Lakshmi Raj: Shaping spaces in post industrial Mumbai: Urban regimes, planning instruments and splintering communities
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CHAPTER 1: RAISING THE ISSUES

INTRODUCTION

Although only around a quarter of India’s total population lived in urban areas in 2011, the absolute size of the urban population is already large enough to draw attention – almost 287 million people. Large differences are found among urban areas as well, with mega-cities (cities with 10 million people and more) drawing attention because of their importance as major contributors to the national economy. This pattern of economic shift towards large cities fits into the international debates on urban areas as drivers of economic growth (World Bank 1999; Sankhe et al. 2010).

Mumbai is one such city, and its development holds value not only for its 12 million and more residents but is also important for the entire country. The city once known for its textile mills is now the financial and commercial capital of the country, housing some of the largest oil, trade, finance companies along with a booming Hindi film industry. Following economic liberalization in the early 1990’s the city is said to have become part of the global economy (Pacione 2006; Castells 1996).

Given its importance in terms of urban development and land development more specifically, Mumbai has also been the scene of contentions and conflicts, where power struggles between various classes are fought. Decisions on what use urban land should be put to, how it should be developed and who should be the decision-makers are matters of politics, which often result in conflicts. These conflicts are exacerbated as the city is very small in area size, part of it on a peninsula, with half its population living in slums, and a large section of the population employed in the informal sector. Disparities in income, amenities, housing and services are very glaring here.

In this study the issue is taken up of how the state intervenes in urban development and what the effects are on different sections of the urban population. The study covers the strategic period when major shifts in the state’s intervention in urban development occurred, via the process by which Mumbai’s revised Development plan of 1991 emerged. The introduction of market mechanisms to deal with problems of getting private land into the public domain for developing collective public amenities. It specifically looks at the question to what extent and whether engaging non-state actors in urban development could solve the problems of delivering amenities to all residents of Mumbai. It fits into discussions on state interventions in urban land management policies, as well as discussions on new forms of urban governance in which the state interacts with non-state actors in deciding the direction of urban development (Baud and de Wit 2008).

Urban interventions in India

One of the main instruments of land policy is urban and regional planning. In its (urban or regional) Development Plans the state can provide strong or weak directives on how land use should be structured. A direct relationship is said to exist between the extent to which a country’s state wants to control land policy and the degree of urban planning (Virtanen and van ‘t Verlaat 1998).

Realizing urban development plans necessitates getting land under direct control of the state. Public amenities such as schools, hospitals, parks, all need a valuable ingredient – land. Acquisition of land has been one of the means of getting privately owned land under public ownership and use. Under the Town Planning Act, local and state governments have to provide public amenities to urban dwellers. For this, three broad sets of tools have been identified as being used by governments – planning tools, land development tools and legislative and fiscal tools. Urban development is carried out using a combination of these tools where the government plays both a regulatory as well as a developer-provider role for public amenities and housing.

The modern Indian State has used various instruments to realize its land policy goals, through direct intervention in land development either by providing infrastructure or through land acquisition for
public purposes. Another instrument has been the regulation of land use - by zoning, building control rules and regulations, often executed by local government. A third set of instruments concerns fiscal measures such as taxation and stamp duty. As a provider, the state’s strategy has been to acquire private lands for public use, thereby establishing its eminent domain. The legal instrument available to the Government of India has been the Land Acquisition Act enacted by the former British colonizers. The national government in India has also played a regulatory role by controlling the size of land holdings, house rents and land use through a number of regulations, such as the Urban Land Ceiling Act, The Rent Control Act and the Regulations governing town planning and development.

Analysts recognize land regulations to be necessary for well-functioning markets but when poorly designed they are known to be a serious drag on economic development. Land analysts believe that regulations in India are often poorly conceived and the central, state and municipal regulations contribute to an artificial urban land shortage (Sridhar 2010). As a result, amongst other reasons, urban land prices are abnormally high in relation to India’s average household income, and households consume less floor space than they could afford if the regulatory environment were reformed. Some of these regulations are also responsible for corruption, and it has been said that the regulatory environment in India has contributed to a “criminalization” of real estate (Bertaud 2002; Sridharan 2003).

The interventionist role of government has come under much criticism by World Bank officials and the private sector. Their view has been that the intervention of the state in the housing market has failed, because, even though well-meaning, it has frozen land supply in the formal markets. This has resulted in large sections of the city population being forced to seek housing in slums or informal markets. These neighborhoods are termed as ‘blighted or illegal’ settlements and function outside the planning and regulatory framework of the city with poor or no access to amenities. People living in these informal communities here also have fewer rights to such amenities, depending on the degree of informality. Thus the poor have not benefited from strict planning regulation (Payne 2001).

