experiences, hence giving us a deeper understanding of the society of Dharavi. We are equally grateful to Ramchandra "Bhau" Korde, who also has shared his personal experiences and mentored us through difficulties. Without the help of Mr. Bhau, this thesis would not have turned out the same.

We would also like to thank our families and friends who have supported our work as well as given essential feedback. Last but not least, we would like to thank each other for an excellent collaboration and a well performed master thesis.

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Keywords

Abstract

World-wide, the population is increasing rapidly and so is the number of people residing informally. Hence the development of slums is increasingly becoming a rising problem. Consequently, the need to acknowledge the issue and to find sufficient solutions has enlarged. The informal settlement of Dharavi is facing a redevelopment and it is of importance to survey and analyse the current situation. Dharavi consists of an area that represents many informal settlements and its development is at present at an interesting stage, suitable for this research. By studying Dharavi useful information can be obtained and later applied to other areas and future redevelopment projects.

There is an apparent lack of documented knowledge regarding the impact of slum redevelopment. In particular, this shortcoming concerns informal housing markets. The main purpose of this research was to acquire knowledge regarding the process of property development in informal settlements and to identify how such development would affect existing housing and rental markets. The purpose was fulfilled by conducting a case study and a complementary literature study. During the case study, information was mainly gathered through qualitative open-ended interviews with Dharavi inhabitants as well as local field experts.

It has been found that a number of aspects regarding informal communities are affected upon redevelopment. Some of the most substantial changes concern the informal housing market, where juridical and financial changes are to be expected. Consequently, there are some positive as well as negative outcomes of such redevelopment. The major positive outcomes are improved housing standards and the creation of a healthier environment. The negative outcomes concern the likelihood of remaining in the area, the difficulties to retain a livelihood and thus the risk of new slum formation elsewhere.

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1. Introduction

This initiating chapter provides a brief background of the subject and states the purpose of the study. Furthermore, limitations, target audience, definitions and finally the outline of the research are presented.

1.1 Background

Worldwide, a rapidly increasing urbanization and population growth, along with lack of implemented legislation has led to an extensive development of slums. Approximately one sixth of the world's population is at present residing informally. A majority of these settlers are suffering from poverty and substandard or hazardous living conditions. Furthermore, they often lack legal rights, which subsequently may lead to social exclusion and difficulties in sustainment (UN-Habitat, 2003a).

These new challenges are being addressed insufficiently and the notion of slums is at present unbalanced. The approach towards slums has historically been altered between defeat and development (Sharma, 2000). Regardless, it is apparent that the issue is not associated with a comprehensive view. The actual human consequences of slum development are to a large extent disregarded. Instead, focus tends to be on structural development and upgrading. One area where this is apparent is the informal settlement of Dharavi (Sharma, 2000). The area is facing an extensive upgrading scheme and was thus chosen for a case study.

The Research problem was identified by the authors when researching background facts regarding slums and rehabilitation projects. The work by UN-Habitat has made it evident that further research is needed and of great importance for pre poor planning. The authors saw an apparent lack in studies regarding changes in social and economical prerequisites upon development. As a result, this research is motivated by the desire to explore the informal housing market and subsequently analyse how it could be affected by redevelopment.

1.2 Research aim and objectives

The main purpose of this research is to acquire knowledge regarding the process of property development in informal settlements and to identify how such development would affect existing housing and rental markets. The main objective was fulfilled by answering the following objectives:

- To discuss and establish a knowledge regarding the dynamics of informal settlements.
- To distinguish the characteristics of an informal property market.
- To analyse the affects of governmental redevelopment schemes on an informal housing market.

1.3 Limitations

A single case study has been chosen to inquire into the objective in depth and detail. The research concentrates on how property development affects property owners and tenants living in Dharavi, hence other stakeholders are excluded. Furthermore, focus lies on the actual effects of property development, not on the property and rental markets themselves. The area of study is to a large extent interdisciplinary and influenced by subject areas such as anthropology, politics and sociology. However, these subjects do not lie within the authors' field of study and are therefore not covered in the thesis.

Further limitations concerning the nature and location of the case study are the lack of available information on the subject, subjectivity within available information, babel of tongues and the necessary usage of an interpreter.

1.4 Target audience

This research is of relevance for those interested in the subject of property development in general and informal settlements in particular. In addition to students and researchers, the thesis is beneficial for workers within the commercial and public sectors as well as for people engaged in non-governmental activities.

1.5 Outline of the report

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Chapter 8:   Completion

This chapter presents conclusions and recommendations for further research. The conclusions are organized in relation to the three objectives and the aim of the research.

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2. Methodology

This chapter is an introduction to the fundamentals of the scientific research that was acquired for the study. Initially, different theories regarding scientific research are presented and thereafter used to define the scheme of the project.

2.1 Scientific research

Knowledge can be defined as the fact of knowing something gained through experience or association. Research is the quest and process of finding new knowledge, but also adds to or changes current opinions in a given field of study. Research is therefore the developmental process through which one may determine new knowledge and challenge existing facts through new discoveries. Knowledge and research are thus closely interconnected and dependent upon one another (Potter, 1996).

In order that any scientific research may be successful, one must aim to fulfil the following three criteria:

- Accuracy
- Objectivity
- Balance

Accuracy requires that information specified in a report shall be true and correct. This is ensured by using a range of sources, preferably primary sources before secondary, and by scrutinizing content and origin of any such sources. Objectivity implies the importance of reflecting all standpoints, particularly where there exist differing views upon a given question, and by avoiding the influence of the author's thoughts and preconceptions. The term balance refers to the aim of providing the right space for the different components within the subject one is examining, and to avoid giving room for irrelevant details and reasoning (Ejvegård, 2009). With the above stated criteria in mind one can initiate the scientific research by choosing a subject and formulating a problem, including the aim and objectives of the research. A suitable methodology and research techniques can then be adopted (Svenning, 2003).

2.1.1 Methodology and technique for scientific studies

Methodology is the scientific way of approaching and treating a subject of research. Technique on the other hand, refers to the process of gathering material for description, comparison and the establishing of a hypothesis or predictions. The chosen methods and techniques will pervade the entirety of the research, and thus affect the findings made. Choosing these consciously will help the researcher towards fulfilling the criteria stated above (Ejvegård, 2009).

Research can be based on either qualitative or quantitative data, alternatively it may be based on a combination between these two. Quantitative data, also referred to as cold figures, are statistical and verifiable data amenable to statistical manipulation. The data is quantified through a suitable measure and works to answer the question "how many". Qualitative data, or soft figures, obversely, approximate, but do not measure, the attributes of an object or phenomenon and work to answer the question "why". In summary, quantitative data defines, whereas qualitative data describes (Svenning, 2003, Potter 1996).

2.2 Information retrieval

Since problem formulation, methodology and material are interconnected during research; the information retrieval process is of great importance to the result. Within the context of research all printed material, such as articles, books, essays and such, are in general considered as literature. However, when searching for apprehensions, opinions and knowledge within a certain population, interviews and questionnaires are commonly used. It is thereby possible to obtain information that can't be perceived from the available literature (Merriam, 1994).

The references and used material should be evaluated according to the following requirements:

- Authenticity
- Independence
- Freshness
- Concurrency

Regarding technology, certain aspects must be taken into consideration such as measurements, measuring devices, parameters, tests and method of research (Ejvegård, 2009). They must be reliable and valid in order to be useful and appropriate. If the same study is performed twice without any changes within the population, and the results turn out equally, the study is considered reliable. If the study succeeds in measuring what is intended it is considered valid. The research result has no scientific value if these requirements are not fulfilled (Svenning, 2003).

2.2.1 Literature study

Research aspires to generate knowledge and should therefore be based on, or take into consideration, prior work that has been performed within the field of research (Merriam, 1994). If one fails to take into consideration previous studies and research, there is a great probability that one may produce a copy of a prior study, carry out research upon a trivial issue, or repeat unnecessary mistakes already made by others. A literature study compiles and interprets a selection of previously published work within a certain field, and thus what has been concluded before (Merriam, 1994). Therefore, the usage of a literature study enables the researcher to contribute by continuing the process of research based upon prior work. Being familiar with prior research and theories can also facilitate when framing categories and planning the empirical phase as well interpreting the obtained results.

2.2.2 Interviews and questionnaires

Interviews and questionnaires are common techniques for collecting data, they seek to find out what someone else knows, thinks, wants, and they explore the subject's opinion and personal experiences (Merriam, 1994). Data from questionnaires is often significant to create an understanding for the phenomenon studied. The characteristics of interviews differ to questionnaires in that the questions are formed differently and thus the answers they elicit (Starrin and Svensson, 1994). The questions in a questionnaire are always structured, while an interview allows a mixture of structured and non-structured questions. The subsequent answers can either be of an open or closed nature depending on whether the respondent is allowed to talk freely, or whether they must choose between predefined answers. The researcher has the opportunity to choose the structure best suited for the research and the characteristics of the desired answers.

Regarding interviews; subjectivity and complexity are factors that will presumably affect the outcome, the technique might also bring on some special ethical problems such as limitations in the information gathered due to subjectivity among the interviewer and interpreter, cultural differences, gender issues or position of dependence (Steen, 2010). It is therefore of significance for the study to conduct information according to the three criteria, stated in 2.1, as well as being critical of the circumstances surrounding the interview and evaluate the accuracy of the information.

When conducting interviews in the field it is important for the interviewer to present an interesting and trustworthy research study (Thynell, 2010). Maintaining motivation for one's work, as well as predicting and anticipating weak points within the research is essential for the outcome of the project. As a foreigner working in an informal setting, the way one interacts with, and is perceived by, the community is essential for the necessary cooperation of the local population and the outcome of answers acquired in interviews (Thynell, 2010). Furthermore, working with an interpreter entails additional requirements on the researcher: time of payment and a possible psychological pressure experienced by the interpreter might affect results as well as his or her subjectivity.

2.2.3   Case study

A case study is a research method, which focuses on a well-defined phenomenon within its real-life context (Merriam, 1994). By concentrating on one such phenomenon, or case, one aims to find the characteristic factors of the phenomenon. Case studies are usually qualitative, see 2.1.1. The phenomenon is studied holistically by using multifaceted sources. The strength of such an approach therefore lies in its ability to take different types of empirical material such as documents, interviews and other observations into consideration (Merriam, 1994).

A case study may furthermore be identified by its specific features, qualitatively oriented case studies are distinguished by the following four fundamental characteristics (Merriam, 1994):

- **Particularistic:** The importance of finding a case that visualizes the phenomenon in question. A general problem can be illuminated even though the selected case itself might be specific.

- **Descriptive:** The visualization of the phenomenon should aim to be as extensive as possible. The case study should therefore include many variables and describe the interaction between them over a period of time. Information can be collected from various sources, such as quotes and paper articles, and can be presented in a range of ways from many perspectives.

- **Heuristic:** Provides insight regarding the phenomenon in order to enhance the reader's knowledge on the subject. It can create new meanings, widen experiences or just confirm what was already known. Furthermore it can explain a certain problem, the background to it and the answers to why and how it happened.

- **Inductive:** The case study is for the most part based on inductive reasoning. From the collected information, generalizations' and hypothesis are formed.

Depending on the objective of the research at hand, case studies as a methodology can be more or less suitable: the qualitative case study is usually based upon the fact that one wants to focus on insight, discovery and interpretation rather than hypothesis testing. The characteristics of the

questions, degree of control and the way one wants the final result to turn out are factors that need to be taken into consideration. In addition, an essential factor is presumably whether one can identify a defined system as a focus for the case study (Merriam, 1994).

2.3 Applied method

This study aims to gather knowledge regarding the process of property development and slum upgrading in informal settlements to see how this may affect the housing and property market within a given area. The study looks to elucidate the research objectives from the perspective of the citizens in the context of a case study area. In this sense, subjective research topics such as personal thoughts, expectations and experiences are processed. Thus, the research methods are mainly of a qualitative rather than quantitative nature. However quantitative data has, to some extent, been used as supplementary data to create an essential base of knowledge and has become an important component to this research. Furthermore, during interviews questions of a quantitative type, have enabled an initial contact with the interviewees and have subsequently led the discussion onto the more quantitative matters.

2.3.1 Selection of methods

In order to choose a methodology, one needs to clarify the objectives of the study and what information is needed. Since studying how property development affects an informal settlement, and given the characteristics of the objectives of this particular study, it has been established that a case study is suitable. That is primarily due to the lack of previous research on the subject, the possibility to represent a part of the reality with an individual case, as well as to add extra colour to the empirical research on a field not formerly known to the authors. Furthermore, a case study allows the authors to go straight to the primary source of information and maintain objectivity. Theories of scientific research stated previously here, are applied throughout the process of research in order to fulfil the fundamentals of accuracy, objectivity and balance.

However, such a case study cannot be conducted successfully without basic background information regarding the area where the study is to be carried out, as well as the process of property development in such areas. An initial literature study is required to give an introductory understanding of what to expect in the field, as well to avoid researching something that has already been covered. By mapping previous work, a basic understanding can be retrieved and facilitate the process of defining the objectives of the study. This information may later, when adding knowledge from the case study, be acknowledged, supplemented or advanced by the case study itself.

2.3.2 Selection of case study

The selection of the case study was, initially, limited by the framework of the Minor Field Study Program and conditions such as language and the access of organizations working in the area. A contact in Dharavi was available and the area was found interesting and suitable for this project due to the following reasons:

- The area is an informal settlement facing a possible redevelopment, much due to its primary location and the strong economic forces of a growing city surrounding it.

- Within the area, a wide range of settlement and housing typologies are present which make it possible to study different stages of development within a single area. This also comprises various economical and juridical prerequisites.

- Previous attempts of redevelopment have been made and there is an approved redevelopment scheme covering the area. Existing groundwork simplify predictions regarding the impact of such interventions.

- There are a number of stakeholders interested in the, much criticized and politically challenged, redevelopment project. The inhabitants of the area have formed a strong opposition against the existing plans and their engagement is evident.

- Today approximately 60 percent of the population of Mumbai lives in informal settlements. Issues associated with the matter are increasingly becoming a global problem; hence the need to address them becomes more significant.

2.3.3   Selection within the case study

A selection within the case study was made after an initial contact with field experts and inhabitants of Dharavi. These contacts gave an indication of what it would be possible to achieve, what information was available and the specific problems experienced by the local community.

The problem in focus in Dharavi was of a more attractive nature as it had not previously been researched and was of great interest to the authors. By focusing the objectives from the viewpoint of the inhabitants of Dharavi, a focus that has not been employed in prior research could be explored. Adversely to these inhabitant-led focus studies of property development at university level in Sweden, the perspective is normally focused on profit-driven stakeholders. By alternating the focus, a further understanding regarding the process of property development, and how it affects issues related to housing could be maintained by the authors as well as intermediated to the viewers of this thesis.

When selecting the interviewees, considerations regarding how to represent Dharavi holistically were taken: social, cultural and financial disparities were acknowledged, so that the research might represent, and focus equally upon, these groups. However, the final selection was to a large extent determined by contacts available and the will to cooperate amongst these groups.

2.4 Research methods in practice

The below mentioned methods of data collection were practiced in this study:

- Standardized open-ended interviews
- Written documents review
- Participant observations of activities at settlement level by social interaction with community members

2.4.1   Standardized open-ended interviews

The interviews have been carried out in Mumbai during a seven-week period of fieldwork in October and November 2010. Two main groups of interviews are to be differentiated: field experts and

inhabitants of Dharavi. Field experts have been approached with the purpose of gathering holistic knowledge regarding the political and financial aspects of the present situation in Mumbai and thus Dharavi. In order to see what effects proposed development plans might have on the rental and property markets of Dharavi, a general mapping of these markets has been made. This was done by interviews with inhabitants and business owners in the area, the selection of which interviewees has been categorized into landlords, private owners, tenants and realtors. These are the main groups that may be affected by the proposed development.

Field experts:

- **Mr. Jockin Arputham** is the founder and president of the National Slum Dwellers Federation of India and is currently working with SPARC International Inc. Mr. Jockin has been awarded with international honors for his work in housing and settlement matters. In discussing Mr. Jockins' work and comprehending his involvement in the community an understanding of the different stakeholders and their incentive in the future of Dharavi was upheld.

- **Amita Bhide** is an Associate Professor at the Center of Urban Planning Policy and Governance in the School of Habitat at TISS (Tata Institute of Social Sciences). Prof. Bhide has also researched the process of redeveloping Dharavi. By discussing her work and the governmental policies of the State of Maharashtra a general insight regarding the issue of informal settlements in the region was established.

- **Mr Ramchandra (Bhau) Korde** is one of the eldest residents in Dharavi who has been committed to the society of Dharavi all his life. He has been working at the ground level; organizing local committees, preventing local riots, as well as working as a teacher in Dharavi schools. Mr Bhau has been of great importance for this thesis as he has actively engaged and devoted time, as well as telling his life story and sharing his personal experiences. He has also explained the fundamentals of Indian politics, economics, religion and corruption and how these matters are relevant in urban development, although the subjects do not constitute the main focus of the thesis.

Inhabitants of Dharavi:

- **Landlords, 8 interviews:** They can be subdivided into two categories distinguishing single owners from professional landlords. It is illegal to sublet and due to that fact, professional landlords have declined every attempt of contact. When it comes to single owners subletting parts of their homes, the restrictiveness has not been as substantial but certainly apparent. However, the selection of interviewees has for that reason mainly been limited to people within the network of the interpreter. The purpose of these interviews was to acquire an indication of the existing supply of dwellings and premises, the incitement of subletting as well as the terms and conditions following an agreement.

- **Single family owners, 11 interviews:** The private owners have been dissimilated depending on if they sublet a section of their house or not. An indication of the changes in supply and demand as well as the possibilities of a housing career could be established by discussing the

housing history. This also enables one to analyse changes in value and possible consequences of the proposed redevelopment scheme.

- **Realtors, 4 interviews:** Two types of realtors have been dissimilated and approached separately: those who operate within the area of Dharavi and those who don't. By doing so, differences between the formal and informal housing market could be elucidated regarding intermediation as well as the legal and economical aspects.

- **Tenants, 13 interviews:** The lessees have been subdivided into commercial, non-commercial or mix-use tenants. The proposed development scheme may have a different impact on these groups of tenants respectively. The purpose of the interviews was furthermore to acquire an indication of the existing demand of dwellings and premises, the incitement of letting as well as the terms and conditions following an agreement. By doing so, a correlation between price and value factors could be established and the possible impact of the scheme analysed.

Inquiry design

Above stated groups of interviewees has been asked a number of questions. These questions have been categorized and are presented below according to their categorization. All interviewees have been asked, more or less, the same questions. However, they have been slanted towards the viewpoint of respective group.

Single family owners, tenants and landlords:

- **General information:** Information regarding the object itself such as size, plan arrangement, facilities accommodated, improvements made, use of space and size of dwelling stock.

- **Social data of the household:** Family structure and number of inhabitants, occupation, religion and origin of the owner as well as a possible tenant.

- **Acquisition process and history of housing:** Acquisition process, length of the process, other objects considered, previous accommodation and length of stay in Dharavi in general and the particular property in particular.

- **Economical data and incentives for subletting:** Cost of purchase, estimated increase in value, rent and deposit cost and income, experienced financial security, incentive for subletting and considerations regarding other forms of housing.

- **Juridical data:** Property rights of the house and plot, possession of photo pass, experienced security of tenure, form of contract or agreement and the relationship between landlord and tenant.

- **The impact of a redevelopment:** General thoughts on the effects of redeveloping Dharavi, how such development would affect the family according to change in income, standard of housing and facilities and the possibility of finding an equal tenement after a redevelopment.

Realtors:

- **Business related information:** active years as realtor, operating area and services offered by the business.

- **Clientele:** Type of clients, services requested, objects offered or request, acquisition process.

- **Economical data:** Revenue of the realtor, determination of rent and sales levels, correlation between price-facilities-legality.

- **Juridical data:** Legality of business, legality of ownership, presence and form of contracts, documents required and security of tenure.

- **The impact of a redevelopment:** Possible impact on business and on the property market as well as general thoughts on proposed schemes.

Part II: Research

Chapter 3:   The phenomenon of slum
This chapter is a literature study, which provides an introduction to the phenomenon of slum.

Chapter 4:   Housing in slums
This chapter presents the fundamentals of slum housing; tenure, security, space markets and finally the importance of rental housing.

Chapter 5:   Case Study in context
This chapter provides an overview of the history and present situation of Mumbai and Dharavi. Furthermore it gives an introduction to the legislative framework concerning the matters of urban development and rent in Mumbai. Finally future plans and aspirations are presented.

Chapter 6:   Case study
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3. The phenomenon of slum

This chapter is a literature study, which provides an introduction to the phenomenon of slum.

