

Homeless International Housing Finance Workshop - SPARC (Bombay)  
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SPARC presentation to the Housing Finance Workshop

## Introduction

India is a country of 800 million people, one fourth of which live in 24 metropolitan cities and several 100's of smaller urban centres. The city of Bombay is one of the five old colonial cities of India and is the country's industrial and financial capital. In 1985, its estimated population was 9.5 million. It is estimated that between 38 and 52 per cent of its population live in slums and informal settlements and of these 1.5 million live on pavements with no security at all. Shelter has not been a development priority in Bombay either before or after independence. Until the 1970s, squatters received no legal protection. Although a series of laws protecting slum dwellers from eviction have been enacted and other measures have been taken to improve the situation of the poor, these schemes are token in nature and affect less than 5 per cent of the poor.

Within the current context of the political and economic situation in Bombay, voluntary action for development planning continues to be reactive rather than proactive. Generally, organizations assist slum dwellers to avoid demolition very few projects have been able to realise more ambitious objectives and impact on the lives of the vast majority untouched by such schemes.

## 1. The Organization

SPARC (Society for Promotion of Area Resource Centres) is a registered non profit society which began work in 1984. Its work is broader than the issues discussed in this presentation. In all its activities SPARC has chosen to:

1. Create an information base, through participatory research on the poor and their problems, and ensure that this becomes a basis for dialogue, planning and action.
2. Ensure that within such organizations there is a clear space for women to participate as partners in the process of change.  
Beating a Path women's participation in shelter.
3. Support the efforts of community groups wherever they exist. Strengthen communities' own efforts with whatever resources SPARC can generate.  
SPARC works closely with two other organizations in its work on urban issues See SPARC's "ABOUT US" 1992.

Mahila Milan (MM) originally developed as an organization of women who lived on pavements and who trained themselves to lobby for their right to shelter. The organization is unique in that its members have developed strategies to ensure that they are supported by the entire community of which they are a part and, through this process, the women themselves are empowered. The National Slum Dwellers Federation (NSDF) has member federations throughout cities in India. It undertakes basic community organization and mobilization work and seeks to support communities to attain their needs at both a local and national level. It has been active in

supporting many initiatives which have developed from research undertaken by SPARC.

SPARC has based its work on learning from the people's experiences and in establishing a strong and close relationship with organizations of the poor. It has also worked with the providers of "resources" within the city, country and internationally so that they better understand the needs and aspirations of the poor and can begin to work in partnership with them. SPARC strongly believe that there can be no sustainable solution to any developmental process unless those whose lives will be deeply affected by the change are centrally involved in the process. Within the issues related to shelter these are three critical areas by which the quality of shelter is determined. They are:

- \*land availability;
- \*settlement design, construction and management;
- \*and Housing finance.

It is SPARC's long term objective to ensure community participate in the creation of shelter alternatives in general. In more specific terms it hopes to create along with communities and resource providers, institutional arrangements for managing and developing land, provision of infrastructure, design construction and management of housing and of a housing finance institution to service the needs of the poor.

## 2. The Project

This presentation describes three cooperatives in Bombay and the process by which they designed their homes and settlements, secured finance and land, and began to construct their own homes. All three cooperatives are part of federations and each federation is also a member of the Bombay Slum Dwellers Federation.

### The Problem and The Beneficiaries

These case studies show how SPARC, in the Indian context, views its role in problems faced by the urban poor and the role of shelter in this struggle, and how it is in a process of developing a solution to this problem along with the people. In India, no shelter issues can be resolved without involvement of the State. When we use the term State, we mean various government departments and agencies. This is a brief glossary of the agencies involved and the level at which they operate.