Two types of recommendations emerged based on the causes identified. One group of analysts advocated that the state should reduce its role in the real estate sector and move towards being a facilitator or enabler. Within this line of argument, it was also recommended that the state enable emergence of property markets by changing rules and setting up new institutions (World Bank 2005). Another group of analysts critiqued the strict regulations governing urban planning, such as restricted Floor Space Index (FSI) and zoning, and pointed out that often policies have been created to solve problems created by earlier policies (Bertaud 2005). Some analysts have also pointed out that the regulations regarding housing settlements and urban planning, such as size of roads and acceptable size of housing plots are ridiculously strict in India. (Payne 2001). Norms borrowed from high-income countries are a misfit in developing countries given their pace of growth and populations. NGOs (like SPARC) support this view and want a lowering of rules and regulations governing urban settlements so that a large section of informal settlements can become part of the formal housing market (Payne 2001).

India’s shift from a mixed to a more liberalized economic system, which began in 1991, is also reflected in the government’s urban land policy (Kundu and Mahadevia 2002; Bhide, Shahajahan, and Shinde 2003). Nationally, there appears to be a shift in the national state’s strategies over time to reduce direct interventions in urban land development. India’s Fifth Five-Year Plan marked the turning point of the ideological stance held by the state on land. Land was now perceived by the state as a “resource” and income-generating tool. This was in complete contrast to the earlier socialist ideas of preventing private concentration of land ownership.

In Maharashtra State, one of the lessons learned from the Navi Mumbai experience was that if compensation to private landowners is made attractive, large areas of land can be acquired (Shaw 2004). There appears to be a willingness to experiment with new modes of compensation for the private sector in urban areas (Shaw 2004). Further, use of fiscal measures - taxation, stamp duty – as a means of controlling land policy seems to have decreased (Karnik 2002). In Mumbai, at the local
government level, there was a move towards using innovative measures such as the New Planning Instruments, for example the Transfer of Development Rights (TDR) and Accommodation Reservation (AR) as modes of compensation to private landowners whose lands had been reserved for public amenities. New Planning Instruments require a closer working relationship with different non-state actors.

This shift towards engaging with non-state actors (i.e. private and civil society groups) in urban governance has been looked upon by academics with suspicion. Several authors have termed this a move towards the emergence of neo-liberal states (Harvey 2000; Guha 2008). Swyngedouw, critiquing this shift has said, “the innovative governance arrangements… have resulted in the emergence of new regimes of (urban) governance with a particular emphasis on changing political citizenship rights and entitlement on the one hand and their democratic credentials on the other hand” (Swyngedouw 2005).

Does the reduction in state control and in the urban development sector stimulate activity in the urban sector? The question whether the new regime using market instruments is able to perform better than the state control regime requires an assessment. Are market instruments attractive compensation packages for private landowners? How are the basic needs of squatter settlements satisfied? Do the New Planning Instruments bring about more equality in access to basic amenities in the city and most important of all are they able to facilitate implementation of the revised development plan? Using Mumbai as a case in point, this study examines the shift in public land policy and its impact on the urban poor.

1.1 THE CITY AND ITS DEVELOPMENT PLAN

Mumbai¹ has grown rapidly in terms of population as well as economic growth². What were once seven coconut palm fringed islands with paddy fields and fishing villages, the city is now one of the ‘megacities’ of India, with more than 12 million people (12,47,8447 according to the Census of India, 2011). The population of Mumbai grew rapidly from the 1950’s and reached 8,227,382 people in 1981. Economic growth has attracted migrants to Mumbai, and it continues to grow, both from children born in the city as well as from migration from across India. Rapid growth has led to self-help housing from the 1980’s. Between 1976 and 2001, the slum population increased from 39% to 48% of Mumbai’s total population. Estimates are that 35 sq km of Mumbai is now covered with slums, housing almost 50% of the city’s population spread over some 2500 settlements (MCGM 2007).

The Municipal Corporation of Greater Bombay (MCGB)³ developed its first Development Plan for the city in 1964. This Development Plan (DP) drew inspiration from the Maharashtra Regional and Town Planning (MRTP) Act⁴ and relied upon a classical planning approach, reserving a total 1876 plots of land with an approximate area of 1142 hectares or 11,420,000 sq meters for various social and civic amenities/facilities (MCGB, 1984). At 1964 prices, the cost of implementing the DP was estimated at around Rs. 700 crores (or 10,769,230 Euros). The MCGM report reveals that till 1978 only 20% of the plan was implemented and only 38% of the estimated cost actually spent (MCGB 1984).