3.1 World-wide slums

According to the United Nations, the prevalence of slum is as following (UN Habitat, 2003a). Approximately one billion of the people residing on earth today are slum dwellers, i.e. every sixth person in the world. The number is increasing rapidly and is further estimated to reach two billion before 2030. Slums are to be found in all parts of the world, however foremost in developing cities. About 60 percent of the world´s slum dwellers are residing in Asia, approximately 20 percent in Africa and 14 percent in Latin America.
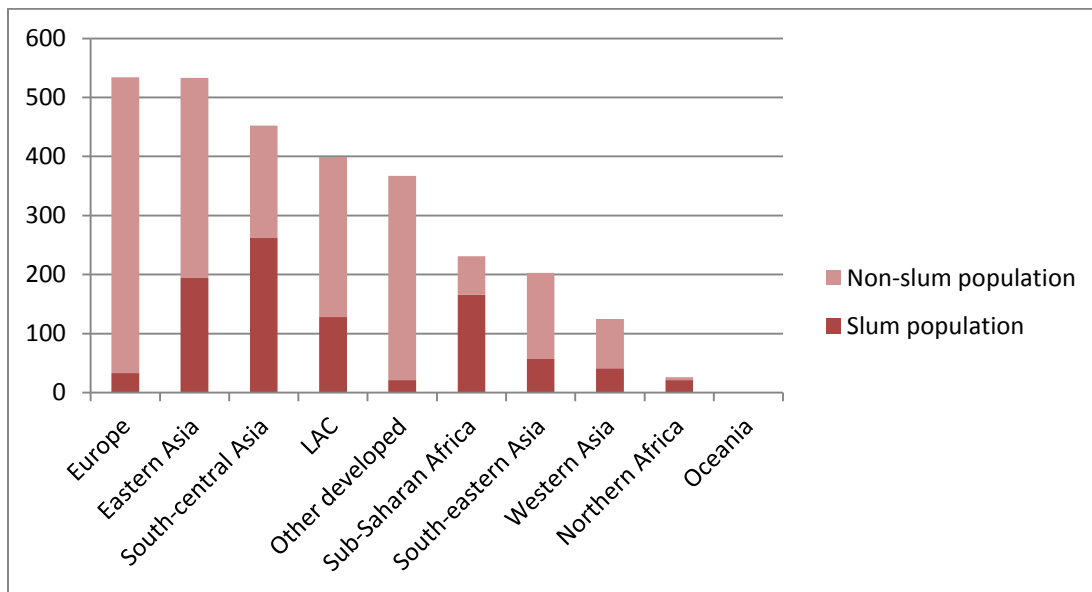
Figure 1. Proportion of slum dwellers in urban population per region (UN-Habitat, 2003a).

3.2 Defining slum

The term "slum" first appeared in London during the 1820s, where it was used to identify the poorest quality of housing and the most unsanitary living conditions (UN Habitat, 2003a). The word subsequently came to appear in written language, usually referring to a street, court or alley situated in a crowded district of a town or city, inhabited by people of low class or the very poor. A number of these streets, alleys and courts came to form a thickly populated neighbourhood or district, where the houses and living conditions were of squalid and wretched character. In the 1880s, the Housing Reform Movement in England turned the word into a general operational concept as "a house materially unfit for human habitation" and made possible the delimitation of slum-areas on city maps for planning purposes. Later, in the 20th century, the term was replaced by more precise and rigorous terms due to legislation authorizing the eradication of the so-called slums (UN-Habitat, 2003a).

Today, the term "slum" is loose and deprecatory (UN Habitat, 2003a). It has many connotations and meanings and can therefore be considered as politically incorrect by some. It can also vary substantially in what it describes. However, slum as its simplest is a heavily populated area characterized by substandard housing and squalor. This straightforward description reflects the essential physical and social features of slums. Although, within the term lie a multitude of different settlements and communities, all defined by the essential characteristics of slums: high densities, low standards of housing and squalor (UN Habitat, 2003a). The first two criteria are physical and spatial,

while the third is social and behavioural. Furthermore, housing can vary from the simplest shacks to more permanent and sometimes surprisingly well-maintained structures, with or without access to basic services and infrastructure (UN-Habitat, 2003a). Likewise, slum dwellers are not a homogeneous population, but a diverse group of people with different interests, means and backgrounds (Cities Alliance, 2010). Regardless, slums have become the most visible manifestation of urban poverty in the developing world. Such settlements are known by many different names and are characterized by a variety of tenure arrangements. In an attempt to summarize, the generic definition according to the United Nation suggests that:

 "Slums are neglected parts of cities where housing and living conditions are appallingly poor. Slums range from high-density, squalid central city tenements to spontaneous squatter settlements without legal recognition or rights, sprawling at the edge of cities."

However, this definition is not associated with operational definitions, making the demarcation of whether or not a particular area is a slum problematic (UN Habitat, 2003a). The United Nations have found it necessary to operationalize the definition. Nevertheless, the nature of slums is multidimensional and therefore some of the features can be clearly defined, while others cannot. Measurement can be very problematic and acceptable benchmarks are difficult to establish. However, the following attributes of slums are featured in the various definitions of the term (UN-Habitat, 2003a):

- **Lack of basic services:** Inadequate access to safe water sources and sanitation facilities is the most significant feature. It is sometimes supplemented by absence of electricity, waste collection systems, surfaced roads, rainwater drainage and street lighting.

- **Substandard housing or illegal and inadequate building structures:** Houses are often constructed with non-permanent materials. Given local conditions concerning climate and location, these materials may be unsuitable for housing.

- **Overcrowding and high density:** A majority of the slum dwelling units suffer from high occupancy and the living space per inhabitant is scarce.

- **Unhealthy living conditions and hazardous locations:** Due to lack of basic services, such as sewage, waste and pollution management, unhealthy living conditions occur. Buildings may also be constructed on hazardous or unsuitable land.

- **Insecure tenure:** Lack of formal documents entitling settlers to occupy land bring about an insecurity in residential status.

- **Poverty and social exclusion:** As a cause and consequence of slum conditions; income and capability poverty restrain human and economical development.

- **Minimum settlement size:** A single household cannot be referred to as a slum since the term constitutes a precinct.

A slum often consists of a combination of these multiple dimensions. While some areas hold only a few attributes, the worst may suffer from them all (UN Habitat, 2003a).

3.3 Forces shaping slums

The rate of world-wide urbanization is increasing quickly due to the growing population (UN Habitat, 2003a). Since 1950, the population has enlarged from 2.5 billion people to 6 billion people and 60 percent of this gain has been in metropolitan areas. It is further estimated that the urban population is increasing by about 70 million people annually. Nevertheless, all these people require employment, urban services and refuge. At that speed, most economies are failing to meet such needs. Consequently, more than half of the population in many cities of the developing countries are currently living and working in slums. Only a few countries have managed to urbanize without an extensive development of such settlements. In spite of where the slums occur, the social, spatial and economical forces behind slum formation and the perpetuation of slum are not only related to population growth, but also to poverty, governance and legislation (UN-Habitat, 2003a). The two main causes of slum development are however population growth and lack of governance (Cities Alliance, 2010).
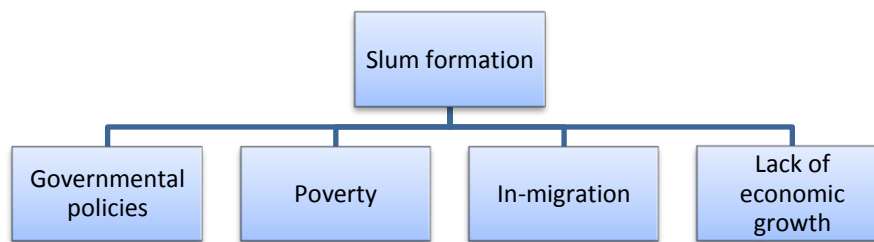
Figure 2. Forces shaping slum.

3.3.1   Governmental policies

Slum and urban poverty is not just a syndrome of population explosion, but rather, slum formation is the result of failure of laws and housing policies (UN Habitat, 2003a). The most significant factor, limiting progress in preventing new slums and improving already existing settlements is the lack of political will to address the issue holistically and sustainably. The neglect is present at all levels, globally as well as nationally and locally (UN-Habitat, 2003a).

Consequently, the urban poor are trapped in an informal and juridically illegal situation where they officially do not exist. For many slum dwellers, their closest authority is a slumlord or equivalent instead of the local government even though their settlement is located within the city boarders (UN Habitat, 2003a). The city council staff has in many cases given up to assert their jurisdiction. As a result, dwellers often lack property rights and security of tenure. Furthermore, because of exclusion from the formal system, dwellers also lack legal address and cannot access public institutions such as health care and financial institutes (UN-Habitat, 2003a). Accordingly, slum dwellers are not able to access monetary sources, hence facing difficulties to develop their businesses.

3.3.2 Poverty

The following reasoning regarding poverty derives from the United Nations (UN-Habitat, 2003a). Urban poverty has been increasing for some decades and is now more apparent than ever before. Today, nearly three billion people, i.e. half of the world's population, live on less than 2 USD a day. Poverty, slums and lack of affordable housing are closely related and sometimes mutually reinforcing, although the relationship is not always simple. In general, slum conditions are caused by inadequate housing and poverty whereas poverty itself origins from numerous factors. The main reasons for poverty are in-migration and rapid growth, income inequality, lack of tenure security, lack of economic growth and thus the possibility of a livelihood.

Women in general and widows in particular, disabled people, children and unemployed youths have been identified as the most vulnerable. Urban poverty is often defined by monetary measures, hence the multidimensional nature of poverty is not captured. Low income is not always the single source of poverty; people may be poor because they don't have access to clean water, sanitations, healthcare and schools. Furthermore, overcrowded housing, lack of safety net and legal protection may cause absence of legal, social, cultural and economical rights. According to the United Nations, the dissimilar dimensions of urban poverty can be described as:

- **Low income:** The inability to participate in the labour market, to lack other means of support or to have an income below the nominal poverty line.

- **Low human capital***:* To lack education or be of poor health.

- **Low social capital:** To have a shortage of networks protecting against chock, weak patronage on the labour market, labelling and exclusion.

- **Low finance capital:** To lack productive assets that generates income.

3.3.3 In-migration

The primary features that cause contemporary urban migration are:

- **Political factors:** Instability, repression and civil war are factors that cause in-migration (UN-Habitat, 2003a).

- **Low incomes from agriculture**: Agricultural workers in rural areas are vulnerable to environmental degradation, fluctuating fruitfulness, high farm debts and scarcity of new lands for farming. City life is less dependent on the conditions of crops and animals (Cities Alliance, 2010).

- **Better job prospects:** Urban areas can offer noticeably improved job opportunities compared to rural areas (Cities Alliance, 2010). Rural areas hold limited off-farm employment and the income rates are usually lower than within cities. Rural areas especially hold few opportunities for women, since they often are excluded from land ownership upon death or divorce of husband (UN-Habitat, 2003a).

- **Safety and health care**: Cities offer a broader spectrum of services such as an economic safety nets, improved water supply, availability of social services and infrastructure. In addition, cities are more controlled environments and may thus be less risky than rural areas (UN-Habitat, 2003a).

- **Urban migration as a survival strategy:** Land has a highest carrying capacity and upon exceeding, people are forced off the land (UN-Habitat, 2003a). Rural households may be forced to split and relocate in order to be less vulnerable to economic fluctuations by diversifying their sources of income. Natural disasters and persistent ecological changes are other incitements (Cities Alliance, 2010).

- **People know what cities can offer them:** Improved communications with prior migrants and an enhanced transportation system have made the rural population more aware of the advantages and disadvantages of city life (Cities Alliance, 2010).

3.3.4 Lack of economic growth

The following information has been adapted from the United Nations (UN-Habitat, 2003a). Industrialized countries have already undergone primary urbanization during the 18th and the 19th centuries, although at a slower pace and in a smaller scale. Nevertheless, today urbanization does not come with adequate economic growth, as in the case of the European industrial revolutions. Lack of income is directly related to poverty and thus the establishment and maintaining of slums. For that reason, the labour market and so the structure of livelihood is at least equally as important as questions regarding living and housing conditions. Prior housing schemes have sometimes failed due to disregard of community and the livelihood basis that determine why people initially settled in the dwellings they occupy.

The informal sector accounts for approximately 60 percent of the employment in many developing cities. Due to lack of suitable commercial space and workshops, most unregistered informal activities take place in people's homes and in the streets. The informal sector is characterized by:

- Small scale units
- Low requirements for skills and initial capital
- Limited vocational training
- Limited access to formal credits
- Informal relationships between clients, suppliers and the state
- Invisibility regarding official statistics and tax payments
- Multiuse units for production and retail
- Limited technology and capital
- Integrated production and consumption

The economic activity and thus the employment in the informal sector are of a great importance in developing countries. The informal sector creates many of the jobs needed and compensates for a large amount of the formal sector´s failure to provide goods and services. There are nevertheless controversial and opposite positions on how the informal sector should relate to governmental institutions. Some argue that the regulatory system should be reformed and thus free the economic potential of microenterprises. Others believe that informal activities should be more strictly

controlled due to unfair competition and the lack of regulations regarding pension and safe environment etcetera. Regardless, the informal sector does hold a very important role in the livelihood of many slum dwellers and national economies today.

4. Housing in slums

This chapter presents the fundamentals of slum housing; tenure, security, space markets and finally the importance of rental housing.

4.1 Tenure

Many different tenure arrangements are to be found and can be categorized as followed (UN-Habitat, 2003a):

- **Formal home-ownership:** Generally implies that the owner either has freehold or long leasehold title over the land. This allows an ability to mortgage, sell, make changes to the structure or leave it to descendants. Home-ownership provides the largest control over land and dwelling within the confines of local planning and building restrictions.

- **Formal private rental:** Usually involves a lease or equivalent, entitling the lessee to the property for a fixed period of time, given that rent is rendered and the property maintained. Major changes to the property are normally not allowed and property rights are seldom inherent. Formal private renting obeys under rental legislation.

- **Public rental:** Usually grants unlimited tenure and in some cases at a subsidized rate. Public rental was originally available for everyone, but has now increasingly been reserved for low-income earners and for people with social problems. However, in many countries the stock of public housing has been sold to the existing tenants.

- **Informal home-ownership, squatting:** Squatters occupy buildings or land without the permission of the legal owner. Occasionally, squatting has been a rightful way of occupying vacant land and some squatters have gained legal title, hence the property can be traded in the housing market. Squatting housing includes housing of poor quality as well as more established housing of higher standard. Collectively, the owners lack title.

- **Informal home-ownership, illegal subdivision:** The phenomenon refers to settlements where land has been subdivided by its legal owner and subsequently sold or rented for illegal housing development. Even though these settlements are illegal, this is a common circumstance in quickly developing cities. The settlers often experience a larger security than the squatters, due to having gone through a process of purchase.

- **Informal rental:** Informal renting differs widely from pavement dwellers to sub-tenants in squatter housing. Pavement dwellers regularly pay someone in the authorities in order to keep their place of squatting and along with sub-tenants, they are the most fragile due to constant threat of eviction. However, for many people this is the only affordable option.

- **Customary tenure:** Some countries lack state formalized ownership of land, instead land is held by traditional leadership entities. Some customary systems completely lack central administration while others keep some kind of records.

All the above stated types of tenure can be found within slum areas. However, the latter four are by far overrepresented. Since such areas are characterized by informality, they are often referred to as informal settlements. Overall, tenure patterns can be explained in terms of level of urbanization, organization and level of economic development as well as governmental ideologies (UN-Habitat, 2003b).

4.2 Informal housing and lack of tenure security

Housing is considered as informal when it does not conform to regulatory frameworks and laws set up in the area of which it occurs (UN-Habitat, 2003a). However, informality varies when it comes to extent and may violate to regulations in many ways, including:

- Being built on land not owned by the occupier without permission
- Being built on land planned for another use
- Not confirming to the standards set up for a certain part of the city
- The absence of eligible building inspections or planning permissions
- The absence of guarantees due to unlicensed construction firms

Two substantial issues facing people engaged in informal housing are provision of services and tenure security (UN-Habitat, 2003a). Providers of main services are often less willing to invest in an area that eventually is likely to be removed. In addition, local authorities sometimes use the issue of services as a weapon against informal housing. Secure tenure is recognized as essential for a sustainable shelter strategy in The Global Campaign for Secure Tenure from 1999. That is due to the negative outcomes of insecure tenure concerning social exclusion, inability to mobilize household capital, underprivileged access to facilities, difficulties to establish solid roots and thus obtain income-earning possibilities. At present, eight out of ten people in the developing world hold their assets outside the formal system, resulting in a substantial amount of money being held up as dead capital (UN-Habitat, 2003a).

In case of governmental interference of slums, the opposite effect of what was intended often occur, as in the case of many comprehensive slum clearances (UN-Habitat, 2003a). Such clearances have often abolished better communities than they have created. Housing markets are thus among the trickiest markets to interfere with, hence there is a general agreement to end illegal evictions due to the adoption of the Habitat Agenda in Istanbul 1996 (UN-Habitat, 2003a).

4.3 The space market

The space and asset markets, i.e. the rental and housing markets, are markets for usage and ownership of real property (Geltner et al, 2007). Individuals, households or enterprises that wish to use space for consumption or production purposes compose the demand side of the market. The supply side of the market consists of real estate owners who rent or sell space to tenants and buyers. The price for space is determined by supply and demand of the market and indicates the current value of built space and the balance between supply and demand for such space (Geltner et al, 2007). Real estate space markets are highly segmented, because both supply and demand are location and type specific. Due to the segmentation, prices differ widely between location and type of building. The primary geographic units where space market segmentation is present are metropolitan areas, which consist of a central city and its surrounding suburbs. However, geographic submarkets exist within the metropolitan areas. In addition to geographical segmentation, real

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estate markets are segmented by property usage type (Geltner et al, 2007). Between these submarkets, the individuals of the demand side and the physical and locational requirements of the supply side vary. Growth in demand is either due to an increasing number of space users or a change in activities, which in turn requires more space. However, the supply of space is close to completely inelastic. As a consequence of the longevity of built space, if demand falls space cannot be reduced in a short term. The profit of developing new buildings is closely interlinked with the price they can be sold or rented out for (Geltner et al, 2007). Whereas the space market determines what cash flow property can generate, the asset market determines the valuation of property assets.

No free market can function efficiently without laws that regulate use of private property (Frank, 2008). Such laws clarify how people lawfully can acquire different types of property by purchase, receiving it as a gift or by inheritance. These laws do in most cases allow property owners to exclude others from using their property without permission. However, detailed legal exceptions limit the right to exclude. Furthermore, many governments have intervened in the market forces that determine supply and demand due to concern of the less fortunate. Such interventions take the form of laws that fix prices below their actual equilibrium levels. Rent control is a price ceiling that prevents the price from rising to such level (Frank, 2008). Furthermore, rent controls interfere with the rationing and allocative functions of the price mechanism. The regulations tend to lead to a rapid deterioration of the stock of rental housing as well as black marketeering.

4.4 Housing in slums

4.4.1 Adequacy of housing

Housing is, by most societies, considered a basic human need and an indefeasible right. However, a large proportion of the urban housing provided, does not meet local regulations regarding standard and adequacy. Housing disadvantage normally refers to inadequacies of structures and facilities provided, as well as security of tenure and affordability. Different social groups and cultures do, on the other hand, perceive adequacy very dissimilarly and considerations concerning acceptable standard and building structure differs all over the world (UN-Habitat, 2003a).

Primarily, regardless of location and social context, adequate basic shelter, portable water and electricity is desirable. However, the secondary desires vary. Low-income households generally give higher priority to needs such as livelihood, education opportunities and consumer goods rather than to improve their housing conditions. These households are often accustomed to self-built huts, poor facilities and high densities and might regard more than that as an unnecessary luxury. It is reasonable that such triage would favour informal housing. The housing stock of developing cities bolsters this theory. However, the quality of informal housing is not regarded as acceptable by most people in the world. Furthermore, due to illegality, there are few cities that are willing to endorse informal or self-help solutions to the housing issue. Instead, many cities tolerate the expansion of substandard and illegal settlements. Eventually authorities often badger established communities by forced relocations and slum clearings (UN-Habitat, 2003a).

4.4.2 Home-ownership and rental housing

In most parts of the world, housing is not affordable at all, hence a formal serviced dwelling is not an option for many low-income groups. Thus, the remaining legal options are either to purchase a plot and build a dwelling, or to rent a house, an apartment or a room. However, these options are too costly for many, who therefore are forced to squat (UN-Habitat, 2003a).

A majority of governments, particularly in developing countries, have failed to provide the poor population with home-ownership in formal dwellings. Over the last three decades many of these governments have, however, been eager to encourage home ownership. Owner occupation has therefore increased in many urban areas, not to mention in Mumbai where in 1961, 31 percent owner-occupied their house, compared to 61 percent in 1981. The high rate of owner occupancy can however be explained by the fact that self-developed squatter occupancies are included in this category. Nevertheless, a common feature of many developing countries is increases in rental or shared housing. This tendency has been encouraged by the sheer volume of urban growth, through both migration and natural increase. The vast majority of migrants and new urban households initially rent or share accommodation. Furthermore, most policy makers continue to sacrifice rental housing in favour of owner occupancy (UN-Habitat, 2003b).