1. (PC) Planning Commission: This is a planning body which is constitutionally assigned to prepare Five year Plans which define all aspects of state and private growth and development in the country. The Prime Minister is the Chairman of the Planning Commission.
2. (MUHD) Ministry of Urban Development and Housing: Although Housing itself is a state subject, This ministry determines the policy for the country in these areas, and defines Municipal administration laws etc. All shelter policy related to the poor flows from this ministry.
3. (HUDCO) Housing and Urban Development Corporation. This is a public sector company set up under the MUHD ministry. It provides finance to state governments for Urban development activities and Housing. It only does whole sale lending to the states.
4. Department of Housing of the Government of Maharashtra: This is the executive shelter agency for the state of Maharashtra. It determines all policies related to land in the state both urban and rural.
5. (MHADA) Maharashtra Housing and Area Development Authority. MHADA- This is a planning and execution agency to whom the state of Maharashtra assigned all its shelter work and most of the state provided shelter is from this agency. This is the country's largest Housing

Authority.

6. (PMGP) Prime Minister's Grant Project PMGP (also recently renamed as Rajeev Gandhi Slum Redevelopment programme) This was set up in 1987 after the late prime minister Mr Rajeev Gandhi gave the city of Bombay 100 crores of Rupees as part of the centenary celebration of the Congress party. Rs 38 crores was allocated to Dharavi. PMGP has a special status as the planning and execution programme for slums. So for all Dharavi and other programmes, PMGP is the planning and execution department.

7. (BMC) Bombay Municipal Corporation, is the oldest Municipal corporation of the country and its largest. All basic amenities and services are provided by this corporation. It also has a very large slum demolition wing as well as a slum improvement programme.

As most of the land is owned by the state or one of its departments.

In 1985, the Prime Minister offered a substantial sum to assist the redevelopment of Bombay of which about one third was to Dharavi (a low income area with an estimated population of 120,000 families). Markendeya Cooperative Housing Society was one of several cooperatives which had previously been formed in this area and it was selected for the first redevelopment project of the state. The society was a member of the Dharavi Vikas Samitee, a group formed to demand community participation in the Prime Minister Grant Project (a large grant given in 1987). The residents of the Markendeya Cooperative Housing Society were all active leaders of the DVS.

In 1986, the Bombay Municipal Corporation began a resettlement programme which moved several hundred pavement and slum dwellers 15 to 28 kilometers away from their homes to Dindoshi, Goregaon a suburb in the north-east Bombay. SPARC began work in this area, supporting the struggle of the residents. One of the newly formed groups of sector "H", the Adarsh Nagar Cooperative took a leading role in the demand for adequate shelter. The members of Adarsh Nagar are a group of 53 families who originally lived in huts on the sewerage pipe in Prabhadevi. In 1986, they were relocated to the Dindoshi resettlement colony in Goregaon. The problems in this area are substantial. Many residents have left because of inadequate amenities and services including a poor transport service and no electricity.

In 1988, the Indian railway (under the Government of India, Ministry of Railways) intended to clear squatters off their land. Some 18,000 were then living in close proximity to the suburban railway tracks. The Indian railways began negotiating with the State government to resettle the communities living adjacent to the railway tracks, the state offered government constructed tenements of 150 sq. ft at a cost of Rs.65,000 (See SPARC's "Beyond the Beaten Track" 1988).

One section of the community in Bharat Nagar in Mankhurd, who were being cleared to make room for a new terminal, was divided over whether or not to agree to this option. About 200 people of the 900 in the settlement rejected the state's preferred option and formed the Jankalyan Kalyan Cooperative. Those opposing the state offer were supported by the Railway Slum Dwellers Federation who together with SPARC had adopted the 280 sq ft. house costing Rs.16,500 initially developed by Pavement Dwellers in Byculla. The community formed the Jan Kalyan Cooperative Society and one and a half years later, received permission from MHADA and BMC.

N.B.. SPARC considers that there are no beneficiaries in the process..only participants.  
Main project outputs - no. of units etc.