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¹ Till 1995, Mumbai was known as Bombay and was renamed by Maharashtra state’s ruling Shiv Sena (SS)-Bharatiya Janata Party (BJP) Hindu nationalist alliance.
² A recent article by Kundu in EPW suggests however that the rate of growth among the metropolitan cities has slowed down in the last decade A. Kundu, "Politics and Economics of Urban Growth,” Economic and Political Weekly 46, no. 20 (2011), 10-12..
³ The Bombay Municipal Corporation Act was introduced by the British Government in 1888. The Municipal Corporation of Greater Bombay (MCGB) was renamed the Municipal Corporation of Greater Mumbai (MCGM) after the name change of the city.
⁴ Town planning in urban Maharashtra is carried out in line with the Maharashtra Regional and Town Planning Act under which the planning authority carries out a survey of the land based on existing land-use maps and prepares a draft Development Plan which is submitted for approval to the State Government.
Listing the main reasons for poor performance of the first DP, the MCGB Report of the revised development plan of 1984 indicates that:
1. There were financial constraints as there was no in-built mechanism for raising resources for proper implementation of the DP.
2. Due to rise in real estate prices in the subsequent years, the cost of acquisition of privately owned land and reservations became very high.
3. Due to procedural delays in acquisition, the implementation suffered. The various reservation sites were encumbered and so the acquisition procedure became very difficult. Due to financial constraints, MCGB was unable to rehabilitate the existing occupants of the slums.
4. The mechanism of public participation was also absent.
Figure 1.1: Map detailing land use of Greater Bombay

In 1991, the Mumbai Metropolitan Regional Development Authority (MMRDA) drafted a Regional plan for Mumbai outlining land policy goals set by the national government. The revised DP introduced New Town Planning Instruments (NPI) as an alternative to previously practiced planning and land development tools. While previously cash payments were given as compensation for private lands acquired for public amenities under the Land Acquisition and Urban Land Ceiling Act, the NPI permitted compensation in two new forms. First, it included development rights on the land itself, such that both the public amenity as well as the private interest could be accommodated. Second, development rights could be transferred to another plot of land within certain norms.

As a result, a combination of four factors appears to have contributed towards developing new planning instruments to realize the DP: 1) ‘Failure’ of earlier instruments which offered cash as compensation to land owners; 2) The Navi Mumbai experience of land sharing was seen to be positive; 3) The new instruments were probably considered in line with the economic liberalization process initiated in the mid-1980’s, and 4) The MCGM had already experimented with TDR for roads and floating FSI as compensation for land acquisition in the mid-1970’s.

1.2 SHIFTS TOWARDS NEW TOWN PLANNING INSTRUMENTS – TDR AND AR

This section details the shifts and changes in town planning instruments, which accompanied the revised Development Plan. Sanctioned for the period between 1991 and 2013, the Revised Development Plan for Greater Bombay was seen as an opportunity to solve the problems of the first development plan of 1964. Planners hoped that it would ‘tackle many of the critical problems by adopting planning measures’ (Balachandran, n.d.). The previous Plan’s key strategy to promote a pattern of growth concentrated in one central area – in the southward direction – was replaced by polycentric development pattern – which encouraged more distribution of activities across the city (Balachandran, n.d.).

Among the various policies adopted in the revised DP were: creation of commercial centers in the Western and Eastern suburbs, shifting wholesale markets to suburbs and even outside of Mumbai, and reducing FSI in the city area. A key aspect of the plan was that it recommended reduction of Planning Standards for public amenities and facilities. Balachandran, planner with the MCGM, writes that, “The Urban Development Department modified the planning standards adopted earlier to make the Development plan more pragmatic and realistic.” (Balachandran, n.d.) Different planning standards were adopted for the Island City, the Suburbs and extended suburbs, based on existing services and projected population growth.

The shift in planning standards permitting higher FSI in the island city in keeping with existing FSI usage, was more realistic than the first development plan which restricted FSI in the island city with the objective of decongesting it. The plan also promoted more schools with more area per student in the suburbs and market places. A total of 5258 sites were reserved having an area of approximately 3408 hectares in the entire city for public amenities in the revised DP of 1991. The amenities list names twenty different types of amenities (Balachandran, n.d.). An interesting difference between the revised DP and the first plan is that while the first DP reserved ‘plots’ (1876), the revised plan reserved ‘sites’ (5258). Though the number of sites was higher, sites were only a subsection of the earlier reserved plots.