Apart from the key distinguishing factor of local supply of housing and demand, the possibility of informal acquisition of land is essential in developing cities. The level of home-ownership within a city appears to a larger extent, to be related to current state policies rather than to market forces. However, in the occurrence of expensive land and property, ownership is beyond the ability of many people and is thus decreasing (UN-Habitat, 2003b).

4.4.3 The importance of rental housing

The prevalence of rental housing varies between different parts of the world, as an example the renting percentage in Sweden is 39 percent compared to India's 11 percent. Nevertheless, rental housing composes a large sector of the housing stock in many countries and a majority of people do at some point require rental accommodation. Furthermore, renting is a partial solution to the comprehensive housing problems of today, although much of the rental accommodation is, as previously stated, inadequate (UN-Habitat, 2003b). A significant number of low-income households in developing cities rent their dwellings and it is likely that rental housing is the accommodation of choice or necessity for a majority of them. If the households do manage to own, it is often after many years of renting and saving up money (UN-Habitat, 2003a).

A wide variety of forms are represented in rental housing in terms of location, quality, level of service, rent, ownership and form of contract. In developing countries, public housing is largely absent and most rental businesses are illegal with few issued contracts. A majority of the rental housing worldwide has been provided by the private sector. Both investors and landlords often operate on a small scale (UN-Habitat, 2003b).

Furthermore, governments often neglect to discuss rental housing, which also may be discouraged through legislation, favouring house-ownership and rent control. There is an ignorance regarding the rental market, its landlords, tenants and the conditions under which they operate. In order to create more rental housing and to improve the existing stock, governments need to create new rules, programmes and forms of assistance, "To ignore rental housing given that half of the population living in these dwellings is simply being irresponsible" (UN-Habitat, 2003b).

A majority of landlords in developing cities have been found to be as poor as their tenants and they often have the equivalent security of tenure. However, landlords supply a valuable service to the community and to the labour market, providing dwellers a momentary accommodation from which they can access employment easily and cheaply. They also provide support accommodation when other housing is inadequate for urban growth or other changes within the households. Cheap rental

housing is an essential component for a sufficient housing provision and for the existence of cheap urban labour forces. A substantial part of the better quality informal housing has been built by landlords, who thus have provided much of the capital for urban growth (UN-Habitat, 2003a). However, landlords in informal settlements are often known to be more or less invisible. Some chose to be furtive out of fear for taxation or visits from officials due to illegal land use. As an example, authorities in Mumbai rented out plots to settlers and allowed them to build chawls for their own families. The settlers subsequently added additional floors for subletting and thereby broke the building restrictions as well as rules regarding rent charge on governmental land (UN-Habitat, 2003b).

4.4.4   Other housing forms

An additional form of housing, common among the poor settlers of slums, is rent-free accommodation. In a majority of cases, households are related to the owner or hold some sort of inherited partial ownership. This is an important type of accommodation, ensuring that elders, youngsters and households with slim financial limitations have somewhere to live. Nevertheless, some people entirely eschew shelter in order to save money, send it home to relatives or use it for other consumption. Street and open dwellers belong to this group (UN-Habitat, 2003b).

5. Case study in context

This chapter provides an overview of the history and present situation of Mumbai and Dharavi. Furthermore it gives an introduction to the legislative framework concerning the matters of urban development and rent in Mumbai. Finally future plans and aspirations are presented.

5.1 Mumbai

The former city of Bombay, today known as Mumbai, is situated on the west coast of India by the Arabian Sea. The city has, with time, expanded to cover the seven city islands of Bombay as well as a large surrounding area (Sharma, 2000). It is the second largest city in the world (Nationalencyklopedin, 2011), covering an area of 466 square kilometers (Jain, 2007) and is home to approximately 13,7 million people (Nationalencyklopedin, 2011). However, the number of inhabitants is difficult to measure, as over 50 percent of inhabitants live in informal settlements and may thus not be covered by the national registration (Erlandsson, 2008).

5.1.1 The history of Mumbai

In the mid 15th century, the Portuguese arrived in India and discovered a harbor with great potential. The harbor, which today constitutes much of the city of Mumbai, was captured by the Portuguese in 1534 (Sharma, 2000). At that time the Koli fishermen were the only inhabitants and Bombay did not gain importance until much later when the marriage between Charles II and Catherine of Braganza took place. The city islands of Bombay were so given to England as a wedding gift from Portugal in 1662. Shortly thereafter, Charles II persuaded The British East India Company to rent the islands for the annual cost of ten pounds of gold. The company acknowledged the potential of Bombay as a commercial centre for global trade, although the small population and thus the lack of workers were considered an obstacle (Erlandsson, 2008).

In order to overcome this obstacle, The British East India Company successfully attracted people from different areas of India, with the promise of free settlement, freedom of religion and unregulated trade. This subsequently led to a rapid population growth and the city center soon became overpopulated causing a city expansion to the north. At this time, the demand for additional land was apparent and the areas between the islands were filled up using filling from hilltops and waste from households and industries. As a result, all the islands became connected to the main peninsula by 1845. The East India Company's objective was however to make financial profit and not to build a society. Therefore, the city structure developed to some large extent chaotic and unplanned (Erlandsson, 2008).

The company ruled Bombay for approximately 200 years until the British Raj came to power in 1858. The Raj had a different approach to urban planning and wished to transform the conurbation into a modern Victorian city, by developing infrastructure and introducing a railway system (Erlandsson, 2008). Subsequently, Bombay was transformed into an important financial and commercial centre, which grew exponentially through the nineteenth century and became eminent on the global cotton market (Sharma, 2000). Upon the opening of the Suez Canal in 1869, combined with improved infrastructure and rising cotton prices, Bombay's future as a global city was secured (Patel, 2010). The city was however still characterized by massive immigration and suffered from an acute shortage in housing. Furthermore, available housing was to a large extent inadequate due to severe negligence. Prime facilities were reserved for the British; whose neighbourhoods were developed whereas the areas inhabited by the natives remained unplanned and poorly serviced (Sharma, 2000).

Upon India's independence in 1947, three million people inhabited Bombay and the population continued to grow at an enormously rapid speed (Erlandsson, 2008). Bombay faced an extensive change in its economy and the need of labourers was apparent. For that reason migration to the city rapidly increased; between 1941 and 1971, two-thirds of the city's inhabitants were immigrants (Patel, 2010). Since becoming independent, the Victorian city began to fade due to the change of government. Land owned by the government or the municipality was reserved for public services and private owners let their land stay vacant in hope of raising real estate prices. Meanwhile, the expansion of industries proceeded, and the increasing number of workers were bundled off to the outskirts of the city, forced to live in informal settlements. These settlements subsequently grew, occupying rather large quantities of private as well as governmental land (Sharma, 2000). Private builders have systematically captured Land in Mumbai over time in order that it may be developed for commercial projects and high end housing (P.K.Das, 2010). Property prices and the concentration of ownership reinforced inequities in housing and created speculation and fictitious scarcity of land (Patel, 2010).

The many changes of power maintained and furthered the lack of accessible land, leading to a situation with more than half of the inhabitants residing in informal settlements. Furthermore, Bombay was officially renamed Mumbai when the Hindu nationalist Shiv Sena party came to power in Maharashtra in 1995. This was to symbolize the transaction from a colonial to an endemic city (Patel, 2010).
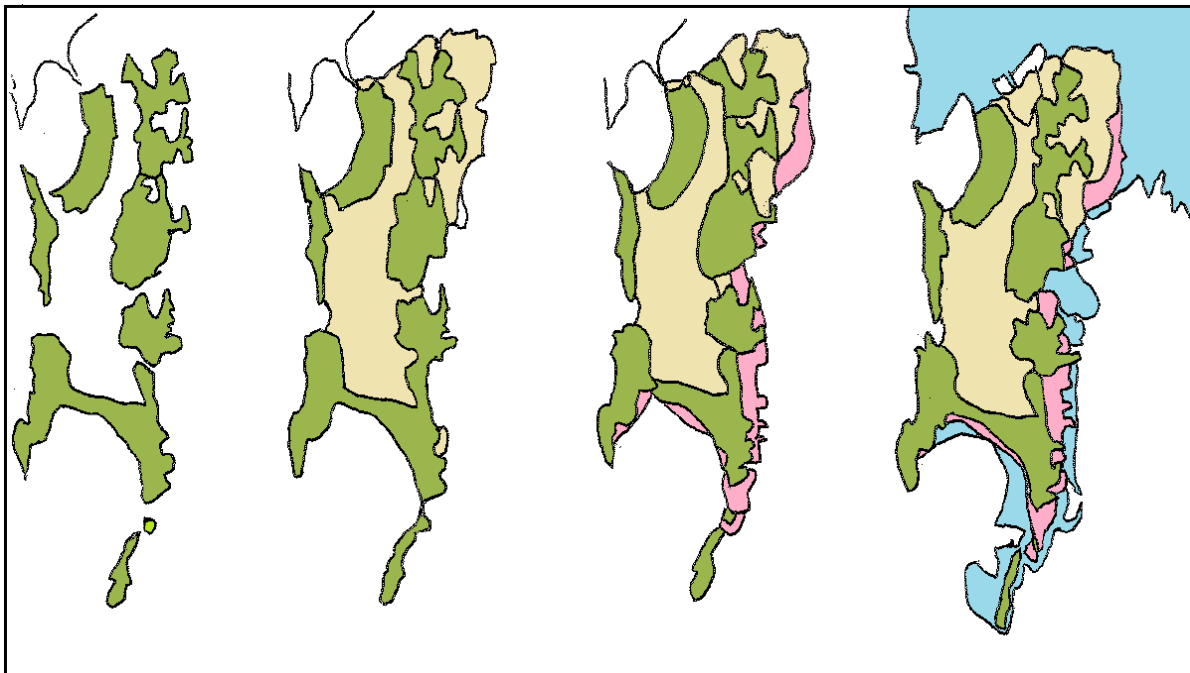
Figure 3. The development of Mumbai (Adapted from Engqvist and Lantz, 2008).

5.1.2   Contemporary Mumbai

As a consequence of the recent financial success in Mumbai, the number of inhabitants continuously increases. Mumbai is the largest city in India, the exact number of inhabitants is however difficult to measure due to the large number of informal settlers. The rapid migration to the city seen in earlier times has now eased and the increase in population is mainly due to internal growth (Erlandsson, 2008). The years of swift migration to the city have resulted in a wide range of origins, ethnicities,

religions and social groups being represented among the population. Furthermore, the whole range of economic positions and income levels are present. Despite this extremely diverse population makeup, Mumbai is now the commercial and financial capital of India and accommodates the headquarters of major domestic and international companies as well as the Bollywood industry. The city has a goal of transforming itself into a "world-class" city, however interspersed with the success are the equally visible inequalities. Simultaneously Mumbai is the poorest and richest metropolitan area in India and thus a city in transition, struggling to convert itself into a modern metropolis (Pacione, 2005).

Today, a majority of the population is forced to live in informal settlements, on pavements or along railway tracks with no legal rights, nor governmental support. Such settlements characterize the city of Mumbai to a large extent and luxurious buildings tower over ramshackle huts. Furthermore, employment is often informal and thus unregulated in terms of working conditions, wage rates, health care and so on. Nevertheless, the informal sector constitutes a fundamental element in the financial achievements of the city and is important for its success (Patel, 2010).

Due to the lack of planning and poor implementation of legislation, the city is facing a number of problems. Mumbai has a complex topology with a large share of coastal wet land (P.K.Das, 2010): a severe lack of sufficient infrastructure and seasonal flooding cause traffic problems and house collapses, which above all affect the less economically fortunate population. Furthermore, water and air pollution and the severe need for waste management are unmistakable environmental issues. Whether Mumbai succeeds in dealing with these issues or not depends not only on the global economy, but how well it deals with contemporary economic, social, juridical and environmental issues (Pacione, 2005).
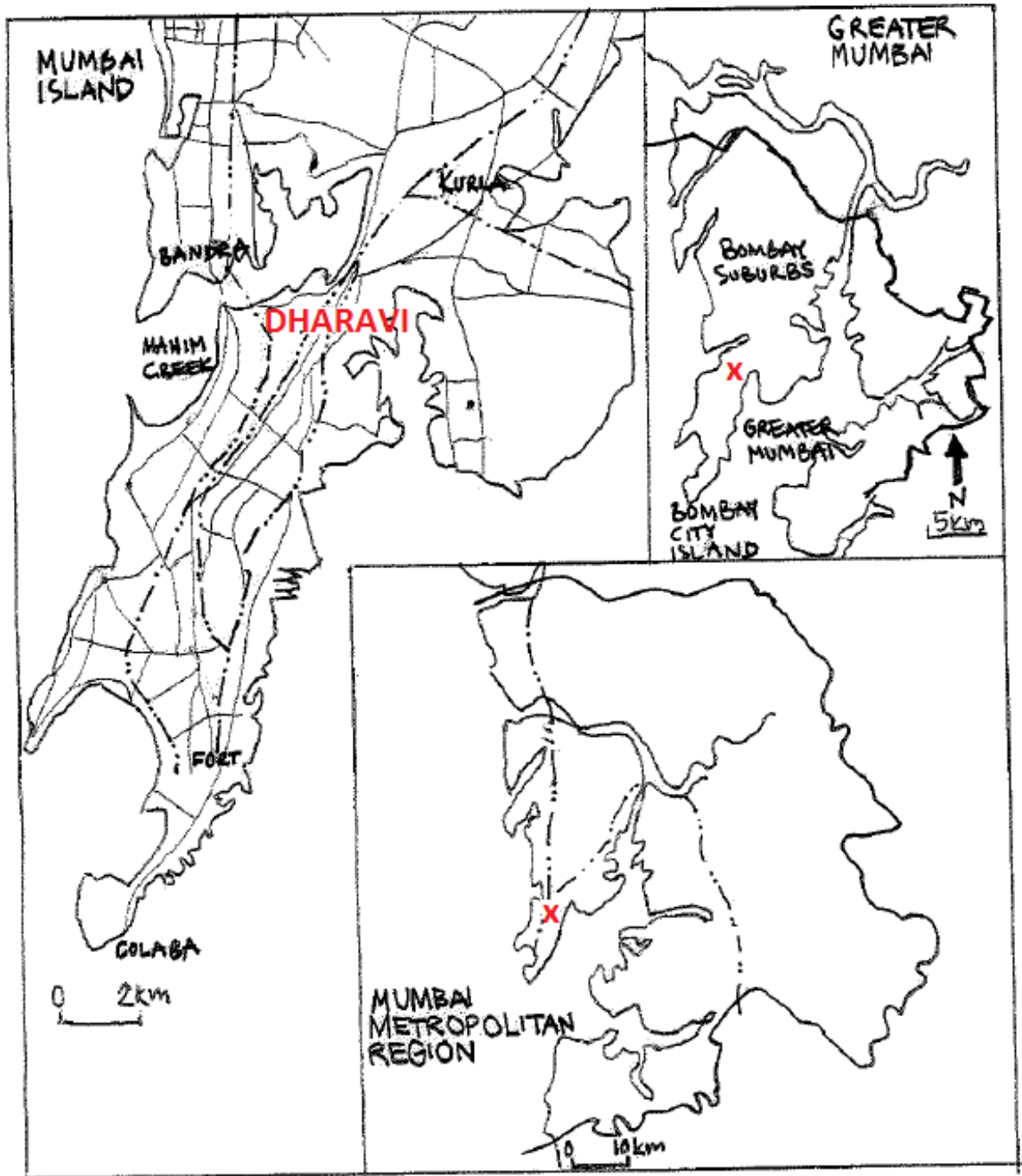
Figure 4. Maps of contemporary Mumbai (Adapted from Pacione, 2005)

5.1.3 Housing in Mumbai

The housing issue that Mumbai is facing today is not a new phenomenon. It is the consequence of many components, such as a history of rapid immigration, colonial rule and decades of inequality along with a lack of proper legislation in this area (Erlandsson, 2008).

The current density rate within the city varies from 27 000 people per square kilometer to more than 300 000. The inequalities are thus substantial and can be further exemplified by the fact that 60 percent of the population shares eight percent of the land area (Korde, 2010 and Erlandsson, 2008). As previously mentioned, a large proportion of the population is either homeless or live in informal

settlements. Due to the challenge of surveying such settlements, the reported number of inhabitants and structures varies widely amongst different surveys. There are around 600 confirmed informal settlements in Mumbai, with a third of these suffering from a complete lack of access to public toilets (Patel, 2010). The majority of such settlements are badly located on steep hillsides, in low-lying areas, on refuse sites, on marshy lands, near cemeteries, under high-tension wires or adjacent railway tracks. These cramped habitats, often constructed from poor materials, are especially vulnerable during monsoons. Residences located on hillsides are in danger of landslides, while others situated on low land collect stagnant water and earth masses (Swaminathan, 2010).

A group of 17 individual landowners and private trusts hold almost 3 400 ha of land, i.e. 15 percent of the total declared. However, this does not include large governmental agencies that also are substantial landholders (Narayanan, 2010). The government own large unused land areas, however the supply of governmentally constructed housing steadily decreased between the 1960s and the 1980s, from 4 000 annually to 1 500. Today the governmental housing construction has in a large part ground to a halt. The deficit has been met by the private sector, which participation has risen from approximately 50 percent to 90 percent during the same period of time. Approximately half of the informal settlements are located on private land; the other fifty percent are equally distributed between municipal corporations and state government land. It is estimated that nearly 8.5 million of the population of Mumbai live in sub-standard or hazardous housing conditions and many suffer from the constant threat of eviction. Roughly one million people live on pavements and two million dwell as tenants in often badly maintained premises. Nevertheless, around 80 percent of the population resides in one room abodes, including slums. Informal settlements are however not homogenous, nor are their residents and there are broad differences in the structures of squats within the city of Mumbai (P.K. DAS, 2010).

5.1.4   Rent and the housing market

Today the city of Mumbai diverges from the otherwise general trend of an 80:20 rental to ownership market ratio in global cities, this is mainly due to the overall unpopularity of renting accommodation. Rent controls, protected tenancies and zoning laws have been prejudicial for the real estate scene in Mumbai since these laws to a large extent are favourable to the tenants or aggravate development (Indianground, 2011). The Planning Commission Report for years 2002-2007 states that the Rent Control Act, further described in 5.3, and the significant lack of rental housing, has been the most important reason for the huge increase in slum dwellers across the city of Mumbai. The report distinguishes the following effects on the housing sector (Mahajan, 2010):

- Negative effect on investment in rental housing
- Withdrawal of accessible housing stock from the rental market
- Deteriorated physical condition of the rental housing stock
- Defaulted municipal property tax revenue due to fixed rent
- Resultant deterioration regarding civil services
- Increasingly many disputes between landlords and tenants

The construction of housing in Mumbai ground almost to a complete halt post 1950, as home owning was not an option for a majority of the population, who were unable to take mortgages, despite their having steady jobs. In addition, the rental laws made it non-profitable to build rental housing. Long-term residents were furthermore preferred and the Rent Control Act protected those already

provided for in Mumbai whilst it denied migrants access to rental housing. The migrants were hence forced to settle in slums were they often paid more for rental housing than the middle and upper class did in posh areas (Mahajan, 2010). It was nearly impossible to get a tenant evicted and no one wanted to surrender cheep tenancies willingly. The act has furthermore not given any incitement for landlords to renovate their properties; therefore they soon became shabby (Indianground, 2011).

5.1.5 Contracts and validity

There are three types of tenant-landlord agreements:

- Lease contract
- Leave and license agreement
- Oral agreements

A lease contract is a tenant to landlord agreement written on governmental stamp paper, with an affidavit and identification proof signed by a magistrate or equal authority. This type of agreement entails a transfer of interest (Valuationindia, 2011).

A license denotes that one person grants to another, or to a definite number of other persons, a right to do, or continue to do, in or upon the immovable property of the grantor, something which would, in the absence of such right be unlawful, and such right do not amount to an easement or an interest in the property. The possession of a license is not a juridical possession but only permission to occupation for a set period of time, normally a maximum period of eleven months. The control or possession of the property remains with the licensor (Valuationindia, 2011).

The license and lease are thus different: a license does not create any interest in the property to which it relates as opposed to the lease which envisages and transfers an interest in the demised property during the period of the lease. According to the Maharashtra Rent Control Act, 1999, any leave and license agreement or letting of premises between landlord and tenant or licensee shall be in written form and registered under the Registration Act, 1908. The responsibility of this is imposed on the landlord. In the absence of a written and registered agreement, contention of the tenant about the terms and conditions on which the premises have been given shall prevail. If lease or license agreements are not registered properly, a landlord can evacuate the tenants of a building anytime he or she wishes. Furthermore, a tenant can actually claim a tenement to be his or her own property if occupation without a legal agreement has continued for more than five years. The main intention of writing and registering leases and licenses are therefore to protect the landlord (Valuationindia, 2011).