1. Federations backing up the co operative society. It is important to note that all the federations are supporting the cooperatives, and this is almost like the initial experimentation of each federation, and through them of this housing movement, to test the real situations people have to face when they take the process of participation to its true conclusion. It is also important to state here, that no cooperative in India which is of the poor and which is "alone" can actually achieve such a process on its own in the present situation, and that 7 years of interactive training and learning and negotiations with the state, as well as the credibility of the organisations involved have lead to this output. The three federations behind the three cooperatives are:

Dharavi VikasSamitee  
Railway Slum Dwellers  
DindoshiRahivasiSangh

2. No of Dwellings and cost per unit:

MARKANDEYA CS: 94 dwellings. Rs 35,000 per unit  
(Now gone up to Rs65,000 in 1992.)

JANKALYAN S: 104 dwellings. Rs 16,500 per unit now gone up to Rs 17,500.

ADARSH NAGAR S: 53 dwellings. Rs 16.500 per unit, now Rs 17,500

In all three instances, the delays in the construction have emerged from the inability of the various housing bodies and finance institutions being unprepared to deal; directly with the poor, and requiring rituals which have not been familiar of possible for the poor. Renegotiating the basis for this interaction has been the reason for the delay, further delays being caused by SPARC's unwillingness to become the conduit for the loan.

3. Area of the dwelling and its design concepts:

A.Characteristics shared by all three cooperatives:

- \* 180 sq ft. with  
100 sq ft. loft
- \* 5 families share a toilet.
- \* A common working and community area.

B.MCS: 3 floor building with walk up housing.  
JKS/ANS: all ground floor structures only.

In each of these communities, SPARC has been involved in an enumeration of the residents and the census also collected extensive socio-economic data on each settlement. Where possible, SPARC, the NSDF and MM undertook this work with local community organizations. This work was undertaken prior to the building and construction project.

It must be recognised that construction ("site") or shelter production or improvement is not an end in itself. It is part of a larger process of capacity building and change which benefits all who participate in that movement of the urban poor seeking secure and stable shelter. It is crucial for the poor to understand the urban land and shelter "market", to ensure that the shelter has potential for a home and positive community action, and they can protect this and maintain it for their growth and development.

All the various elements of the design, as well as the settlement design have been worked out of communities articulating how these physical arrangements will affect their living conditions physically and socially.

The site(s)

There are no individual plots. The cooperative owns the land and community co operative members own the house structure. In each situation a plot was demarcated by the authority who owned it, and the residents along with architects worked out the site plans based on relevant FSI (floor space index) which determines the ratio of construction and open space. In all situations we have sought high density and low rise, although the popular perception is to encourage low density and high rise. However such solutions are both more expensive and do not suit the social, economical and community needs of the poor.

Apart from individual family units to afford families privacy, there are any community spaces, and many multi - purpose areas. There will be a wide range of community activities which take place around the settlement. These will range from day care, work sheds for women, skill and literacy classes, community celebrations - weddings and such like, ration and provision shops, and if the state will permit, a room allocated to street children's night shelters.

The federations of the urban poor see their inadequate shelter as part of a much larger social problem. They believe that unless these larger social, economic and political issues are grappled with simultaneously, there can be no real change, as shelter security is part of that solution but not the entire solution. This stance gets justified when one seeks to understand why all over the world the poor inevitably sell off their newly acquired homes.

### **Land tenure**

In the city of Bombay presently there is an interesting paradox. Slums have no formal lease or tenural rights yet legislation by and large does not allow evictions of slums. The poor who "squat" on government agencies' lands, gradually get legitimacy through a crazy mechanism. First they get warnings to leave. If they can withstand that, it becomes a document of proof dating their stay. If that is at least 10 years, the agency who owns the land, charges them a fine in lieu of squatting on land. This is referred to by the poor as "rent". Gradually, these dwellers become eligible for upgradation projects.

In the last 10 years after a few upgradation projects, the State has acknowledged that they are doing the job too slowly, at too high a cost and so the slum dwellers are now being encouraged to take over the task. To do that, the slum dwellers are encouraged to form Cooperative societies and the land is then "leased" to the Cooperatives for 35 years. In all past cases, the state agencies (BMC, MHADA etc.) undertake procedural formalities and on paper reports that the land is leased, but in reality no cooperatives "hold" the lease deed in their hands.

Despite making this policy concession, there have been few changes in the administrative procedures to achieve this. As a result, several hundreds of co operatives are stuck somewhere in the pipeline to get their co operative registered.

1. Markendeya : Land belongs to BMC. For the last 1 1/2 years we have been attempting to get the lease cleared. We find that the documents have already passed 72 tables in the BMC/PMGP office which is 3/4th of the way so far. When this lease deed comes up clear it will be the FIRST such clearance attempted by the people. They will not pay for the lease. But people have paid a price in human and building escalation costs and SPARC in the form of human hours, travel, documentation and phonecalls for pushing these pieces of paper across office desks.

2. Adarsh: In Goregaon families pay RS.47 "fine for use of BMC" per month. Part of the negotiations is to convert this into "contribution towards lease payment for 35 years".

3. Jankalyan: The State government through PMGP, has allotted land to JKS, however the lease deed is still not in their hands. They will not pay for the land or infrastructure.

CAN RESIDENTS SELL THEIR RIGHT TO USE THE SHELTER OR SELL THEIR RIGHTS TO THE LAND? The Coops own the land, and are not entitled to sell it. House structures can be sold, but the cooperative has the first choice to purchase the dwelling. There are many checks and balances designed to ensure that families understand the "real" value of owning a house in Bombay, and they would be assisted to ensure that they never make a distress sale.

Building design, materials and process

In 1986, the Markendeya Cooperative Society was about to accept drawings of an architect which confirmed to the requirements of the Prime Ministers Grant Project. During a slum enumeration in which SPARC and the Society participated, it became clear that these plans were inappropriate to the people's needs.

The plans' inappropriateness was in two ways. Firstly individual families living in present structures of 150-200 sq ft. had elastic community space as they were on the ground floor. The 150 sq ft. on 3 floor and 5th floor with no corridors, toilets inside the house with inadequate water supply, was inadequate. Secondly, Dharavi was in the midst of a upper middle class area and ideal for gentrification a outsider could easily offer 4 times the purchase price and take 4 units and redesign an apartment thus ousting the resident.

The Society then reconsidered and developed new proposals. MM/NSDF design and strategy of a 180 sq ft. house with a 14th ft.height and a 100 sq mezzanine firstly provided more space. The toilets were shared and outside - this ensured reduced costs, plus a disincentive to outside upper-class purchasers and a more hygienic way of dealing with bad water supply. Further the dwelling opened into wide corridors and landing spaces for community interaction and a multipurpose community hall.

Jan Kalyan and Adarsh had the same design but they were all \ground floor structures.

Markendeya required to hire contractors and its constructions were double as the building was 3 floors and needed a foundation while Jankalyan and adarsh did not.

Jan Kalyan and Adarsh and MC are all supervised by society members, with women's collectives in charge in Jan Kalyan and Adarsh. Jan Kalyan and Adarsh all use bricks and mortar for building material and are using a MM/NSDF adapted roofing prefab for the roofs and mezzanines. The cooperatives hire skilled workers and supervise them, manage materials and work under them as assistants.

Jan Kalyan and Adarsh -

In all sites men and women work, but more women than men. This is because of several reasons, because women get very low wages elsewhere, the construction compensation wage is higher than what wage women get.... they can then either collect wages, or deduct the amount from the house cost. Secondly more than half the women have already begin to specialize on various tasks

and MM/NSDF have already developed a plan to upgrade their skills so other cooperatives can "hire" them.

**HOW HAVE THE DESIGNS USED BY THE COOPERATIVES BEEN DEVELOPED AND MODIFIED? (INCLUDING BUILDING MATERIALS WHICH WILL BE USED)** Such a high level of participant involvement is integral to the process of successful development. This concept of a 14ft. house with a mezzanine is originally one of the four houses designed by women pavement dwellers in Byculla in 1987. As various federations began to refine their shelter strategies, they have adopted this basic concept. In most cases, the material used in traditional brick, cement and mortar. However, the roofing material is an innovation wherein Mahila Milan now prepared the moulds and trains women on construction sites to make the roofing material, which is half the cost of other materials.