Figure 5. Governmental agreement paper purchased in Dharavi.

5.2 Dharavi

Dharavi, often referred to as Asia's largest slum, is an urban district in the centre of Mumbai covering approximately 175 hectares of land. Dharavi is located on the northernmost tip of Parel Island, one of the seven city islands constituting Mumbai, which connects South Mumbai to the northern suburbs (Erlandsson, 2008). The informal settlement accommodates between half a million and one million people, which makes Dharavi an extremely dense environment where there is little to no open space. It can be described as a bustling, busy, chaotic settlement with narrow alleys, overcrowded houses, blurry ownership patterns and undefined boundaries. Dharavi is most commonly considered to be a housing area, there are however a broad range of industries and manufacturing units established in the area (Sharma, 2000).

5.2.1 The history of Dharavi

Dharavi is one of the areas that did not benefit from any planning, but rather the current settlement derives from the history of its dwellers. Dharavi was founded long before Bombay and its first inhabitants were the Kolis who lived on the marshy terrain on the edge of Mahim Creek by the Arabian Sea (Sharma, 2000). Fishing constituted their livelihood, however the Mahim eco system was disturbed at the time when the creeks were filled up and the Kolis lost their traditional source of income. Because the land was unregulated, available and free of cost, other settlers came to Dharavi. The area sat on swamp land which was near impossible to build upon, located unpleasantly far from the city center and of no interest to others. Along with the settlers, additional professions were established. The introduction of tanneries in 1887 killed the remaining fish due to pollution. The old fishing village was consistently ignored by the authorities, considered to lack economical value (Erlandsson, 2008).

As the city of Bombay grew, entire unwanted communities were pushed out by the authorities to live on the edge of the city, thence in Dharavi. Meanwhile, a large number of migrants settled on the land and opened up small industries (Sharma, 2000). Like a few other villages in Bombay, Dharavi offered affordable housing and work for migrants as well as cheap labor that, from an authorial point of

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view, was securely tucked away from the rest of the city (Echanove, Katchuk and Srivastava, 2010). The new migrants and the Kolis developed the land on which they had settled without any support from the government. Subsequently, their families came to settle with them and thus the area grew (Sharma, 2000). Most settlers however affiliated with people of similar language and heritage and as the area grew denser a pattern could be interpreted by religion, language, and similar production methods etcetera. Singular professions also settled together in Nagars, usually referred to as a town, however in the context of Dharavi it is a description for a geographical district where the inhabitants feel they belong (Erlandsson, 2008).

Upon the expansion of Bombay, Dharavi became more and more centrally located and the pressure on land, which has been the key to its current development, increased (Sharma, 2000). Bombay was however still reliant on its manufacturing industry and thus in need of cheap labourers. Migrant workers often ended up in Dharavi, where most buildings were used simultaneously for living and working, as is the case today. An informal liquor brewing industry arose as a result of the Kolis losing their livelihood and Dharavi started to suffer from various issues related to criminal activities. The shadowy activities peaked in the 1980s with Dharavi a centre for brothels, gambling and smuggling. Even though crime was a problem for the inhabitants of Dharavi, the police stayed passive due to the profits of the goods and services provided by Dharavi. Finally, when the crime levels peaked the police faced difficulties stopping the illegal liquor brewing and breaking up the gangs (Erlandsson, 2008). The determinate effort by the police to tackle the criminal gangs brought a change of attitude in the general public towards Dharavi and allowed a debate regarding its future (Sharma, 2000).

5.2.2   Contemporary Dharavi

Physical characteristics

The borders of Dharavi are formed by its surrounding infrastructure, in the north the Mahim-Sion link-road, in the south-west the central railway and in the south the western line. Thus, Dharavi is connected to four railway stations, several bus lines as well as the international and domestic airports (Sharma, 2000).

These infrastructural borders have formed a heart-shaped settlement, spreading over 175 hectares. This area can be described as an agglomeration of more than 85 distinct neighbourhoods, or nagars (Sharma, 2000), which in turn are further subdivided into smaller units. The dividing lines may well be constituted by only a small road or, often only known to the residents of Dharavi and impossible for an outsider to pinpoint. However, the real dividing lines are based on the history of migration patterns, governmental policies regarding the urban poor, village industries translocated to an urban setting and of language, religion and region. Thus the nagars have floating and dynamic contours (Sharma, 2000).
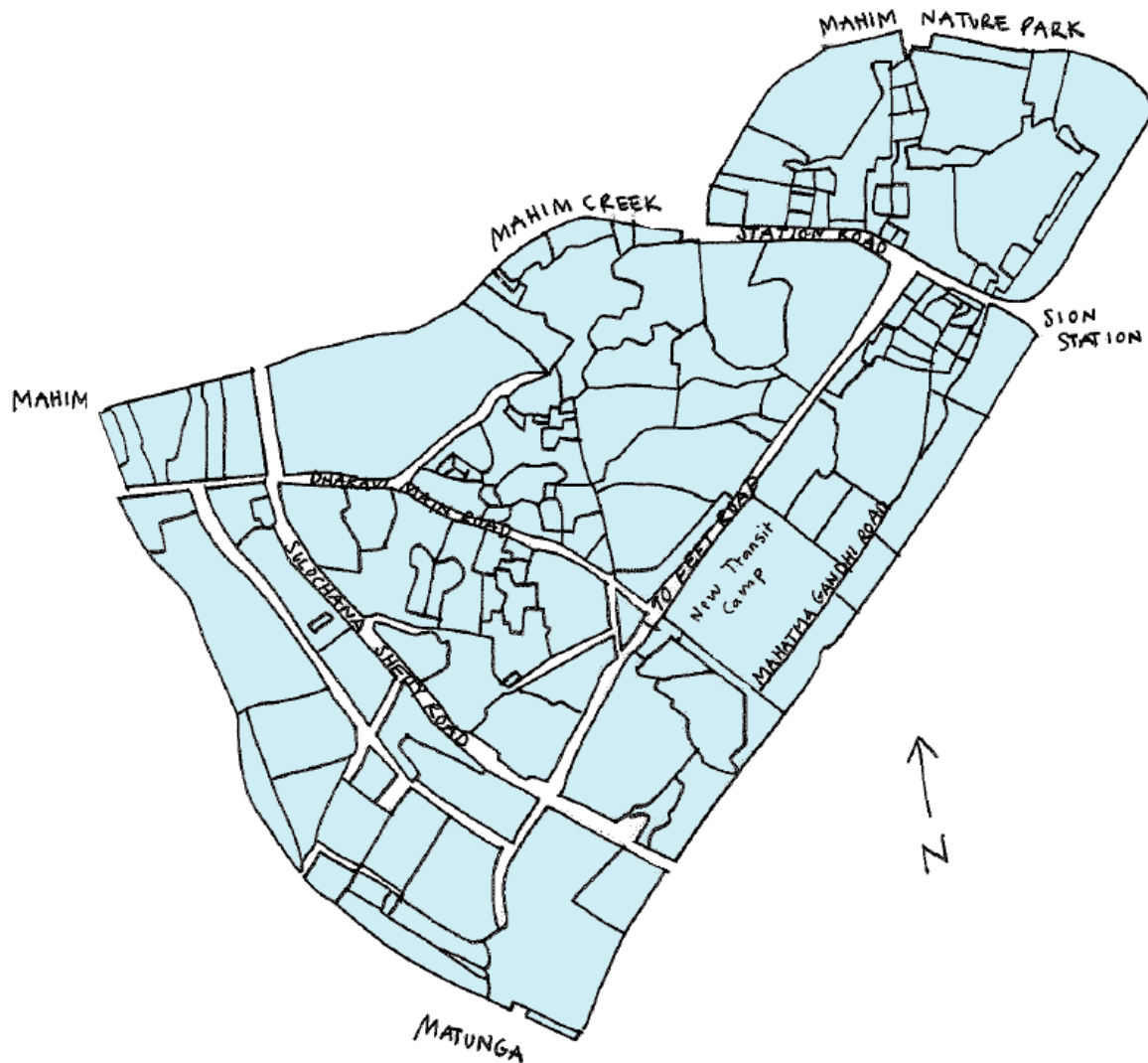
Figure 6. The nagars of Dharavi (Adapted from Documenting informalities, 2008).

Dharavi is a settlement that has grown without any planners involved (Lantz, 2008). It has been mostly created out of need by non-professional, non-legal local persons rather than real estate developers, planners and architects. Thus a variety of forms, structures and styles have been produced in response to actual demands (Echanove and Srivastava, 2010). However, with increasing migration and inner growth, Dharavi has, in course of time, become extremely dense (Lantz, 2008). Densities of up to 336 643 people per square kilometre have been measured (Echanove,Savchuk and Srivastava 2010). Such high density does not allow for sufficient living conditions and there is lack of infrastructure regarding water supplies, electricity, public transport, sanitation, healthcare and other services (Lantz, 2008). Over time, the government has been forced to recognize Dharavi and has therefore provided some water taps, electricity and public toilets. However, Dharavi is on the whole not connected to the city's sewage systems. Some nagars are more established and developed, while others are left without any infrastructural supply and with poor housing provisions (Erlandsson, 2008). The most congested parts of Dharavi are where the problems are the most evident. Poor daylight, a constant risk of fire, problems with vermin as well as air and waterborne diseases – these all contribute to make extremely difficult living conditions. Furthermore, traffic within Dharavi is

extremely limited, with only a few larger roads surrounding the area and some wider streets that cut through it. Generally speaking, the transportation within the area is conducted on foot, by bicycle or carts. Motorcycles, rickshaws, taxis or cars can be used on fractional parts of the street grid (Lantz, 2008).

Open space in Dharavi only accounts for two percent of the total area. These areas are known as multifunctional surfaces where, due to the lack of space, private and public share (Lantz, 2008). Streets and pavements are widely used for commercial activities and serve as meeting places, where social and religious acts take place (Engqvist and Ford, 2008). Regarding ownership, the following parties have been ascertained as owners (SRA, 2010);

- Governmentally owned land
- MCGM, Municipal Corporation of Greater Mumbai
- MHDA, Mumbai Housing and Area Development Board
- Privately owned land

However, not every community within Dharavi recognizes these owners and the issue regarding ownership is much debated. To summarize, this implies that the area is mostly informal, with some formal and some semi-formal parts (Erlandsson, 2008). The most common land use in Dharavi is residential, closely followed by mix-used structures which are houses used simultaneously for residential, commercial and industrial purposes (Engqvist and Erlandsson, 2008).

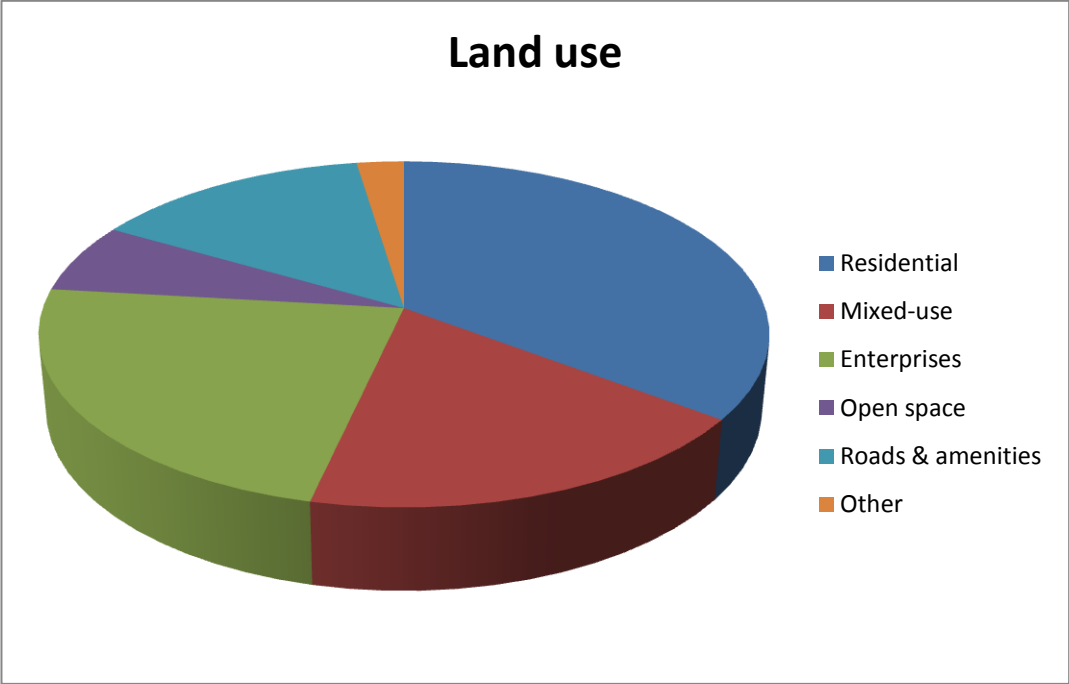*Figure 7. Land use in Dharavi (Engqvist and Lantz, 2008).*

The following forms of concession are present within Dharavi (Property Investment Project, 2007):

- **Freehold land**: The possessor of freehold land is the actual owner of the land. A freehold has no limitation in time and the owner has the right to make moderations to the property within the restrictions of law and planning regulations.

- **Leasehold land**: The possessor of leasehold holds the right to use the property for a set period of time. Leasehold is thus an ownership of a temporary right to land or property. Once the set period of the lease expires, the ownership of the lease expires; the right to the property is given back to the owner.

- **Commonhold property**: Commonhold is a mutual owning of land or property, where the freehold owner is a commonhold association, normally constituting of the people occupying the land or the property.

Demography

The nagars of Dharavi present a feudalistic, hierarchical and ethnically diverse picture (Chodankar, 1994). Wide ranges of regional, linguistic, religious, caste and class identities are represented in Dharavi and virtually all regions of India are represented. The majority of Dharavi's residents are former untouchables, also known as Dalits. However, members of other castes and social groups are also present (Echanove, Katchuk and Srivastava, 2010). The duration of stay in Dharavi varies from newly arrived to up to five generations (Erlandsson, 2008).

Because of a large, unregistered population there is a gap between unofficial and official population figures in Dharavi (Sharma, 2000). The population is officially estimated at around 376 000 people (Engqvist and Lantz, 2008) with unofficial figures setting the figure at almost one million people (Sharma, 2000). However, what is certain is that Dharavi's informal expansion is developing faster than it can be quantified (Engqvist and Lantz, 2008). The main cause of population growth has earlier been due to migration as opposed to natural increase, the major cause of growth today (Arputham, 2010). Furthermore, there are no adequate data available regarding the composition of Dharavi inhabitants.

A wide range in income and solvency is present among the inhabitants. Extremely poor, middleclass professionals as well as nouveaux riche live alongside one another. Regardless, many of these people lack the basic right of citizenship. Pride, identity, class, caste and stigmatization are factors that offer incentive for some people to stay in Dharavi even if they can afford a higher standard of living elsewhere (Erlandsson, 2008).

The number of youth from Dharavi who have been educated is significant (Korde, 2010). However, the number of years one is enrolled in school varies widely. The main reason for default in school attendance is economical obstacles leading to children being forced to work at an early age. This is reflected in the characteristics of the professions held by Dharavi citizens, where most enterprises are in the manufacturing sector (Korde, 2010). Due to the lack of legalized employment agreements, realignments are common. Furthermore, a majority of women are full time housewives or hold a part time job that can be managed from home. The burden of support lies almost exclusively with the men of the family.

Economy

Dharavi is a major economic hub, representing Mumbai's immense informal sector. A distinguishing mark of Dharavi is its numerous productions and the annual value of goods produced has been estimated at 500 million USD. Such economic activities include; recycling industries, leatherwork, heavy metal work, woodwork and manufactured goods like garments, shoes, luggage and jewellery. Goods are distributed all over Mumbai and India as well as across global markets. Existing enterprises provide employment for a substantial number of Dharavi inhabitants as well as for a number of

people living outside of the area (Echanove, Katchuk and Srivastava, 2010). Among residents, 80 % earn their income from internal activities and only 20 % work outside the area (Erlandsson, 2008). A decentralized production process relying on an immense network of small home-based production units is the foundation of Dharavi's productivity (Echanove, Katchuk and Srivastava, 2010).

In Mumbai, the informal sector is growing the most rapidly, causing the formal economy and overall employment to increase in connection with the global economy. Although the production itself is informal, it is conducted openly and hardly anyone is convicted for pursuing informal activities. However, the informal production employs day labourers, women and children, many of who are exposed to unhealthy products and waste in poorly ventilated rooms and work is often heavy and hazardous (Erlandsson, 2008).

5.2.3   Housing in Dharavi

A variety of housing typologies can be found in Dharavi, including a broad range of structures from tents to concrete high-rises. The history of these buildings differs as much as the history of their inhabitants and the quality range from impermanent to permanent materials. These buildings hold residential, commercial, industrial and mixed-use units and the form of tenure varies.

Picture 1. Overlooking Dharavi.

Generally, the following categories can be distinguished:

Chawls

In the context of Dharavi, the term chawl is used as an overall term, sometimes relating to a residential area, sometimes intending a particular house. It is often a row tenement where the term refers to a ground plus two or three floor structure, housing several families. It is usually informally developed, but sometimes produced by the authorities. Regardless of viewpoint, a chawl is a common phenomenon in the area.

Picture 2 and 3. Chawls in Dharavi.

Self helped hutments

Many self built huts originate from squatters arriving in Mumbai and initially living in tent like shacks. These have subsequently, when the financial situation of the inhabitants has allowed for it, been improved. The structures are often made out of impermanent materials that have been collected throughout the city. These components have at times been exchanged for more permanent ones, slowly upgrading the building into a solid structure. It is also quite common to add additional floors.

Picture 4. Self developed hut.

High-rise

A majority of the high-rises that are to be found in Dharavi were constructed in compliance with prior development schemes. These buildings often constitute of co operational building societies where landowners and squatters came to an agreement to hire a private developer to replace existing structures with high-rise buildings.

Picture 5,6 and 7. High-rise accommodation.

Pongal house

Traditionally, a pongal house is a workman´s dwelling housing several workers from one enterprise. A room that provides bunk beds is shared between workers who sleep and work in shifts. The workers often consider this as a temporary tenancy.

5.3 Legislation and prior attempts of redevelopment

5.3.1 Legislation framework

The following land policies and legislation has been of great importance for the city of Mumbai regarding land use, housing and development.

1948   **Rent Control Act**: The act was an attempt by the Government of India to prevent exploitation of tenants by landlords when it comes to rent levels and unfair evictions. The introduction of the act allowed tenants to continue to pay fixed rent according to 1947s level, irrespective of either the growth of Indian economy or inflation (Indianground, 2011).

1970   **Regional Plan for Bombay Metropolitan Region**: The plan was the first complete regional plan of the Mumbai metropolitan region. The objective of the plan was to decrease the concentration of economic activities on Bombay Island through dissemination of industry and other non-financial activities not linked to the port. The plan pictured a focus on financial, managerial and specialized commercial activities in the city centre whereas manufacturing were to be relocated to the mainland (Pacione, 2005).

1971   **Maharashtra Slum Areas Improvement, Clearance and Redevelopment Act**: The act states that any improvement of slum areas or buildings in such areas, are deemed to be of a public purpose. For such purposes, the Government can acquire the land and is also allowed to transfer the so acquired lands by way of lease to co operative housing societies of slum dwellers (MMRDA, 2010).

1976   **Urban Land Ceiling Regulation Act**: The act specifies that persons be not entitled to hold vacant land in excess of the ceiling limit. The ceiling limit of urban agglomerations is defined to include an area with a radius of eight kilometres. The act entitles the State Government to acquire the land in excess of the limit (MMRDA, 2010).

1996 – 2011 **Mumbai Metropolitan Regional Plan:** The current regional plan, covering the city of Mumbai.

1999   **Maharashtra Rent Control Act:** The Act aims to unify a number of current Rent Control Laws in operation within the state of Maharashtra. The act defines standard rent as "the standard rent fixed by the Court plus an increase of 5 %; or the rent at which the premises were first let on or after 1987-10-01." Extraction of rent in excess of the standard rent is illegal and punishable with either a fine of up to Rs. 5000, imprisonment of up to three months or both. The act also states that it is compulsory for the landlord to register a "tenancy agreement" in writing. In case of the absence of a written agreement, arguments regarding terms and conditions presented by the tenant should be reined, unless proved otherwise. It furthermore declares that no

eviction can be filed on the ground of payment delay before 90 days after notice of demand (Indianground, 2011).