### Project Management

**WHO IS MANAGING THE CONSTRUCTION PROCESS? ARE THE PARTICIPANTS OF THE PROJECT ALL CONTRIBUTING TO THE CONSTRUCTION IE. SELF HELP? ARE THERE DIVISIONS BY GENDER IN THE CONSTRUCTION TASKS?**

Each of these three projects is, in some sense, a model for the future development of other communities within the same area and elsewhere. The implementation of each project has therefore involved some additional costs. However these will be recovered gradually as the housing coops with experience begin to share their expertise as a repayment, and give each federation a set of trainers and technicians. Each project has various committees: Finance, construction materials, labour, supervision of skilled labour hired, and so on. NSDF/MM/ SPARC members assist in setting these up and ensure that there is a good balance of co-operative members and federation members. In all coops the committees are to have half women, but except in MCS there are more women than men.

An element of each project is the cost of creating federations (to which each society belongs), and training each federation to build the capacity of member cooperatives to participate in building design, construction and management. There are further costs in linking all the federations to make effective demands on the state for resources such as land and finance. A further set of costs are those incurred by SPARC and its partners in negotiating with government. Most of these additional costs were anticipated and were covered by SPARC/NSDF/MM. Each federation is expected to repay this investment training and supporting new cooperatives.

### 3. Financing arrangements

#### 1. MCS:

MCS was sanctioned a loan of Rs.18,60,000 lakhs from HUDCO. In addition to that, the residents have contributed Rs.7,00,000 already, the PMGP subsidy of Rs.4,00,000 constitutes the initial Rs.32,000 per dwelling for 92 houses.(This cost has expanded to Rs 48,000 in 1989-90 it went to Rs 52,000 and now is estimated to go uptoRs 65,000). However HUDCO (which has never undertaken retail lending) agreed to lend to MCS as special case. However, the loan (although "sanctioned") could not be executed because it required the clean lease to execute a mortgage.

This situation was further complicated by the fact that BMC has never transferred land lease to peoples Cooperatives in practice. Therefore the situation became bottleneck for release of loan.

The pile foundation was entirely done on peoples own resources, and state subsidy. Finally the first installment came one year later then it should have because another "first" was achieved. SPARC used its deposits to guarantee the first installment since the lease is not cleared even now, a guarantee from an international donor is being drafted to cover the full loan amount.

2. Jan Kalyan : the Railways will pay PMGP for land lease. Jankalyan will get this amount as "compensation". Therefore in our cost calculation we do not include land costs.

Is this considered satisfactory: It is one step ahead. Moving from non acceptance and non acknowledgment to this. Residents will fix the "selling" price each year and members will have to offer house to the Cooperatives. The Rationale being that in their own analysis their non financial inputs is what has created this assets and therefore the collective much make the choice. However, the owner of dwelling can sell.

The Markendeya Cooperative Society borrowed all additional finances from HUDCO. (ADDITIONAL TO WHAT) These were granted because of a guarantee given by the state government to MHADA (WHO IS THIS THIS The Prime Minister's Grant Project ELSEWHERE THE TEXT SUGGEST THAT SPARC WAS THE GUARANTOR)? For four years, the Society argued with the state to be allowed to borrow direct from HUDCO. HUDCO itself supported the cooperative and made it public commitment to provide direct finance. Markendeya itself collected over Rs.500,000 from its members in order to begin construction.

HUDCO were unable to advance the loan for many months because the Bombay Metropolitan Council would not grant a land lease to the society. This lease is a requirement for the mortgage agreement. A loan for Rs.2 million has finally been agreed after SPARC offered a repayment guarantee to HUDCO.

The Housing Development Finance Corporation (HDFC is a private housing Finance Corporation) was willing to offer two cooperatives (Jan Kalyan and Adarsh) the loans they needed. Neither of these groups had a clear land title to the sites they wished to developed but both were working towards this end. HDFC would have preferred for SPARC to take on the management of the project and it took much negotiation before they were willing to deal directly with the cooperatives. An important element in gaining the cooperation of the Housing Development Finance Corporation was the willingness of poor communities to save and deposit this money with the Corporation.