5.3.2 Subject of origin and outcome

The government has gradually changed its attitude towards both slum and tenancy as reflected in the above acknowledged policies. Their approach regarding slums has altered from slum removal, to slum improvement, to upgrading and at present redevelopment. Legislation concerning the property market has however not changed to the same extent, but remains for that matter still significant. The subject of origin and outcomes of the policies, which has had the largest impact on the society, will be described further below.

Informal settlements in Mumbai

During the first two decades after independence, the governmental approach towards informal settlements was to clear the hutments and re-house the dwellers in more permanent structures. Even though an amendment was introduced to make the re-housing legally possible, the program was never implemented and demolitions took place (P.K. DAS, 2010). During the 1960s and early 1970s, the government hoped to clear alls slums and so approached the issue with violence, demolishing structures with the help of the armed forces. An example is the destruction of the Janata Colony in north-east Mumbai where 12,000 policemen entered and threw out 70,000 inhabitants overnight. These people were prior pavement dwellers who had been moved out of south Mumbai and had settled and established a community with schools, temples, churches and mosques for themselves. Upon the ejection, people were forced to settle in a swampy area four kilometers away. However, the incident led to electoral reversals, which consequently initiated changes in the policies (Sharma, 2000).

In the meantime, as a result of the industrial expansion and the rising job opportunities, the city started to attract workers from rural areas at a rapid speed and the slums spawned at a rate exceeding the capacity of the slum clearance attempts. In addition, the slum dwellers started to organize themselves and demonstrate against their poor conditions. This forced a modification of the governmental policy of slum clearings towards improvement and subsequently, the Slum Improvement Program was introduced in 1970 (P.K. DAS, 2010). Furthermore, the Maharashtra Slum Areas Improvement, Clearance and Redevelopment Act which was passed in 1971, enabled the government to improve existing slums by establishing basic services such as water, drains, toilets and street lights. Two years later, the Maharashtra Slum Improvement Board was established with the main purpose of implementing that law. The law did however not guarantee the squatters any land rights and if the slum was declared unfit for habitation, the government could demolish it. Moreover, the law did only apply to slums located on municipal or governmental land, which at the time only concerned less than half the population living in informal settlements (Sharma, 2000). In conclusion, the outcome of the act was a failure due to the small number of successfully implemented projects (Narayanan, 2010).

In order to gain a more accurate knowledge regarding the number of slum dwellers, the government conducted a slum census in 1976 that entitled slum dwellers that could prove that they had been living in the same place before 1975, a photo pass. The qualified slums would hereby receive certain facilities like metered electrical connections and communal standposts for toilets and water, but yet again there were no guarantees against demolition. The same year as the census was introduced; the Urban Land Ceiling Regulation Act, ULCRA, was passed with the objective of taking excess privately

owned land and use it for public benefits (Sharma, 2000). In order to do so, a ceiling was placed on ownership and possession of vacant land within cities. The excess land was to be acquired by the government. As a result, 1360 hectares of land were recognized in Mumbai, of which only 213 hectares were obtained by the government. Acquisition of land under the ULCRA was difficult due to the absurdly low rate of compensation offered under the act. However, the state government could have increased the level of compensation to match that offered under other land use laws (P.K. DAS, 2010). The state was thus to a large extent failing in its attempts to acquire and develop ULCRA land in Mumbai (Narayanan, 2010). Later, instead of implementing the ULCRA more rigorously, the national government decided to repeal it in 1999, on the grounds that the repeal would depress inflated property prices upon the release of large tracts of land (P.K.DAS, 2010). However, the state government of Maharashtra decided to replace the act with a law of their own, based on the previous act. The unofficial story is that the local government wants to ascertain that the legislation survives in some form in order to retain the opportunity of taking excess land (Narayanan, 2010).

Nevertheless, in spite of the introduction of what seemed to be more human policies regarding slum dwellers in the 70s, another demolition took place in 1981. The settlers were then forced into busses and translocated outside the city limits. Although, this action raised anger among the citizens of Bombay and a law suit was filed with the consequence of a Supreme Court Judgment. The sentence stated that if one could prove settling in Bombay before 1976, the state had to offer them alternative housing in case of demolition (Sharma, 2000). After the failure of the Slum Improvement Program, the government launched a slum-upgrading scheme in 1985, which comprised of two components. The first one was a permission to improve existing structures and build a loft and to further improve basic services such as paving lanes and providing drains. The second was a scheme by the World Bank that developed vacant land and permitted some settlers to build their own houses (Sharma, 2000). However, the success was limited and only 22,000 households were covered in a period of eight years (P.K. DAS, 2010).

The settlement of Dharavi
When the Prime Minister, Rajiv Gandhi, visited Dharavi in 1985 funds were offered for the first time to make the district more livable. Some of the sanctioned money went to the Prime Minister´s Grant Project (PMGP), which attempted to develop fractions of Dharavi. By the time PMGP was launched, parts of Dharavi had already been somewhat improved by the efforts of the Slum Improvement Scheme and the Slum Upgradation Scheme. These improvements were however only applicable to settlements on municipal or governmental land (Sharma, 2000).

The PMGP was the first scheme to consider redevelopment, and thus a chance for people to continue working and living in the same place. Architect Chatterjee was initially commissioned to provide a report on how Dharavi could be redeveloped. There was little to no familiarity with the population numbers of Dharavi, bringing about the commission of an aerial survey: the data was however not very adequate due to the narrow lanes and dense structure of the neighborhood. The report nevertheless recognized that the structures in which people were living were unsatisfactory and that they had not been improved in a long time; this was partly explained by the lack of legal title to the land. The report further stated that people actually were genuinely interested in improving their housing and that they devoted themselves to cost-effective activities that the rest of the city benefited from (Sharma, 2000).

The PMGP allotted Rs 370 million to Dharavi of which Rs 170 million was used for infrastructure improvements such as widening roads and establishing sewerage systems. Another Rs 20 million was used to clean the heavily polluted Mithi river and the last Rs 180 million was allotted for slum redevelopment. The Rajendra Prasad Nagar was selected to be developed and the architect, Chatterjee, initiated a discussion with the inhabitants, reporting a will among the people to move into mainstream formal houses. The government was however not keen of the idea of slum redevelopment. After a resolution, drafted by Chatterjee, was presented the government came to an agreement that the beneficiaries would need to pay a fixed initial contribution. The proposed amount was higher for commercial tenants than for housing tenants. The scheme seemed to make sense on paper, but structural investments made by the inhabitants were not taken into consideration by the government. Many people were in debt for lending money for such improvements and also feared the additional maintenance costs associated with high-rises. The PMGP led to a panic selling of these huts, as people wanted to make money to pay their debts. Finally, the settlers ended up selling their huts and thus moving to another slum, a consequence the state had not taken into consideration (Sharma, 2000).

The National Slum Dwellers´ Federation (NSDF) and the Society for Promotion of Area Resource Centers (SPARC) acknowledged a lack of knowledge regarding the neighborhood and its inhabitants. Therefore, they conducted a survey, with the purpose of counting the amount of people that actually resided in the area. This was made through inhabitant cooperation and people from different settlements were trained in how to gather such information. It was found that the 175 ha area constituted of 106 ha municipal corporation land, 43 ha of the land was privately owned and the rest was owned by the state or central government. Furthermore, 86 000 structures, housing 106 000 families with an average of 6,2 individuals were distinguished. Meanwhile, the government conducted their own survey which radically differed from the one made by NSDF and SPARC. In November 1987 they ordered 5 000 governmental representatives to go into Dharavi. The governmental survey counted only 55 000 households, a number that they continued to refer to and make calculations from (Sharma, 2000).

The PMPG ended by focusing the majority of its efforts on peripheral areas of Dharavi, those areas lnear the city sewage lanes, which were not as disorganized and dense as the central parts. It was also during this period of time that Dharavi's location became increasingly prime as the city grew and surrounding areas were developed into commercial districts (Sharma, 2000).

A couple of years later, in 1996, architect Chatterjee was heading the Slum Redevelopment Authority (SRA) and was requested to implement a more aspirational Slum Redevelopment Scheme (SRS) under the coalition government of the Bharatiya Janata and the Shiv Sena party. These parties had promised free housing to 400 000 slum dwellers in their election manifestos with the argument that the slum dwellers already had spent a significant amount to develop the land where they were settled. The parties requested a joint public-private partnership and invited private construction companies and NGO:s to join the project. If a private contractor could get the approval of at least 70 percent of the inhabitants of any slum, these dwellers could be temporarily moved to transfer camps provided by the government and high rises could be built. The dwellers would each get a 21 square meter apartment supplied with a bathroom. The builder would in turn get to sell the excess apartments on the open market (Sharma, 2000).

The SRS however failed to take off: from the time the scheme was initiated until the time that it was supposed to be implemented, land prices had fallen rapidly in Mumbai which made the project less profitable for private companies. Both the developers and the state assumed that the inhabitants of Dharavi would ultimately be extremely pleased with the possibilities offered by SRS, an assumption that turned out to be inaccurate. A large number of dwellers had built lofts in their houses and the limited ceiling height prevented them from doing so in the new settlement. The project had a component for recognized commercial activities which however excluded the majority of the businesses, in turn making the offer less profitable for people engaged in these unrecognized activities (Sharma, 2000).

5.4 Future aspirations and development

5.4.1 Future Mumbai

It is an emerging new trend for small citizen groups, belonging to the higher middle and upper class, to intervene in the planning of Mumbai´s future. These groups have filed public interest litigations in the name of "common citizenry" and in many cases the courts have suggested that because they work in the public interest and form public opinion, they should be upheld. This legitimacy has made these citizen groups more powerful (P.K.DAS, 2010).

A lively debate regarding how to "make the city over" arose in Mumbai in 2004 when a group of elite citizens formed an NGO, referred to as Bombay First, and hired the international consultancy firm McKinsey to deliver a report on how to convert the city of Mumbai into a "world class city" (Rau, 2006). There had not been any attempt to take an overall view of Mumbai´s future development in decades and "Vision Mumbai" inspired the State Government into a detemination that they would successfully turn Mumbai into another Shanghai (Patel, 2006).

The McKinsey report aims to show how Mumbai can develop into a world-class city in 10-15 years. It states that Mumbai needs to make a change in mind-set as well as a quantum of changes on two key fronts: economic growth and quality of life. The report affirms that, due to Mumbai´s current critical juncture, the following eight initiatives must be implemented immediately or the city is in severe danger of collapsing completely (McKinsey, 2006).

I. Boost economic growth to 8-10 per cent per annum by focusing on high and low end services´ and by developing hinterland-based manufacturing and making Mumbai a consumption centre.

II. Improve and expand private and mass transport infrastructure, including linkages to the hinterland.

III. Dramatically increase low-income housing availability (1.1million low-income houses) and affordability and drive up gradation of housing stock.

IV. Upgrade safety, air pollution control, water, sanitation, education and health care.

V. Create a dedicated "Mumbai infrastructure Fund" with an annual funding of Rs. 15000 million and attract debt and private financing.

VI. Make governance more effective, efficient responsive by corporatizing key departments and streamlining important processes such as building approvals.

VII. Generate momentum through more than 20 quick wins to show visible on-the-ground impact during the next 1-2 years.

VIII.   Enable implementations through committed public-private resources, led by the Chief Minister and make key government organizations accountable for results.

The McKinsey report states that, for Mumbai to become a world-class city, it must make certain that housing becomes more affordable, land is developed in an integrated way, and the rental housing market is revived, the revival of which would need to encompass an upgrading of the housing stock. In detail, the percentage of rental housing to total housing should be 30-40, housing prices should be less than 3-4 times the annual household income and the percentage of the population living in slums must decrease to 10-20 percent from its current 60 percent. Since the monthly income per household for the least fortunate 30 percent of Mumbai´s inhabitants is Rs. 6 000 or less, affordable housing means purchasing houses at a maximum of Rs. 15 000 or to spend no more than Rs. 750-1 500 on rental housing per month. The report also states that the current SRA-scheme will create a supply of less than 150 000 units over a period of 10 years, which leaves a shortfall of 950 000 low-income units. Furthermore this will consequently result in a further increase in slums.

5.4.2   Dharavi Redevelopment Plan

The Dharavi redevelopment project is part of an overall development programme launched by the MMRDA, Mumbai Metropolitan Region Development Authority. The aim of the project is to convert the city into a world-class city and a top business destination, thereby realising the "Vision Mumbai" goal through efforts regarding infrastructure, transport and civic infrastructure. The Dharavi redevelopment project is a Rs. 150 000 million project, which promises to transform Dharavi into a 6, 5 million square feet built up space (Birkinshaw, 2009). The aim is to replace existing ramshackle homes and shops with a new town, complete with apartment buildings, parks, schools, markets, clinics, industrial parks and socio-cultural centres. The project expects to integrate proposed physical and social infrastructure with the surrounding infrastructure of the city (Mahajan, 2009). The project was initially scheduled to take seven years to complete (Bose, 2008). However, many problems have been encountered and the project has thus been delayed, much of which delay is due to opposition from the Dharavi community (Metha, 2009).

The proposed project, submitted by architect Mr. Mukesh Mehta, was approved by the Government of Maharashtra in 2004 and shall, after suitable modifications be implemented through the SRA, Slum Rehabilitation Authority of Mumbai (Hammond, 2008). The scheme divides Dharavi into different sectors, each of which has been open to bidding from various developers (Birkinshaw, 2009). The project is thus financed and accomplished through a PPP [private-public partnership]. Existing accommodations and establishments are to be rehabilitated while creating additional residential and commercial space for sale in the open market (Mahajan, 2009).
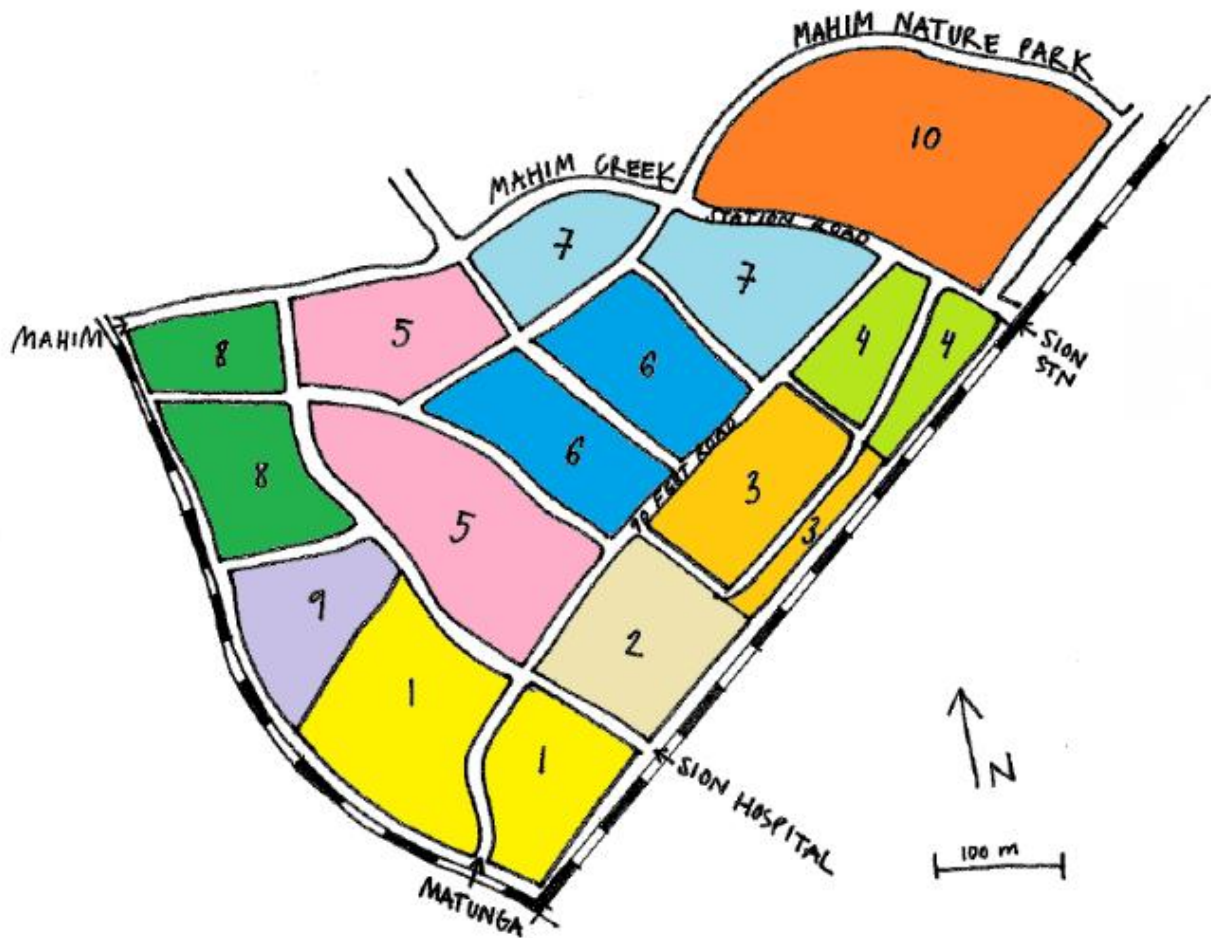
Figure 8. The sector division of Dharavi (Adapted from SRA, 2011).

5.4.3   SRA policy

The following prerequisites regarding the redevelopment plan are given on the official SRA webpage (SRA, 2011):

The following prerequisites regarding the redevelopment plan are given on the official SRA webpage (SRA, 2011):

1. **Introduction:** The Government of Maharashtra has accepted a proposal for the redevelopment of Dharavi which, after suitable modifications, will be implemented through the Slum Rehabilitation Authority (SRA).

2. **Development plan and eligibility**: The eligible slum dwellers whose names appear on the voters list as of 01 01 1995 and who are the actual occupant of a hut, will benefit from the scheme and will be entitled to rehab tenement. Eligibility will be decided on the basis of

ownership of land covered by hutments. If slum dwellers are not registered on the voters list, they can appeal to the SRA and eligibility will be decided based on evidence produced by the dwellers. Each family will be allotted a self contained apartment of 25 square meters with an attached toilet and bathroom free of cost. Only one apartment will be given in exchange for a hut, regardless of the number of families living there. The residents have to pay maintenance and municipal taxes per month in accordance with the existing slum rehabilitation scheme.

3. **Transit Tenements:** During the implementation of the project, Dharavi residents will be provided with transit tenements in close proximity of Dharavi or within Dharavi itself. The developer will bear the cost on account of rent of the transit tenements but the cost of expenditure of consumables will defray upon the slum dwellers.

4. **Sustainable Development**: The development plan for Dharavi has many amenities in it; wider roads, electricity, ample water supply, playgrounds, schools, colleges, medical centres and socio-cultural centres. For proper implementation, Dharavi has been divided into ten sectors, which will be developed by different developers. The total duration of this project is expected to be of five to seven years and rehabilitation buildings will constitute of seven stories. However, the developer can construct rehab buildings of more than seven floors in consultation will the concerned CO-OP housing society. The society will be formed after the commencement certificate is issued.

5. **Procedure:** After considering the redevelopment plan, a detailed plane table survey has been carried out to establish the ground realities. Consent of the slum dwellers to join this project has been obtained. After obtaining suggestions and objectives from the public for the revised development plan, the same will be finalized by the Government. For each sector, a detailed sector plan will be prepared by the selected developer in consultation with the SRA. This will be exhibited to the public for suggestions and objectives and then finalized after due amendments.

6. **Appointment of the developer**: Global tenders will be invited from developers in this project. A committee headed by the Chief Secretary of Government of Maharashtra will evaluate the developer both in technical skill, and financially. The eligible developer is required to explain the development strategy of a sector and obtain objectives and suggestions from the residents before starting the development process. An NGO or CO-OP housing society that qualifies according to the technical and financial criteria of the tenders can bid for development of a sector.

7. **Development of local industrial units:** Taking into consideration the various industrial units in Dharavi, it is being proposed that, non-polluting industrial businesses will be retained in Dharavi itself. All the established businesses and manufacturing units will be encouraged to remain and provided with modern, technical space and economic strategies for sustainable development. The Government intends to legalize the industrial units conforming to the Government norms and the Development Control Regulations. Businesses falling under this

category will be protected, provided that they obtain legal documents or necessary licenses for running the business.

5.4.4 Modifications and changes of the original plan

The proposed redevelopment of Dharavi have been widely debated and criticized by locals as well as internationally. Due to the strong opposition from residents, other Dharavi communities, NGO: s and international organizations, the SRA have been forced to modify the original plan. These parties accept the need for redevelopment of Dharavi; however, they oppose the way in which it is carried out. Generally, this criticism concerns the lack of sufficient information on the area such as population, inhabitant involvement, eligibility to re-housing, stakes and incentives involved, the distribution of land and the possibility of disturbing livelihoods (Patel, 2007).

The original proposal implied that Dharavi would be divided into five different sectors, which have since been increased to ten, with the hope to divide land and thus community opposition into smaller and more manageable units. 19 bidders have been shortlisted by the government and a cadastral, socioeconomic and biometric survey has been conducted by the independent NGO, Mashal , in 2009 (Mehta, 2009).

The Mashal survey

The independent NGO, Mashal, was appointed to undertake a GIS based biometric and socio-economic baseline survey of all slum dwellers and established owners of Dharavi. The assignment was awarded on a competitive basis and a survey team of 100 people worked for over a year, documenting approximately 50 000 families and establishments. Each planning sector was divided into clusters, where Mashal conducted the following surveys (Mahajan, 2009):

- Cadastral survey
- Socio-economic survey
- Biometric survey
- Photo-verification
- Collection of photocopies of documents regarding proof of residence
- Preparation of individual files
- Data entry, GIS integration and analysis.

However, the survey could not be completed in all clusters due to the opposition of residents; for example neither Koliwada nor Kumbharwada residents co-operated with Mashal to undertake the study (Mahajan, 2009). The survey has partly been performed to meet criticism regarding lack of sufficient information on Dharavi. However, it has been carried out after the actual estimations on number of inhabitants that are the basis of the proposed number of rehabilitation apartments and is therefore much criticized (Patel, 2007). The survey has been further criticized for not having surveyed the actual number of inhabitants, only covering ground floors and the owners of a hut, not the actual number of tenants inhabiting it (Korde, 2010).

Eligibility and space offered

According to the original plan, residents included in the voters list from January 1995 who are the actual occupant of their home, were eligible for a 21 square meter apartment with a ten year tax abatement. Since then, the Dharavi community has negotiated an increment of the apartment size to 25 square meters and to include families that have been in Dharavi prior to January 2000 (Mehta,

2009): these amended conditions have been accepted by the developer. An estimated 25 percent of the slum dwellers are found to be eligible by strict criterions from the SRA (Mahajan, 2009). However there remain a significant number of residents without sufficient proof of occupation and, or length of tenancy – these residents have no place in the redevelopment plan. (Patel, 2007).

Furthermore, the plan has been criticized for not supplying sufficient space and facilities for the industrial establishments located in Dharavi. The possibilities to continue these activities, of which some are considered hazardous, are dependent on the localities provided. This matter is closely interconnected with the possibility for inhabitants to retain their livelihood and the unions have been engaged in the matter. However, the unions demand working space, not accommodation for the workers (Korde, 2010).

Inhabitant involvement
The matter of community participation in the Dharavi redevelopment is much discussed. Will a redevelopment be imposed on the inhabitants or will it be done in partnership with the many people and enterprises active in the area? What will be the basis for redevelopment: needs of the resident homes and businesses or financial matters? Dharavi residents and local organizations have asked to be fully involved in the design and implementation of the project. With their own settlements at risk, they want to be engaged in the decision-making process. They are furthermore demanding to be consulted regarding how development shall be pursued and to where non eligible habitants will be moved. Such participation and cooperation is by many considered as necessary for the success of the project (Patel, 2007).

Distribution of land, stakes and incentives
There is an apparent distrust toward both the developers and the government. Dharavi inhabitants will, due to the redevelopment, be relocated to an area less than half that which they currently occupy; the rest is to be developed for the open market (Mehta, 2009). Due to the prime location of Dharavi, many developers will be seeking to minimize space allocated to the present residents and their enterprises and to maximize the space that can be commercially developed and sold for profit (Patel, 2007). This is expected to make the whole area too dense and to destroy livelihoods (Mehta, 2009). Furthermore, the replacement of inhabitants has not made allowances for the current structures within Dharavi, where the different nagars constitutes of social, religious, cultural and professional divisions (Korde, 2010).

5.4.5 The project today

The Dharavi redevelopment has already faced immense delays and it is unlikely that it will proceed as planned. The planed procedure of the projects currently looks less than certain, with constant media reports of further delays, bids being withdrawn at the last minute, and an ever-active opposition movement. According to an article published in the Mumbai Mirror on Jan 4th 2011, the project has now gone back to the drawing board. A restructuring of the whole project, increasing the role of the authorities, is up for discussion. This has met diverse reactions among the developers.

6. Case study

This chapter presents the results of the inquiries made with inhabitants of Dharavi and field experts. It provides a general view of the housing market followed by a selection of in-depth interviews, presented in order to bring about the interviewees experiences and to exemplify the findings.

6.1 Housing market

6.1.1   General information

It has previously been established that the property market of Dhararvi provides a wide range of building typologies and facilities offered within these buildings. This has become apparent during the interviews, which in turn aim to represent the full scale. The buildings visited, Chawls, self-built huts and CO-OP housing societies, hold up to seven stories each. The first two categories are used for accommodation as well as for commercial purposes, whereas the space in CO-OP buildings is purely used for residential purposes.

The floor areas of the spaces visited varies from six to thirty square meters, which give an estimated living space of less than one to nine square meters per inhabitant. The major part of the units explored are distributed over one floor, however two storey houses and sleeping lofts exists. Due to the lack of space available, it is allocated on one room per floor. This space is utilized for multi-use living, sleeping and working and only two apartments, situated in CO-OP buildings have separate kitchens and proper bathrooms. Of the remaining accommodation visited, a few have a sink or a floor drain, which, at times, can be used for personal needs. Public toilets or surrounding areas serve the remaining part. Furthermore CO-OP buildings are served by elevators. Electricity, statutory purchased or illegally hijacked from electric mains, is available in all of the explored buildings. Water is accessible in approximately one third of the buildings visited and public water pumps located at varying distance serve the remaining buildings. A few of the buildings have access to additional space, in the form of a backyard or occupied pavement in front of the house. This space is used either to keep cattle, or serves as workspace for the business practiced by the users of the house.

A majority of the houses have been decorated, often with religious artefacts, and walls have been painted. Space used for commercial purposes has been furnished according to the needs of the business. However, most decorations are of a functional nature and very few unusable gadgets are available.

6.1.2   Social data of the households

Most of the households explored are rather large with several generations or a group of workers living together and sharing space. Two to eleven people of one to three generations and groups of four to eight workers have been encountered. The migration for work to Dharavi has proceeded for a long period of time and a portion of the interviewees are themselves migrants, whereas others are the descendents of previous migrants. The inhabitants of Dharavi originate from all over India, thus the population of today constitutes of a wide range of ethnicities, religions and cultures. In most cases, migrants have come to Dharavi from the countryside of India rather than from other parts of Mumbai. Among the interviewees the states of Uttar Pradesh, Chennai and Maharashtra as well as religions such as Christianity, Buddhism, Hinduism and Islam are represented.

The profession of a person is often inherited and closely linked to what origin, religion and social group that particular individual belongs to. However, among the interviewees, workers in the

businesses of recycling, garment making, baking, post delivery and manufacturing industry are represented: all professions that usually do not require an academic background. In most of the households, the women are full-time housewives while the men are responsible for generating an income. Children generally go to school, but some of the boys are working full time or parallel to their studies.

6.1.3 History and acquisition of housing

The acquisition process and history of housing among the interviewees varies greatly. However, acquisition of space, either plots or already constructed buildings, can be made in three different ways:

- By realtor
- By mouth
- By squatting

Among a few of the interviewees a realtor has been hired, although this entails an additional cost of the realtor's commission. By far the most common acquisition is word of mouth, i.e. by asking around in one's circle of friends and among their contacts. To squat is nowadays hard due to Dharavi being so densely developed and thus the lack of available space. Squatting is, however, the reason for Dharavi's growth and how most buildings within the area have been established. Furthermore, most inhabitants of the CO-OP buildings have gotten their apartments in exchange for their prior accommodation, a self-developed house previously situated at the location of today's high rise. The length of the acquisition process varies from a few days to a couple of weeks, according to type of acquisition and supply available.

The lack of available housing in Dharavi is apparent, thus most interviewees have only been offered for consideration the accommodation that they later settled in. A small number has considered another object and did chose between the two according to facilities and location. The interviewees have lived in Dharavi for a ranging period of time; some have recently migrated in for work, while others were born in, and have spent their whole life in, Dharavi; the oldest interviewee for 73 years. Similarly, some households have upheld the same location for their entire stay in Dharavi, sometimes even for generations, while others have a history of up to seven different habitats within the area. A longer domiciliation often applies to homeowners, whereas the shorter ones apply to tenants and vacation of the home is due to ending rental agreements or having saved up money to buy a house. Changing location within Dharavi has in some cases been due to the need of finding cheaper accommodation, that is to say downgrading, but in most cases it is a matter of upgrading in terms of facilities, space or location.

6.1.4 Economical data and incentives for subletting

Through the interviews, it has been apparent that housing related expenses are closely linked to the supply and demand of housing. Given the developmental rate of Dharavi, the economic structure has rapidly changed over time. Initially, when land was not a scarce commodity, housing production was initiated and performed by anyone in need of shelter and the costs were exclusively restricted to construction materials. As new inhabitants took up residence in the area the population become more dense, with shortages in available land gradually arising and thus a lack of housing. Consequently internal growth was met by additional floors being added on top of existing buildings to house several generations. Meanwhile, an informal housing market developed, mainly to provide

those without relatives with the possibility to acquire a house in Dharavi and to accommodate overcrowded families. However, the buildings are to a large extent being passed on within the family, and for others desiring to live in the area renting or purchasing is optional and mainly depending on income and credibility. However, a large share of the inhabitants cannot afford to purchase a house and renting is therefore their only option.

House prices in Dharavi
By the time the housing market started to develop, it was not very costly to buy a house in Dharavi. It is quite difficult to generalize when it comes to price levels since the market is based on individual negotiation rather than uncut market prices and previous documentation is non-existent. However, among the families interviewed, the cheapest purchase was made for RS. 75 in the 1950s and the most expensive one was purchased in 1995 for Rs. 450 000. The average price paid during the last ten years was Rs. 300 000. The varied cost of purchase could, besides the time factor, be explained by differences in preferences and wished-for value factors. Generalizations that can be made regarding value factors are; existence of facilities such as running water, electricity and toilet facilities, which lead to an increase in value. Size appears to be of less importance than the afore mentioned factors, as long as there is room for an entire family. Furthermore, none of the interviewees reported having excess space, a larger house usually accommodates a large family. Thus, the floor area per person does not differ greatly. Regarding location, the main priority is for the house to be located in the right social nagar. For residencies the micro location does not seem to matter as much as in the case of commercial activities, where client access often equates as location along the main roads. The cluster effect, that several similar establishments of an area generate, is of great importance for those businesses. Furthermore, location does not seem as important as in the formal economy as long as social requirements are fulfilled.

When asked about increase in value and thus an estimated contemporary value, all interviewees reported a large increase equal to at least a doubling in only a couple of years. Most homeowners explained this expectation value with the proposed redevelopment plan. Due to the lack of existing data on selling, these numbers are to be seen as qualified guesses. Finally, the limited supply of available housing in Dharavi is a determining characteristic of the market: finding any house is hard and the possible options are often limited.

The rental market
For the majority of the tenants in Dharavi, purchasing a house is far too expensive and renting is therefore the only affordable option of providing the family with shelter. By the same token, for many people the extra income that comes with subletting is in some cases necessary for survival and in others to be able to send their children to school. Landlords reported themselves to be dependent on the extra income and thus not able to live off their salary exclusively. In some cases, it was the access to deposit money, a larger amount rendered as a lump payment, needed to solve acute monetary issues that initiated the subletting, for others, the monthly payment was needed to manage running costs. In terms of the tenants, all besides one reported renting to be the only option. The exception was saving up money and says that he will be able to afford to buy a house within the foreseeable future. This tenant is marked as differing from his fellow renters by his young age and his lack of children.

Among the tenants interviewed, the options appeared to be either to rent from someone that sublets professionally or from a single family land lord subletting a part of their house. The system is

based on a deposit that is rendered upon move-in and a monthly payment. Both amounts are determined by negotiation between the landlord and the tenant. There are no restrictions but rather the negotiation is individual and it is up to both parties to come to terms with all conditions regarding the payment. Nevertheless, a high deposit sum usually means a lower monthly payment and vice versa.

It appears that there exist great variances when it comes to payment. When renting the upper floor from a single family landlord, there is usually a relationship between landlord and tenant and thus the rent appears to be cheaper than in the case of an unknown landlord. The lowest specified rent among the tenants renting from a single family landlord subletting a part of their house was Rs. 1 200 with a deposit of Rs. 10 000. The highest specified rent was Rs. 3 000 monthly with a deposit of Rs. 40 000. The variety in rent levels appeared to be larger among the tenants that were lacking family or friend relationships with their landlord. The lowest specified rent among that group of tenants was Rs. 0 with a deposit of Rs. 300 000. The highest rent level was Rs. 5 000 monthly with a deposit of Rs. 50 000. The following average amounts were found among the tenants:

Single family landlord/same building: 2 400 Rs/month   91 000 Rs/deposit

Single family landlord/other building: 1 700 Rs/month   18 000 Rs/deposit

In terms of changes in rent levels, tenants have experienced a large increase in recent years. To exemplify; one family´s rent had arisen from Rs. 1 000 in year 2000 to the present situation of Rs. 3 000 monthly. Another family´s rent had increased from Rs. 800 in year 1995 to today´s Rs. 5 000.

6.1.5   Juridical data
There are some differences in property rights depending on who the legal owner, of the land where the building is situated, is.

Owners
There are some differences in property rights depending on who the legally owns of the land where the building is situated.

Owners
The varying kinds of ownership generally have one fundamental in common: it is not the owner of a building nor the tenant that owns the land. There is one exception, namely the CO-OP buildings where an agreement regarding transfer of rights has been made with the private owner. The people holding apartments in a CO-OP building are thus not illegal occupants, contrary to others juridically considered as squatters. The people that do not hold title to the land where their house is located still hold a legal right to the actual building. However, since buildings are not moveable assets it complicates the question regarding who has the right to what.

The people that own houses in Dharavi have received some acknowledgements, even though they legally don´t have title to the land, upon the introduction of photo passes. Photo passes are exclusively for someone that can prove to the government that they have been living in the same house for at least ten years. The passes are individually issued to one person of each eligible household and are not issued for tenants, which mean that they suffer from a complete lack of

rights. The possession of a photo pass is furthermore of great importance since it implies that its holder will be given an apartment free of cost in the case of a redevelopment. The burden of producing evidence supporting a claim to a photo pass falls on the house owner and not on the government. It should however be stated that the rights are limited and that one can be evicted within 24 hours if requested by the government. In order for one to be able to stay, an annual fee of Rs. 1200 has to be paid to the government as a rent for the land. The money is collected on sight by governmental staff.

Because the owners of the buildings lack title to the land it is juridically impossible to transfer these non-existing rights. There is nevertheless an ongoing market where the "rights" are transferred anyway. There are even realtors active in the area and the rights are transferred via a semi-legal governmental paper. These papers are illegally purchased from outlets within Dharavi and used for the writing of agreements such as the conveyance of property. If these papers actually provide any legal security or not is uncertain since they seldom are purchased legally or registered as acquired. Furthermore, there is an illegal market for purchasing photo passes, which makes it possible to trade with houses despite the eligibility regulations given by the SRA under the Dharavi Redevelopment Project. Thus a recent house owner can entitle himself to a rehab apartment under the RDP and avoid losing the money he or she invested in a hut. Furthermore, the government licenses some of the realtors who are active in the area, however they trade with semi-legal documents and properties which owners lack title to the land making the legality of their business rather questionable.

Having established that the system is somehow semi-legal the security of tenure is rather different for those who live in a CO-OP and for those who do not. As for the rest, there does not appear to be any differences in experienced security regardless of land ownership. People do not consider themselves as encroachers and have to a large extent dared to invest a large share of their income in their housing in terms of improvements and building expansions. In terms of security against other inhabitants of Dharavi, it is over all experienced to be safe. Even though one is not the right owner per definition, the social structure allows one to act like an owner within the area and in relation to other inhabitants. The system is trusted and in the event of a situation, there are "muscle persons" available to settle disputes. People are thus not afraid of their neighbour occupying their house while vacant. It is mainly this social network that provides security for Dharavi inhabitants, rather than the inaccessible formal system that applies to the formalized Mumbai.

Tenants

In the long run and in the case of a redevelopment, tenants do not hold any security over their dwellings at all since they are not holders of a photo pass. The landlord is only permitted to pursue the ongoing activity and thus not sublet which means that the tenants indirectly are staying illegally. Nevertheless, many people have extended their own houses in order to be able to sublet or have bought or built new ones for the purpose of earning money. Even though the tenant perfectly well might have stayed in the particular building much longer than the owner, he or she does not hold any right in the case of the redevelopment.

The regulations are a bit different in the short perspective. The contractual relationship between the tenant and the landlord are agreed upon in one of the following ways:

- Oral agreement

- Written contract
- 11 month Leave and License agreement

Dharavi is an informal settlement, however the laws and restrictions of Maharashtra theoretically apply to the area. Therefore, a somewhat semi-legal system of its own has developed in the area, regarding lease and licence agreements. Very few agreements encountered during the interviews are fully legalised according to form and registration of the agreements. However, written agreements are often stated on stamp paper with all the formalities required. These papers are in most cases illegally purchased within the area and have not been registered. Thus they do not provide any legal security, as opposed to the general notion among the inhabitants of Dharavi. Furthermore, these agreements are often formulated and spoken of as leave and license agreement, even though the papers and stamps themselves indicate that they would be in the form of a lease. Whether these agreements are to be considered as leave and license agreements or leases and if they provide any security of tenure at all is uncertain. Similar to most other understandings and deals in Dharavi, rental agreements are based on a mutual trust between the parties.

Among the interviewees, approximately 40 percent reported an absence of a written contract whereas 60 percent had some kind of written agreement. The most common reason for absence of a contract was that the landlord refused the tenant one. Absence of a written agreement was more common among single family landlords upholding a personal relationship to the tenant. It was found that regardless of personal relationship between tenant and landlord, or the existence of a written contract, the security of tenure was experienced rather equally.

Because the system is informal, there is no established rent tribunal but rather the reason that people are experiencing a sense of security is the social system like in the case of the owners. Even though the system is not accepted by the formal economy, it is still recognized within the informal economy of Dharavi. Even though a breach of contract would not mean any governmental issues, one would still be designated in the neighbourhood which itself would have severe consequences. Regardless of form of contract, the single most important security experienced by all parties is the social network of Dharavi.

6.2 In-depth interviews

6.2.1   Pottery makers residing in self helped building, 2010-11-01

When Dharavi was nothing more than a swamp, people from all over India started to settle down in the area and subsequently various enterprises arose. The pottery business is not only among the oldest of these enterprises, but is one of the characterizing features of Dharavi today. A cluster of active potters exists in Kumbharwada, a neighbourhood where the activities are unmistakable. Kumbharwada stretches along one of Dharavi's main streets, the 90 feet road. Distinguishing for the area is that virtually every household also holds commercial activities and display their goods at the front of their houses.

Picture 8 and 9. House and work of the pottery makers.

Along the 90 feet road, there is one family that has been in the pottery business and stayed in the same building for many generations. The family, which is constituted of eleven members from three generations, is representative for the life of a potter family in Dharavi. At the time of settlement the plot, where the house is situated today, consisted of open space. The house was thus constructed by the family itself and has continuously been maintained and improved. Today, it constitutes of two floors, of which the upper mainly is used for sleeping whereas the lower is in use of conducting daily activities like cooking and child care. The framework of the building is furthermore made of concrete and the roof of corrugated iron. The house itself is standing close to the neighbour's making it look like a row-house even though they are actually separate constructions.

The ground floor is approximately 15 square meters and lacks running water, bathroom and toilet facilities. Water has to be collected from an outside water pump, the house is however supplied with electricity. The small living area is made up for by the connecting spaces. There is a shared backyard, which is used for the manufacturing of pots and an in-front pavement that in turn is used for selling the goods. This particular family does not, like many others in the neighbourhood, manufacture pots but rather buy already made goods from a whole seller and sell it on. Being located on a rather busy street is therefore essential for their business. The family lives and works in the same place, which they describe as fundamental for their livelihood and therefore could not be changed without severe consequences for them. Even though everyone in the family is involved in different tasks they are all important for making the day work, regarding business, child care and meal preparations.

The family exemplifies the special facilities that are essential for manufacturing of pots and the upside of the cluster effect. The procedure of producing pots requires a relatively large space as

there are many different steps in the production. The clay has to be processed, dried and finally burned before the finished pot is ready to be passed on to the market. The development process has been confronted with a lot of critique lately since it is environmentally hazardous in the densely populated area. At this point, no one knows what the future holds for the potters of Dharavi other than that it is a political issue. The family is however certain that a redevelopment of the area would damage or even destroy their business as well as others surrounding them.

Picture 10. Pottery oven in use, polluting the air.