WHAT ARE THE FINANCIAL DETAILS FOR EACH PROJECT? HOW MUCH WILL RESIDENTS HAVE TO PAY AND HOW WILL THE REMAINING COSTS BE COVERED.

HDFC gave loans to Jankalyan and Adarsh, and they repay Rs 130 EMI.

Markendeya got from HUDCO and they pay back Rs 400per month EMI.

HOW WERE THESE FINANCIAL ARRANGEMENTS AGREED?

SPARC/NSDF/MM negotiated the terms with agencies and residents and federations were part of the negotiating team. In all instances the agencies wanted SPARC to take the loans. The arrangements were only need upon as that was about as elastic they could be.

C.WHAT IS TO BE FINANCED BY THE DIFFERENT METHODS?

The infrastructure and land are contributions of the state. The management, technical input are contributed by NSDF/MM.



#### D. WHAT ARRANGEMENT FOR COLLATERAL/SECURITY IN THE CASE OF LOANS?

Jankalyan and Adarsh have no written collaterals. But clearly future loans will depend on these.

#### E. HOW WILL REPAYMENTS BE COLLECTED? HOW LONG ARE THE LOANS FOR?

The cooperative society collects loans repayments from members and repays to lending institution. Varies interfaces support households.

1. If family is unable to repay installments - they substitute other families for waged labour during construction.
2. Families can work out arrangement to pay each other's installments.
3. Cooperatives have lent each other for a week/10 days to purchase materials if funding delays occur.

#### F. HOW WILL THE FINANCING SCHEMES USED BY EVALUATED?

Loans are for 22 years, and the real challenge is how we are going to sustain this process. Further, we are still in the process of construction, and in every aspect, we are breaking existing paradigms and reformulating processes to make them workable and sustainable. The real challenge lies in being able to locate the real issues creating problems, and to create mechanisms to discuss them and solve them.

#### G. HOW HAVE THE IMPLEMENTING AGENCIES BEEN INVOLVED IN FINANCING THE PROJECT?

These projects will actually assist in defining parameters of evaluation because they are very unanticipated break throughs that no one individually believed could happen. Therefore they will create precedents. However, within this process, we will evaluate the scheme on several fronts.

#### 4. Project Achievements and Lessons learned

Acceptability

Affordability

Household Impact

ANY INFORMATION?

Community impact.

The Markendeya Cooperative Society is very much a model for these resident in Dharavi. It has been successful in challenging the government's plans for the area and has instead worked from the shelter and requirements of its members. Its place in history will be ever present for the residents of Dharavi. However, it is evident that the residents are paying a full price and more and we have evidence now to indicate that despite all our interventions the desperation of Markhandeya will lead them to abandon the participatory process and give it to the contractor who will end up charging them more. But it will be a long time before we really know how this will ultimately move.

Likewise, Adarsh Nagar has also become a ("flagship") for development in Dindoshi. And gradually other groups are coming for the process and learning from them.

- 1 a. There has been much capacity building that this process generated and most of this will assist women central's participation in the process. Families have supported this, and in many instances, have moved a resolution for joint ownership of their houses for husband and wife. Federations have participated and used these ideas for expanding this process.

b. Can systems evolve as a result to continue to upgrade these capacities, and gradually will facilitate City federations to build institutional capacities to assist households and cooperatives.

2.(a) Identifying all "additional" costs and justifying these to understand - were they a waste or an investment. There is no question at all that everyone involved has paid a very high price for the creation of the process. This cost is both human and financial. Although there is a strong demand of the workshop to catalogue and estimate this cost, it is very hard to do so in quantitative terms as they trivialize the real costs and force us to create a number which has no connection with reality. However, this process does bring out the realization that in developmental processes, the high risk situations are always present, and when those involved make choices, they have to do so on certain parameters.