6.2.2   Senior citizen, residing in CO-OP building society, November- December 2010

Several interviews have been conducted with one of the senior citizens in Dharavi, a 73-year old man who was born and has spent his entire life in Dharavi.

The interviewee is a long time resident of Dharavi and a second generation migrant to the city. In 1924 his father walked the 200 kilometres from Ahmednagar to Mumbai, seeking employment and ended up settling in an area that today is located on the outskirts of Dharavi. At that time, only a few huts were located in the area and there were plenty of trees and open space. The land where he settled was privately owned and constituted of free-hold land. The owner of the land had built some houses, of which one was rented by the interviewee's family, comprising of two parents and their six children, of which the interviewee is the oldest. In addition to this family, there were 15 other tenancies in the same area. Rent was inexpensive and paid for monetarily, with the income of the small shop the interviewees father had started at another location in Dharavi. However, the father passed away when the interviewee was merely a young teenager and as the oldest son, he took on

the responsibility of providing the family with an income. The interviewee managed to complete the seventh standard of school before finding a job in the administration of a nearby school, where he worked for four decades. By working, the interviewee made it possible for his younger siblings to attend school and earn themselves a degree, "The concept of Dharavi was to study hard and work hard".

In 1956 the 16 tenancies in the area initiated a facility renovation. The second oldest son of the family had by this time left Dharavi and bought himself a house in Navi Bombay and the remaining siblings decided to follow and move in. However, the interviewee did not like it there and moved back to his family's previous residence in Dharavi, now slightly upgraded. The interviewee got married to a local girl and they had one daughter together, forming the same family of three as today.

However, the living standard and facilities provided to the 16 tenancies were poor and around 1990 all tenants and the landowner agreed to address it, "all tenants came together and constructed a building in collaboration with the owner". Today, the 16 tenancies have been replaced with a seven storey concrete CO-OP building society, where all the original tenants were given accommodation free of cost. The building holds 70 apartments and upon selling the extra 54, the surplus money was given to the landowner in exchange for the land now owned by the building society. All of the tenants moved in to the new house and still live there, aside from 2 families who have sold their apartments due to monetary issues. When selling an apartment in the building, fellow members of the CO-OP are initially offered to buy the apartment. If a lack of interest or price cannot be agreed upon, the apartment can be sold to an outsider. The interviewee, with his family, lives in a 25 square meter apartment located on the fifth floor of the CO-OP. Water, electricity, bathroom and a separate kitchen is available and the whole building is served by elevators. Every six months a fee covering the general maintenance and governmental taxes is rendered.

The interviewee states that the resident involvement in the redevelopment has made this particular building society more successful than others. However, he feels that the structure of the house is a problem, causing isolation for its habitants and he wishes for a more interactive design. Another condition that made this housing project successful is the fact that the land was owned privately and not by the government.

Regarding the proposed redevelopment of Dharavi, the interviewee is very sceptical and much concerned. He feels that a redevelopment has been initiated for the wrong reason; for economic development rather than human development and that the factor of humanity is not considered, whereas money is. This has resulted in Dharavi being exploited by profit-driven developers seeing the potential in Dharavi as prime real estate to be sold and by politicians regarding Dharavi as a "vote-bank", where promising development might generate votes. Furthermore, the interviewee states that there are private stakeholders and mafia that have influenced the proposed development. He also feels that many of the NGO's active in the development do not have enough knowledge of Dharavi as a community and society. According to the interviewee, some of the inhabitants of Dharavi have started to speculate about a redevelopment. If given an apartment free of cost, a selling of it might generate a large amount of money, worth more than the higher standard of living provided. This can lead to people moving out of Dharavi, creating new slums elsewhere. The redevelopment plan can therefore be seen as a sophisticated way of driving the inhabitants of

Dharavi away, as a probable consequence foreseen by the government is that people will have to move. Furthermore, the interviewee stated, "Dharavi people are not used to this new type of living", implicating that the maintenance costs of a high rise together with the unaccustomed user might cause a "vertical slum". The redevelopment plan will therefore not solve the problem of housing.

According to the interviewee, Dharavi residents do not know about the redevelopment plan or its consequences, which is why they do not oppose it in a larger extent. People that are familiar with the project might not speak out because they see the possibility of earning money from it. He also feels that the proposal will limit the possibility of livelihood, "no livelihood leads to no life, causing social problems". Furthermore he doesn't believe in the unions' participation in the development, saying that they are demanding workshops and space for the businesses but not housing for the workers.

The interviewee declares that Dharavi has been built without any governmental support, just by the hard work of its inhabitants. In order to maintain and further develop Dharavi, the present inhabitants need to stay in the area and be the ones developing it. Organizing the inhabitants and having them make plans for Dharavi based on their own needs, privately and professionally, "by the people, for the people", could achieve this. Due to the fact that "people are mad for money", he also feels that there should be a counterclaim when development is financed by external parties and that transactions should be restricted to create a long term solution for the area. "This type of development creates a vicious circle leading to the development of new slums".

6.2.3   Young tenant residing in chawl, November- December 2010

In the late 1950's a young couple from Chennai migrated to Dharavi looking for employment. Work was offered and the couple started to build their life there and subsequently had three children, two girls and one boy. Today, the family still lives in Dharavi, although they frequently visit their "native place" in Chennai and the structure of the household has changed somewhat. The daughters have married and household now constitutes of the parents and the son. The following interview has been conducted with the son, now a 25-year old man living and working in Dharavi.

The family is living in an 18 square meter rented apartment, located in a three storey self developed building in New Transit camp, one of Dharavi's many nagars. The parents bought the house itself from the current owner in the mid-eighties. At that time the building was a simple one storey construction of metal sheets, but has since been rearmed with concrete and has, in violation of current legal framework, had upper floors added. Today the building accommodates two shops, five flats with sizes varying from 8-18 square meters and an office. The owner and his family live on the ground floor and run one of the shops, with the rest of the space is rented out. The facilities are basic; water is supplied through municipal pipes and kept in tanks, each apartment has a bathroom area and electricity is available. The family has lived in the apartment since 2006. They previously stayed in a nearby chawl where they paid Rs 1300 monthly and had rendered a deposit of Rs 10 000. Today they pay Rs 2 500 monthly and have rendered a deposit of Rs 30 00. The family was forced to vacate their previous accommodation in the chawl, when its owner decided to sell it. The interviewee describes the moving out as somewhat upsetting for the family, they had no written contract and were given a month to vacate the apartment. Finding new accommodation was hard, there was, and still is, little available and what little there is can be increasingly expensive. However, the interviewee was acquainted with the current landlord and when an apartment became available in one of his houses, the interviewee moved with his family.

None of the parents of the family are working. The mother has always been a full-time housewife and the father previously worked in a vegetable shop. Today he is too old and unwell to work and the family's income consists of his pension and the interviewee's salary. Since March 2010, the interviewee runs one of the two shops in the building where they live, selling mobile SIM cards and an assortment of other commodities. Rent for the shop is Rs 5 000 per month. Before opening the shop, the interviewee worked in an office, but his contract ended and he subsequently started his own business.

The tenancy indicates that the family does not hold a photo pass, thus the family will be excluded from the proposed redevelopment scheme and will have to find other accommodation elsewhere upon implementation. The interviewee describes this as frightening, although he at the same time describes the project as "good for people, even if it's not good for you". Furthermore, he states, "growing up in a slum can spoil kids' lives" by the negative view the surrounding Mumbai has of Dharavi. The sometime hazardous character of the neighbourhood might also have a negative impact on their health.

The interviewee has been saving up money for some time to buy a house and indicates that such purchase also will include a photo pass and therefore will give him the right to an apartment in the redeveloped buildings. However, he says that he doesn't trust the microfinance organisations working in the area and has therefore set up a private savings account in a local bank.

Furthermore, the interviewee expresses some of his worries regarding the redevelopment scheme. He believes that it will cause a mass evacuation from Dharavi; tenants will have to move when there are no tenements available for them and owners might have to move due to the increasing living and maintenance costs of the new buildings. He feels that the assets of Dharavi are its people, the entrepreneurship and the variety of businesses existing and argues that "a better design and construction of the proposed high rises need to compensate for the isolation they cause". He also feels that there needs to be a place for the tenants in the RDP and that Dharavi need these people and the various businesses run by them. The interviewee explains that no one knows what will happen to the tenants, house owners in possession of a photo pass feel secure about their future tenure but tenants without a photo pass are scared of their uncertain future. He thinks that the Dharavi tradition of working from home will stop when the conditions deteriorate and that less small businesses will be able to exist. However, the general opinion, according to the interviewee, is that the unions will help and that people trust the unions with this matter.

At a later occasion the redevelopment plan is discussed with the interviewee and a group of ten of his friends, all men of about the same age as him and from the surrounding area. Dharavi is a strong community and the entire group agrees that their utopia for the future would be to stay in Dharavi, but to attend school, get a good job and to move in to a building society. When asked about the proposed redevelopment scheme, the group answers that they have acquired information regarding the project through newspapers and television, but that no government official has spoken to them about the project and the consequences regarding it. Nevertheless, they welcome the project and talk about wanting their basic needs accommodated, as not all of them live in houses facilitated with water or bathrooms. They do however feel that the government should pursue a redevelopment for them, the people of Dharavi and for no other reasons. The group is concerned about the project ruining the dynamics of their society and informs us about the connection they feel to each other

and the neighborhood, something they very much would like to preserve. However, the largest concern is the additional cost that comes with life in a building society, namely maintenance costs. At present, there are no such costs and they only have enough money to get by.

Part III: Consummation

Chapter 7:   Analysis
This chapter aims to combine literature and case studies into a rationale concerning the dynamics and aspects of slum. Finally, it analyses how the proposed redevelopment scheme (RDP) of Dharavi could affect the community.

Chapter 8:   Completion
This chapter presents conclusions and recommendations for further research. The conclusions are organized in relation to the three objectives and the aim of the research.

Chapter 9:   References

7. Analysis

This chapter aims to combine literature and case studies into a rationale concerning the dynamics and aspects of slum. Finally, it analyses how the proposed redevelopment scheme (RDP) of Dharavi could affect the community.

7.1 Dynamics of slum

The notion of slums

The term slum is to a large extent controversial and hence application of this term may lead to consequences, given that an area is often both perceived as, and treated, differently depending on whether it is labelled a slum or not. The term implies separate emotions, thoughts and meanings depending on the contemplator but nevertheless, the appellation generally carries a negative connotation. Historically, slum areas have in large part lived up to these negative stereotypes, since such neighbourhoods often consisted of substandard housing, where illegal activities took place. This notion is still unaltered by the majority of people, despite approximately half the population of the world being so called slum dwellers, and far from all slum areas are living up to the common notion. How come the notion has not changed or evolved? The concept may be due to ignorance, and the lack of slum settlers upholding governmental as well as business power positions, and so are short of influence. Furthermore, when matters concerning slums are featured and debated in media, it is often related to issues where dissatisfaction is expressed, further enhancing the negative picture. The notion is thus partially based on a lack of both interest and adequate knowledge, consequently upholding the general picture of slums solely being problematic and redoubtable.

In the case of Dharavi, the area can pass for a slum according to the definition made by the United Nations, since the apparent operational features lack in standard. The area suffers from a shortage of basic services such as safe water, rainwater drainage, sanitary and sewage facilities. Consequently, the scarcity ever so often leads to unhealthy living conditions. Dharavi citizens further suffer from insecure tenure and overcrowding due to a high population density. Problematically though, the area is often considered as a whole and the different qualities of each Nagar are thus disregarded. While some areas are substandard, others are further improved by its inhabitants and are so fully functioning. Even though the area is not homogenous, it is often treated as such when labelled as a slum by outsiders. This may lead to Dharavi being perceived as slum by many, mainly resulting in a focus on negative attributes rather than its diversity. This appears to be a common problem when discussing whether areas should be considered slums or not. However, slums are not just disadvantageous, but contrary provide an opportunity for the less fortunate to maintain a livelihood and attain accommodation.

Aspects of slums

To reside within a slum brings about negative as well as positive consequences, options and limitations. One outcome might be considered as negative for many, whereas for others it is viewed upon as something positive. Conditions regarded as unhealthy, substandard and unwanted may be the only option for someone or just viewed upon as completely different. A recent migrant might even see an urban slum as a world of opportunities. This is an important motive for in-migration and thus growth, as reflected in the interviews conducted where it appeared that most people moved to Dharavi for work. Behind the scenes of a slum, a great variety of enterprises and activities take place, contributing to the financial growth of an entire city such as in Dharavi. These enterprises create a foundation for migrants and an opportunity to obtain a livelihood. Although, slums might bring about

career opportunities, one should keep the dissimilar characteristics of working in formal respective informal markets in mind. One of the negative aspects of informality is the lack of legal protection and exclusion from the formal safety net. This often results in lower wages, exploitation of workers and their frequently existing hazardous working conditions and insecure employments. In an initiating phase, many people find temporary employment just to get by, with the primary objective of surviving. Rather than being exploited as a worker, a number of people subsequently start their own small-scale businesses. In the case of Dharavi, the entrepreneurship is striking and has encouraged many others to start a business of their own. However, some dwellers do not have the same spirit and according to one of the interviewees, a senior citizen, the mindset of these people have to change, "You have to take responsibility for your own life". The interviewee further emphasized his strong belief that urban life is a give and take, by declaring his disapproval of development being justified "in the name of the poor". However, informality is yet another obstacle, since being a slum dweller means that one may lack formal citizenship. This might in turn result in difficulties to make use of the formal system, including receiving financial support and the advantages given to formal establishments. As an example, it appeared during the interviews that it was difficult to develop businesses to a larger scale due to rejections from financial institutions. For a few establishments, mortgages from local loan sharks or relatives might be an option, however often at a higher interest rate and without structure such as amortization schedules. The lack of structure may for example lead to direct demands for repayment, in turn resulting in less legal and economical security.

For some establishments, informality is the condition that enables business. By operating in an informal settlement, one can access services and goods, provided by other informal establishments at an affordable rate. For the same reason, the informal system is of great importance when it comes to everyday commodities for the households. Due to the low salaries, other expenses must also be kept at a minimum. The gap between informal economies and the surrounding cities are usually large, resulting in difficulties in movements between them. Informality is a necessity since the formalized city often is too expensive and hence a vicious circle is maintained. Some traditional professions, which have been banned by the city, are continued within the informal economy, employing a significant number of people. The reason for banning is often the hazardous conditions which come with the manufacturing process. However, the goods that are produced are often used by the surrounding city as well as being exported and there is an obvious market for such goods. One can ask whether working conditions, or working at all, is the primary priority as opposed to how the tasks are carried out. One stance may be that contemplating about working conditions is a luxury indulged the middle and upper classes.

Regarding living conditions, they are often substandard concerning facilities provided. Being part of a city usually means that one is entitled to use public space and facilities, however that is seldom the case in informal settlements. Should the provision of basic human needs be self-evidence or something one should be given in return when contributing to the city's prosperity? In the case of Dharavi, some facilities have been accommodated in connection to elections, as a way for political parties to gain votes. This is yet another aspect of how an area can be taken advantage of by being labelled a slum. To lack certain basic facilities is closely related to absence of financial success and facilities are not just a matter of comfort. Subsequently, when basic needs are fulfilled, the lack of structural improvements seems to be foremost due to the undefined property rights and thus the fear of eventually being evicted and not daring to invest in ones livelihood. This does not only

concern property rights but also civil rights. The lack of complete civil rights have in the case of Dharavi led to partial social exclusion, where Dharavi to a large extent has developed itself without the support of the surrounding city. This further leads to an uncertainty regarding the future and the possibility to obtain a livelihood. The social exclusion has also led to the development of a functioning society with rules and operations of its own. People that are brought up within this system know it as their social security as well as the current order regarding norms. A significant number of the interviewees expressed reliance in the system, which they also described as the most positive thing about Dharavi. The fellowship is apparent and when the surrounding city has failed to provide security and support, the community of Dharavi has. Furthermore, the alienation has encouraged the entrepreneurship mentioned previously.

Legal and political obstacles

Due to legislation, economical development and increasing income gaps, residing in slums is often the only opportunity for the less fortunate to maintain a living in urban areas. Accordingly, the question of who has the right to the city is more prominent than ever before, with over half of the world's population residing informally. Has the informal structure and norms replaced the formal since it represents the largest part of the population? The answer is probably no, since the legislation appears to foremost take the formal population into regard and further favour it. Nevertheless, there is an extraordinary shortage in how these two systems could be interconnected and there is an obvious problem with social exclusion. Most cities are planned for the formal economy, excluding a huge part of reality. Consequently, "cities within the cities" that house the excluded group of urban inhabitants arise, creating difficulties for the informal dwellers as well as for the surrounding city. Would governments not be more successful when it comes to city planning if they opened their eyes to reality and started to include everyone? It seems that in many cases, governments fail to take accurate actions and hence passively wait for the "problem" to retreat by itself or respond with violence. An interesting aspect is how slum dwellers are mainly seen as a difficulty even though they, as in the case of Dharavi, often contribute to the city´s well being, regularly performing otherwise unwanted tasks. Whereas such tasks are accepted by the informal economy, it seems that the performers are still unrewarded and thus lack legal rights to exist within the city. Regardless of type of squatting, it is probably neither chosen, nor preferred, but rather the only option to reside within a city and thus to be able to make the necessary income for survival. Yet again, should contribution not equal the right to make use of the city? Many probably agree with the argument, so why is the problem of slums so extensive?

A majority of the slums are found in developing countries, which have faced rapid urbanization and population growth. It appears that a major cause of slum formation is such growth along with a lack of suitable legislation, political will to acknowledge these people or a shortage in implementation of existing legislation or policies. Such reasoning makes one question how the actual problem of slum development is forthcoming and the largest consequences of such. In order to discuss informality and ethics regarding ownership and land use, it is necessary to look into the stakeholders of urban areas. In most countries, state governments are responsible for urban planning and housing issues. On the other hand, the process of urban planning in India is sometimes influenced by strong economical minority groups, for example the McKinsey report that was compiled in Mumbai. Such groups would probably not face the same success in an industrialized country. Another prerequisite that is common is corruption, since economic power presumably is more significant in areas where corruption is extensive.

In the case of Dharavi, the population has created an economical growth for themselves, internally and externally, by developing the land where they are residing and the businesses that keep them alive. No one has interfered for a long time, but when the land suddenly has become valuable the question of ownership has arisen. Who has the right to an area that rapidly becomes attractive? Those who have developed the land or those who legally own it? What does it further account for to develop land? In a utopia, the government should represent the majority of the people and thus the interest and well-being of the public. In the case of Dharavi, the interest of the public does however not equal to the state, since such a large share of the population is informal and so is excluded from the public provisions. Furthermore, investments made by the slum dwellers are often disregarded in the debate regarding ownership and compensatory issues. Even though one is not entitled to the land by rights, investments are often made by people who in many cases have been residing at the same plot for generations.

7.2 The informal housing market

Like in any other settlement, housing markets may operate within informal settlements. Slums have often developed in order to accommodate the poorer parts of a population. As these areas grow, a wide variety of enterprises come into existence and with them associated markets. When squatters first settle, dwelling structures are developed. Subsequently different enterprises emerge in order to accommodate the dweller's requisites and the society so evolves. As a consequence of such growth and the subsequent increase in demand for accommodation, a lodging trade may arise. In Dharavi, this trade consists of an extensive market comprising purchases as well as rental agreements of residences and commercial space. Furthermore, it has brought on an illegal market of trading with photo passes. Fundamental for the housing market is that it regards trading with buildings built on illegally occupied land as well as documents related to changes in land rights such as photo passes. However, a house is generally regarded as if its owner was the legal holder of rights and can therefore be traded with. During the case study it has become apparent that some of the features of an informal market noticeably differ from the characteristics of a formal one. As the genesis and development of Dharavi is very similar to the ones of other informal settlements, it has been found that the following rationally is generally applicable to other comparable areas.

Dynamics of the housing market
The relation between supply and demand is distinguishing for the housing market of Dharavi. Supply has never exceeded the demand, but rather responded to the pressure of demand and therefore increased. There is a lack of supply and the degree of occupancy is virtually at its maximum, something that presumably is closely interconnected with the celerity and volume of transactions. The rapid rate of most transactions within Dharavi may be explained by the fact that informality is one of the fundamental characteristic conditions of the area. Informality purports a huge insecurity of tenure and obstructs many far-flung plans, as the future from a wider perspective is often perceived as uncertain. This is a mentality and an approach that appears to infiltrate the entire dynamic of the society. Furthermore, the acquisition of accommodation within Dharavi is to a large extent carried out by word of mouth, even when realtors are engaged in the process. This may contribute to the fact that the informal housing market is a relatively closed market. Without any contacts, it is very problematic to gain access to the market. Due to the high demand and shortage of available supply, it can be difficult for an outsider to enter the market, where many internal divisions exist. There is also a risk of discrimination by sellers or landlords that have preferences related to such divisions.

Demand

Rental apartments are mostly sought by recent migrants, younger households and other financially challenged families, whereas ownership mainly is requested by former tenants wanting to upgrade their living situation. Very few households have the ability to initially purchase a house, and as in other parts of the world the alternative of renting is therefore required. The variety of structures and agreements enables inhabitants to pursue a housing career within the informal settlement and further give room for preferences regarding choice of accommodation. However, the main obstacle for most people is to find any lodging at all. The variety is furthermore a prerequisite for the existence of an extensive market and is likely to support the dynamics of an area and make it possible for the inhabitants to retain a much essential livelihood.

Supply

Something that generally characterizes informal settlements such as Dharavi, is the standard of the housing stock. A majority of people outside of Dharavi would consider the housing provided as substandard or even unliveable. However, the standard of housing and structures varies greatly and the adequacy of a house is a highly subjective assessment and a subject of prioritisation. Initially, when finding accommodation, it is often a matter of finding any shelter at all. As a result of changing income or needs one might thereafter consider upgrading through self development or relocation. During the case study, it has been apparent that location is the first priority in the latter case. It primarily seems to be the macro location that is important and secondarily the micro location within the nagar. Subsequently, some people may consider an upgrading of standard, which in particular is a matter of consideration between living standard and other needs or wishes, such as being able to educate ones children or send money to relatives. Another feature of informal housing is that a majority of houses are very small and accommodates a large number of inhabitants. As a consequence, public space serves as complementary surfaces and the land use, both private and public, is extremely effective. The value factor space therefore differs somewhat from the formal housing market, where the substantive area is considered to be very important. Nevertheless, space has been found to be much more important when living in high rises, where the bordering street and public spaces cannot be used as a supplementing living area in the same extent.

Juridical aspects

In informal settlements, the contractual relationship between buyers and sellers, or landlords and tenants is exceedingly obscure. The contracts viewed during the interviews resemble the formal model. Although the form of the contract might be correct, prerequisites such as a lack of established ownership entail that contracts are to be seen as semi legal. The parties that enter into a covenant have neither substantive right to do so, nor to have the agreement affirmed by authorities. In the case of Dharavi a working process regarding agreements of its own has developed. The generic method "by mouth" is well-functioning; however the community is aware of the existence of the legal system of the surrounding city, a system that partly has been implemented. Yet again, the fundamental legal right has not been established and one might question the value of a semi-legal system as opposed to a completely illegal one. Nevertheless, this semi-legal system is deeply rooted and trusted due to misconstrue and corruption. Many people actually believe that they are following the given legal framework and the "Dharavi-system" furthermore provides a social safeness and is relatively well-functioning. The semi-legality of operations within the housing market is in addition consolidated by the fact that realtors uphold governmental licences for their business, even though the actual transactions they intermediate are illegal. Yet again, informality and corruption are

prerequisites supporting the operations. Furthermore, the relationship between landlord and tenant differs slightly between informal and formal agreements and there are often less regulations in an informal contract, something that is closely linked to and a consequence of the informality. The poor supply furthermore makes it difficult for a tenant to make any demands, which might be imposed by the benightedness within the area and the high demand further appears to contribute to the insecurity of tenure.

Economical aspects

Regarding price determination, it is always a matter of negotiation. Laws and regulations concerning rental levels only theoretically apply to Dharavi, thus supply and demand are at equilibrium with a realistic price setting which does not follow given laws as opposed to the regulated levels of Mumbai. The negotiated rent seems to primarily be determined by the income of a household and the need for money of the landlord, although the inhabitants of Dharavi appear to have a clear apprehension of what constitutes a reasonable price. This is reflected in the incentives for letting among the interviewed landlords as well as in the deposit respective rent asked for. However, it is apparent that the comparatively low rent levels and costs of purchase with respect to the formal market are closely interconnected with the low salaries. Another factor contributing to the low price setting may be that the informal market is closed for outsiders and so excludes external speculators. The cheap accommodation and commercial space, as well as the absence of regulations regarding such space, is fundamental for the existence of enterprises and accommodation of their workers. However, one might consider how the low costs of living and operating in an informal settlement may contribute to the segregation of informal and formal parts of the same city and might discourage other stakeholders from interfering. Furthermore, the cost of purchasing a building in an informal settlement is linked to the fact that legal ownership cannot be established. A purchase is therefore a high-risk investment, which seems to be reflected in the price and the somewhat hasty transactions. In addition, many people have developed the land and buildings of their dwelling themselves and have so contributed to its increasing value. It appears that it usually pays off to have spent time, energy and money on a house, as in the formal market. That is however as long as the informal settlement is left undisturbed. From previous attempts of development it is apparent, and heavily criticized, that no consideration has been taken to such investments.

Many house owners act as private landlords even though it is an illegal business. The incentives of the landlords may differ slightly, but in general it appears to be the need for money or the helpfulness to a relative or a friend that is the main objective. The single families often act as landlords to be able to manage every day costs, whereas the professional ones often make a significant amount of money. It seems that it is often cheaper to rent or purchase from an acquainted landlord or owner than through a stranger. The illegality of letting space appears to be known by the professional landlords, but is not as familiar to the single family ones. This is reflected in the selection of interviewees, where single family landlords often agreed to an interview, whereas the professional ones utterly refused. This may indicate that the professional landlords are aware of the violation of law that their business entails, but also that they consciously might take advantage of the informality. Pursuing a professional business without paying tax and other required expenses may result in a larger profit for the enterprise; however that margin might be what makes the business profitable at all. Regardless, these landlords provide a valuable service to the inhabitants of Dharavi, something that the city has failed to deliver. Furthermore, one may consider whether these landlords are doing the population a favour or not. On one hand they provide the settlers with

accommodation, on the other hand some landlords exploit the circumstances and had not been able to make a profit if more people would have been able to own their residences. The landlords are not entitled to the land they are letting and therefore have no right to the profits prevailed. However, many of them have acquired property in Dharavi for speculative reasons, even though the space is needed by the tenants rather than the landlords. Consequently these speculations seem to have had an impact on the price trend within the area, where the costs of purchase and rental levels have risen significantly. Some of the interviewees have experienced stagnation in the property market over the last years. To separate who this market benefits from who it exploits is therefore a complex matter. The same party may benefit from these informal conditions, while at the same time being taken advantage of from another party. As an example, the tenants of Dharavi are provided with essential shelter by landlords operating in the area. However, the professional landlords may make gross amounts of money when letting occupied land which their not entitled to. This land could just as well have been occupied by the tenants, something that in such scenario would have given them shelter at a much lower cost.

The importance of an informal market
It is apparent that the informal market is a consequence and a supporting operation of a non functioning legal groundwork, where corruption is a prerequisite. Related markets subsequently arise to support this informal market, further widening the complexity of slum development. However, there is a need for this market and if it did not exist, other issues would occur. For example, without a rental market, it is likely that Dharavi's current tenants would have to occupy land themselves elsewhere, increasing the volume of illegal land use. This may lead to a larger number of scarcely developed settlements, vulnerable to climate and with a weaker social security. Subsequently the possibility of maintaining a livelihood will be smaller, possibly leading to an increase in other illegal activities. It might be simpler for a state to handle a number of sprawling settlements than to manage fewer areas but with higher densities. To have somewhere to reside is a fundamental need that people will assure themselves regardless of laws and standards. In the case of Mumbai, such laws thereto antagonise housing accommodation for the less fortunate, thus enhancing the complexity. Furthermore, corruption is a well established working process, which makes it somewhat easier to ignore laws and makes it difficult for the authorities to implement them. It appears that a number of factors must be addressed in order to manage the problem of insuffient housing provisions. Among others, housing must be made affordable in relation to salaries and the number of rental units must increase. An entire group cannot be secluded from urban plans; however a number of cities continue to neglect such groups, focusing on their lack of rights rather than on a possible solution.

The informal housing markets of slums provide the inhabitants with essential accommodation, although it may be substandard and inadequate in many ways, as well as illegal and on the rightful landowner's expense. Issues regarding slums will not extemporarily solve themselves. These problems are closely interlinked with legislation, income and corruption and are a consequence of a non-functioning system. Additional options for the mini-income earners must be provided and the possibility of loaning money could make it easier for the poor population to find legal accommodation. The lack of implementation of laws and the failure of addressing the issue of slums has led to the development of areas such as Dharavi. The description "a city within the city itself" is a resemblance that further confirms the failure of integrating the poor population into the formal city. So who is to be considered the rightful owner? The person registered by deed or title, or the actual

long-time inhabitant whose efforts have increased the value of the property and evidently has a more fundamental need for it, if speaking of housing. This is a frequently debated main item without an obvious answer.

7.3 Redevelopment plan

The notion of slums that has previously been discussed seems to be of importance in the Dharavi redevelopment project. The project has to some extent been justified by the fact that the area is to be considered a slum and therefore is in serious need of upgrading. Media plays a vital role due to their opportunity to choose a certain part of reality and further slant it. Furthermore, this slanting has had a huge impact on the common perception of slums. Regarding justification, the notion is mainly pointed towards external stakeholders and non-citizens. Whereas the stakeholders are told that the area is non-inhabitable, the arguments directed to the dwellers concern their lack of legal rights and standard of housing. The dwellers are however given some amends by the rehabilitation apartments and so receive legal rights. Because a large number of the inhabitants are excluded from the Redevelopment plan, the project is associated with uncertainty. The project has so resulted in mixed feelings. A great part of the citizens of Dharavi believe that the area is functioning and the project should be left undone, whereas others express their excitement about the project. What factor distinguishes these two viewpoints? During the interviews, it became clear that the largest concern is among the tenants, which makes perfect sense since no tenants are entitled to a rehabilitation apartment. Some of the owners expressed excitement whereas others either did not know much about the project or rather just wanted the area to remain unchanged. The question of standpoint seems to be closely linked to monetary issues and the possibility to continue to uphold a livelihood. Some positively oriented interviewees gave the impression of wanting the rehabilitation apartment due to the enormous increase in wealth that comes with it, whereas others spoke about the project in terms of better facilities and thus the creation of a better functioning neighborhood. The negatively oriented inhabitants seemed to believe that the compensation is substantially low and that the citizens of Dharavi get too small of a share out of the huge profit that comes with the project. Regardless of viewpoint, the arguments made by the interviewees indicated an overall lack of knowledge regarding the project and the consequences of it. The reasoning however makes one wonder who the real favorers of the Dharavi redevelopment plan are as well as who the favorers should be. As of today, the developers are getting the largest share of the profit whereas the inhabitants are getting either nothing or a very small share. Even though receiving an apartment in a high rise might seem attractive to some, the profit is still considered to be too small by many. In addition, a profit for the slum dweller cannot be realized until they sell their apartment. Meanwhile, it would be very difficult to afford the on-going expenditures.

The lack of information is one of the major reasons why the project to a large extent is associated with discontentment, and consequently has been delayed. The disapproval has led to a huge debate and the implementation of some adjustments. The adjustments clearly show that the government is forced to take the will of the inhabitants into consideration and that the implementation of the project is associated with major obstacles. In the history of slum clearing, there have been several cases of bulldozing in Mumbai. That is probably not practical in this case since the inhabitants are united in wanting to have their voices heard. The project has furthermore been stigmatized since the developers and the State Government of Maharashtra has turned it into a "make it or break it deal" and therefore are concerned about the reputation of the project. Hopes are that the RDP will

become a groundbreaking way of slum redevelopment and will set a standard for other projects worldwide, while marketing the prosperity of Indian projects.

The stakeholders of the Dharavi redevelopment project can be divided into two broad groups; proponents and opponents. The first groups consist of the State Government of Maharashtra as well as wealthy private actors who initiated the project. Furthermore, the developers that have expressed an interest in being part of the project due to the vast profit it is anticipated to bring. This group also contains other corporations, looking to establish themselves in the area, or wanting a further financial development of Mumbai. Finally, some of the inhabitants of Dharavi consider the project as an opportunity and welcomes it. The opponents of the project are first and foremost the Dharavi residents. A number of local NGO: s as well as large international organizations has, on behalf of the inhabitants, opposed the project.

A development according to the proposed redevelopment plan would embody substantial differences. Today's structures would be replaced with a number of high rise buildings and inhabitants would find themselves living in limited units, as opposed to in huts and chawls with streets and public space as an extended living area. Theoretically, the new units consist of modern apartments with facilities such as elevators and proper bathrooms and kitchens. However, previous attempts of redevelopment have shown that the standard of high rise accommodation is often poorly maintained. The buildings subsequently have deteriorated into what locally is referred to as a "vertical slum" and there is a risk of this being the outcome of the RDP as well. This might have to do with the adaption a change of living may require. There are some differences between living in a hut and a high rise, and how to maintain the latter might not be as obvious to everyone. According to one of the interviewees residing in a high rise, adapting to such accommodation can be a major obstacle as people simply do not know how to live in such an environment. Furthermore, some changes in the dynamics of neighbourhoods may require adjustment. The most distinct positive aspect of living in a high rise is the upgraded standard of housing and the facilities it provides. The buildings themselves consist of safer constructions than many of the present ones, and the access to safe water and sewages makes them a healthier environment. However, during the interviews many people expressed a worry regarding high maintenance costs and a possible negative impact on the social and cultural togetherness of today's Dharavi. These costs have previously resulted in attempts of redevelopment turning buildings into vertical slums. These aspects, together with the possibility of the development of a vertical slum are among the possible negative impacts of the RDP.

Furthermore, the conversion of Dharavi will affect the on-going housing market. Some difficulties are bound to emerge when an informal market is to be integrated with and converted into a formal one. The acquisition process will have to transform as the market opens up for the entire city and aspects such as marketing may become increasingly important. Realtors from the surrounding areas will presumably show a greater interest in Dharavi, and thus present enterprises and landlords will face larger competition. The established realtors of other areas might conciliate the Dharavi market and in such scenario menace some vulnerable livelihoods within the area. In addition, the actual objects intermediated have changed regarding type of structure and legal rights. As the market opens up to wealthier parties outside of Dharavi, a drastic increase in property prices is likely. Dharavi truly is prime land and such parties would most definitely have an interest for the new residences. The low income habitants of Dharavi do not have the capital to compete with such parties and could thus be excluded from the trading. As the demand changes, it may also cause a change in the social and

economical groups that, in a longer perspective, will inhabit Dharavi. Furthermore there is a risk of segregation within the area, where the inhabitants of the rehab housing units and those of apartments constructed for the open market might be perceived differently. One may consider whether or not these different types of apartments run a higher risk of developing into vertical slums, as its inhabitants have different financial limitations and capital to invest in their dwelling. This could further enhance segregation. A formalizing of Dharavi does not only apply to its housing. Most enterprises within the area are informal and if they were to be formalized, some enterprises would simply eradicate, whereas others would have to increase the price of the products for sale. A new wealthier population might not be affected by this, but for the mini income earners higher costs may be more than one is able to manage. At present, many families living in huts share its space between a number of people and animals such as birds or goats. The animals provide the family with provisions that they otherwise would have to purchase in a shop. At present, other than the initial purchase, keeping the animals is free of cost, as they often live on water and garbage from the street. These provisions would disappear to some extent in a redevelopment, how could a goat possibly reside on the sixth floor of a high rise?

Fewer enterprises will provide less work opportunities. This in combination with rising costs can severely affect the livelihoods of Dharavi, and restrain the ability to pay for other things such as food or education of the children within a family. In turn, this might force more children and youngsters to work and further segregate them from the more fortunate population. Consequently, these possible outcomes may cause a mass evacuation of the poorer inhabitants or an increase in criminal activities. What further may contribute to such displacement is the lack of rental housing provided after the RDP. The need for rental housing is obvious and the large number of tenants in Dharavi is given no place to live according to the plan. Furthermore, because of the increasing value of residences some families may prioritize other needs than living standards and realize them through selling the given rehab apartment. Some people may be in debt from purchasing or upgrading their present accommodation in Dharavi and hence are left with no other option than selling. An evacuation caused by the above stated factors is likely to create new slum areas. As slums for many people is a functioning type of settlement and economy or subjective priorities might have an influence, it is likely that this is the housing option those people will turn to. Many people currently residing in Dharavi are not eligible to a rehab apartment. Either they are tenants or lack a valid photo pass. Instead, landlords owning a number of houses may swipe tenants of the much needed accommodation as they are given a place in the redeveloped buildings, a place they do not need and most likely will sell for profit. From one viewpoint, such profit would compensate them for their previous investments in Dharavi.

Finally, it is apparent that there is a lack of housing provided to low income groups in Mumbai, today as well as in future plans. Regardless of the possible negative effects, one should keep in mind that a redevelopment such as the RDP can significantly improve the standard of living within an area, something that is much needed in most parts of Dharavi.

8. Completion

This chapter presents conclusions and recommendations for further research. The conclusions are organized in relation to the three objectives and the aim of the research.

8.1 Conclusions

The case study has confirmed the relevance of presented theories regarding slum formation and the characteristics of slum. It has been revealed that discussions regarding the dynamics of informal settlements are largely dominated by lack of sufficient knowledge, in particular on the subject of redevelopment. This is mainly due to disinterest and neglect by authorities. The issue is further enhanced by the fact that informal settlements often are disconnected from the surrounding cities and are therefore associated with fear. In turn, such settlements are excluded and disregarded from formal systems and as a consequence, internal operations occur. The operations are based upon informality, which furthermore is a prerequisite for the existence of such. Distinguished markets arise within the settlements and the isolation is a requirement for a functioning market, hence the price level is kept low. This is fundamental for the poorer population and interference of any such market would result in difficulties to manage costs, due to an inability of economical competeness. This concerns everyday commodities as well as property market related expenses. However, informality and the exclusion are also obstacles for pursuance of some establishments and contributing factors to social dysfunction.

The characteristics of an informal property market at large concern the clientele, economics, the dynamics of supply and demand, legality and acquisition. The market has emerged in order to accommodate the poor population, and is therefore unique in its narrow clientele. The fact that the clientele mainly consists of low-income earners residing informally is expressed through the above mentioned features. The rental and purchasing costs are limited by the income level and is therefore significantly lower than within the formal market. The fact that the costs are affordable for the major part of the inhabitants is reflected in the relationship between supply and demand. An excessive demand predominate the market, but since the market is directed towards low-income earners prices are limited in accordance with income. The demand is further high due to the shortage in other affordable options. The supply has increased along with the rising demand and hence the stock has expanded. The fact that the stock is closely connected to the demand is apparent in the large share of rental housing. The physical characteristics of the stock are linked to legality and the insecurity of investments. The large demand and lack of legality is apparent in the substandard structures and the density of informal areas. Agreements regarding purchased and rented houses are to a large extent semi-legal as they are influenced by the formal legislation without fully implementing it. The contracts are often carried out by word of mouth, as in the case of the acquisition process.

Upon formalization, like in the case of redevelopment, the informal housing market will be forced to change due to altered conditions. The fundamentals that will mainly change are the housing stock and the implementation of legislation. Upon improvements of the housing stock, the clientele will change. Along with an increase in attraction and completion of legalization, the prior disconnected informal housing market will open up to the public. Consequently, an increase in price levels is to be expected which in turn will lead to the poorer population being cut off from the market. A formalization of an area does not automatically bring about new formal work opportunities, but rather leaves the poorer population without capacity to compete with wealthier people. For those

who are given housing free of cost in a rehabilitation scheme, it is likely that they will not be able to manage maintenance or living expenses, forcing them to relocate. Some will sell such apartments and use the profit for other expenses and priorities. Another possible outcome is a radical decrease in building standard due to negligence of maintenance, creating vertical slums. Many of those who are residing in slums are renting their apartments. Upon formalization and transformation of the housing stock into high rises, the option of renting will radically be reduced. Subsequently, landlords will lose an important part of their income and many will be left homeless.

The issue of consequences of redevelopment is first and foremost a political matter. The lack of knowledge regarding the dynamics of slums, the incentives for redevelopment and the will to provide sufficient accommodation for the poor are the main obstacles related to development. In order to successfully re-house the poor population of a city, these obstacles must be resolved.

8.2 Further research

Proposal of further research within the field of study:

- To include additional areas with a geographical spread in the case study.
- To further study the influence on property value of a slum redevelopment.
- To perform a profound stakeholder analysis of a slum redevelopment project.
- To further investigate the needs of different target group in a slum redevelopment.
- To look into what legislation is needed and how it should be implemented in order to successfully manage slums.
- To study how affordable rental housing could be produced and what impact it would have on the housing market.
- To identify similarities and differences in redeveloping projects of developing and industrialized countries.
- To investigate the essential factors needed for a successful upgrading project.
- To evaluate the Dharavi Redevelopment Project after its implementation.

Continued studies within the above stated fields of study, could further contribute to an increasing knowledge regarding development of informal settlements and thus the success of such projects.

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All photos presented in the thesis without given references are taken by the authors.