In this instance, all of us knew we were going into untested waters. The process had been well prepared for (as much as one can do before going into uncharted territories. The communities, their federations and SPARC all knew exactly what they wanted and how they wanted to set up the process. There also knew what they were unwilling to do. Given these guidelines, they then collectively committed their collective human resources to make this process work. We knew that at best, we would have achieved a module of shelter alternatives, at worst, houses would be constructed and we would know the impediments and get ready to deal with that again.

(b) Locating the external procedures which peoples cooperative and had to undertake and their impact and implication for future construction work. The divide in people's own construction and financing and that done by the state are unbridgable in their present state. The state wants quick results, high yield and high costs, while people build incrementally, gradually and at very low cost. This has put up an unbelievable hurdle race in front of the communities, and they begin by almost accepting their defeat. It almost seems that the terms of reference of each of those procedures have to be changed before the procedure changes.

**WHAT ARE THE CONSEQUENCES OF THIS MODEL? HAVE THERE BEEN SUBSEQUENT DEVELOPMENTS WITHIN THE WIDER COMMUNITY?**

Wider Consequences

a) The three Cops specifically :

(1) Markendeya's demand for 14ft. height (versus 10 ft.) has lead to revision of Bombay slum housing but requirements, making the construction of the mezzanine legitimate.

(2) All three cooperatives demonstrate poor peoples capacity to manage projects better than state.

(3) Community space for multipurpose use is part of designs.

(4) Toilets out side the home.

(5) Prefab roofing material.

(6) Accepting the training component in involving families in construction.

b) All together, we demonstrate an alternative people driven process, in which the state has a clear policy and strategic function and where if state policy actually supports people, people show that cost effective, people managed processes are possible.

c) The problems which continue to face show how long we have to travel before this process can be streamlined. Delays, non cooperation and indifferent interpretations of the law are costing people price increases, morale deflation and increases costs of living in transit accommodation while they build new houses.

Institutional Link

In Dharavi, there are several authorities involved in the project including the national government, the state government, the Bombay Municipal Corporation and HUDCO. The national government was responsible for administering the Prime Minister's Grant Project. The state government was the official coordinator of the project. The city council owned the land and was responsible for providing infrastructure and basic services. The initial plan of the government was to evict about half of Dharavi's residents, remove all industrial production and substantially develop the site. The residents needed to consider many issues and work with each of the different levels of government in challenging this strategy.

In the case Adarsh Nagar, the community was resettled by Bombay Municipal Corporation on land the corporation already owned. The relationship between the group and the corporation is complex and has been influenced by the fact that all residents in Dindoshi are from illegal settlements. The corporation has given them no security of tenure and charges Rs.47 per household for services provided. The HDFC has provided a loan for the 53 houses belonging to the group (HOW DID THIS COME ABOUT?)

The Jan Kalyan Cooperative Society has to relate to three main government institutions,, in this, they are supported by the Railway Slum Dwellers Federation. These three groups were the railway company, the state ministry responsible for slum redevelopment; and the Prime Minister's Grant Project.

### Replicability

Replicability to us means the creation of defined choices and options which emerge from the process which is experiences, which can be adapted, modified, redefines and also reproduces by those who are to be the consumers of that concept. We move away from the mechanical replicability which seems the definition of housing construction today. Within the sphere of replicability we include concepts, strategies, choices and all the intangible units which create the concrete form and not just the settlement design and house model.

Very intrinsic in this "model" is the creation of a series of mechanisms which create the precondition to learn and train as one does, thereby creating a human resource pool which is available to all poor, and in some measure substitutes the monetary resource pool they lack presently.

SPARC notes the following points for consideration when examining the development of similar projects.

No amount of training overcomes:

- \* the insecurity and anxiety as to whether the process will be completed.
- \* constantly emerging opportunities for self advantage and profit.
- \* confusion of roles and abdication of responsibility
- \* dynamic and creative tension between larger and smaller federations, federations and cooperatives, cooperative leaders and members, poor and professional, federations and authorities...

It is also important to remember:

- \* participation must be advantageous to the people
- \* poverty does not automatically mean that people organise themselves.
- \* appreciation of the value of collective behaviour may be short-lived if the goal setting is only for immediate gains.

The federation building model is a strategy to ensure the sustainable participation of individual members. It is only effective if it leads to the proven and evident advantages of collective behaviour over individualism. If this is not achieved, then a federative model cannot be sustained. Such activity must be clearly distinguished from community behaviour which is imposed by the state because they do not enable households to choose an alternative.

Further, this model unlike the traditional model of community organisation suggested by Saul Alinsky and others does not focus the attention of communities to local action, and energise communities to fight a local enemy, neither does it invest in one community leader, who again by default is always a male. Instead the process seeks to develop within communities and their federations an insight into how global and local linkages produce certain strategies of development. How to define their roles and responsibilities, and how to develop both a horizontal and vertical network of alliances to deal with issues affecting development locally and globally.

### Role of HI

1. Homeless International is not directly associated with any of these 3 programs of construction. However SPARC acknowledges Homeless International (IYSH then) as the first donor to support pavement dwellers. It still has the funds IYSH gave to provide technical support to Milan nagar (600 families in Pavements of Byculla).

2. The Bombay Bogota exchange and subsequently the India South African exchange constitute the present projects with HI have with SPARC. These are seen as vital ingredients of the federation model and strengthen local and national federations to develop a global perspective to local plans.

3. We would like to believe that SPARC's own preoccupation with shelter finance has created the basis for this workshop and will possibly lead to something in the future in collaboration.

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Electricity		
[K		
\$.<=BGLQV[ ejoty~f^'ÿÿÿÿÿÿK		
\$( )<=BGLQV[ ejoty~f^'ÿÿÿÿÿÿ[Sewerage		

Roads						
Other						
----- ----- -----						
LEGAL COSTS						
----- ----- -----						
MANAGEMENT COSTS						
Please specify cost elements included						
PROFESSIONAL FEE						
----- ----- -----						
COST OF PRODUCTION						
Material (Detail as appropriate)						
Include details of donated/ recycled materials. If this is appropriate.						
1.						
2. etc.						
Labour						
Skilled						
Unskilled						
Self Help (Please detail what is included)						
Transport						
TOTAL:						

(TOTAL PROJECT COST) (PER

UNIT COST

[K  
\$(=<BGLQV[ ejoty~f^yyyyyyK  
#\$(=<BGLQV[ ejoty~f^yyyyyyyyyy[FINANCED BY: |

DEPOSIT | |  
SELF HELP LABOUR | |  
GRANT FROM HOMELESS INTERNATIONAL | |  
OTHER (eg Sponsoring agent) | |  
NET COST TO BE FINANCED BY LOAN | |

|  
[K  
#\$(=<BGLQV[ ejoty~f^yyyyyyyyyyK#  
()<=<BGLQV[ ejoty~f^yyyyyyyyyy[TOTAL |

-----|-----|

BORROWING ARRANGEMENTS: | | |  
 LANDING INSTITUTION (EG YCO) | | |  
 AMOUNT BORROWED | | |  
 TERMS (YEARS) | | |  
 GRACE PERIOD (if any) | | |  
 REGULARITY OF REPAYMENT REQUIRED | | |  
 (FLEXIBLE OR WEEKLY/MONTHLY) | | |  
 SECURITY/COLLATERAL ARRANGEMENTS | | |  
 INTEREST RATE: (Indicate whether | | |  
fixed or variable)		

COST TO BORROWER(PER WEEK OR MONTH)| | |  
 UPFRONT FEES | | |  
 LOAN REPAYMENT AS % OF HOUSEHOLD | | |  
INCOME/EXPENDITURE:		

TOTAL NUMBER OF BENEFICIARY | | |  
 HOUSEHOLDS AVERAGE SIZE OF | | |  
HOUSEHOLD		

EXCHANGE RATE FOR POUND STERLING | | |  
CURRENT RATE OF INFLATION		