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5 The Mumbai Region as per the Regional Plan covers Mumbai City and Mumbai Suburban Districts - the Mumbai City also known as the Island City district ranges from Colaba in the south to Mahim and Sion in the north and the Mumbai Suburban District ranges from Bandra to Dahisar, from Kurla (Chuna Bhatti) to Mulund and from Kurla and up to Trombay Creek. The Mumbai region also covers part of Thane District comprising Thane, Kalyan, Bhiwandi and Ulthanagar tehsils; and part of Vasai tehsil and part of Raigad District comprising Uran tehsil and part of Panvel, Karjat, Khalapur, Pen and Alibag tehsils.

A key strategy of the revised DP was to find sources of funding other than government so that the financial troubles that beset the previous Plan would not be repeated. Innovative funding methods and policies were suggested, such as: Accommodation Reservations, Transfer of Development Rights for land under reservation and for built-up amenities, allowing commercial/residential use of industrial lands by insisting on space for amenities designed for additional population. The new Development Control (DC) regulations also incorporated higher FSI for Urban Renewal Schemes, redevelopment of old and dilapidated buildings and rehabilitation of slum dwellers.

To implement the revised development plan, the MCGM in 1991 introduced a number of New Town Planning Instruments, such as increased FSI which increased the permissible built-up area on a given piece of land, Additional Floor Area Ratio (AFAR) and TDR, which compensated the land owner with development rights in lieu of cash. AFAR and TDR instruments were applicable in a number of situations. They were offered for the redevelopment of old, dilapidated buildings, for surrendering of private land for community amenities such as gardens, schools and hospitals, for the redevelopment of slum areas and for construction of housing for families displaced by infrastructure projects.

These New Planning Instruments were viewed as measures to overcome the problems of the earlier instruments, namely Land Acquisition Act and Urban Land Ceiling and Regulation Act (ULCRA). The NPI offered private land owners and developers marketable incentives, which could be realized either on site through the AR instrument or transferred to higher or equal priced areas through TDR. These new instruments were expected to satisfy the demands of the private sector and in return overcome the backlog of civic amenities for citizens.

As we are interested in studying only those new instruments which were designed to realize public amenities, this study shall focus on 1) Transfer of Development Rights, 2) Accommodation Reservation and 3) In-situ development which is a sub set of the AR. Under the TDR-instrument, the landowner hands over unencumbered land, to the MCGM and in return is allowed to use its development potential on another piece of land, with certain restrictions of location. Accommodation Reservation (AR) allows the owner to develop a set of reserved sites (for amenities such as retail market, dispensary, maternity homes, shopping centre, library, post and telegraph office, police station) on the condition that the specific built-up accommodation is handed over to the MCGM free of cost. In return, the landowner is permitted to use the FSI of the land for private purposes, in conformity with development control rules.

Both TDRs and ARs are NPI, based on the principle of cross-subsidy whereby the cost of the amenity as well as cost of rehabilitation of occupiers of land (slums) is borne by the private land owner/builder initially, who can then realize a profit by the construction of open market sale components either on the same site or through sale of TDR. Thus, the cost of amenities and of rehabilitation is transferred to the high-end market buyer who pays not only for the new house built as part of the sale component but also for public amenities and slum housing built as part of the rehabilitation package. The NPI, therefore, engaged with the land owner/builder as co-producers of public amenities, whereby the land owner/builder was given the responsibility of constructing the public amenity - be it schools, hospitals. However, a significant change was that the NPI transferred the costs of rehabilitation of encroachments on the reserved plots to the private land owner/builder. Thus, through the NPI, the government transferred some of its responsibilities of provision of public amenities and management of encroachments, to the private sector.

**Actors engaged in the Policy Making Process**

From its very inception the revised development plan engaged various sections of society in debates on its content and process. Within the MCGM itself two subsets of actors were keenly engaged in the policy-making process: planners whose job description includes formulating the rules which govern

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7 These will be explained in more detail later.
the development of the city, and the elected representatives of the people – the Councilors, Members of the Legislative Assembly, (MLA) and the appointed state government ministers.

Land owners and builders - the private sector - directly gain or lose from the rules framed to implement the development plan. Private sector in the real estate industry in India is largely local (Sridharan 2003; Tiwari, Parikh, and Parikh 1999) and is often known to have varying interests depending on their resource size and project locations. The real estate private sector that which is dominated by small and medium size companies is said to have benefited from large contracts awarded by government (and thus holds close ties with the government machinery). A small section of the contractors turned builders are also said to have become landowners. Thus there appears to be an overlap between the private land owners and builders in Mumbai.

Amongst the land-owning group there are two known subgroups: large landowners who were gifted lands for their service to the British Crown and the medium-size owners who were agriculturalists. In Mumbai, these lands are located towards the north suburbs of the old island city. Large land and medium size owners who have slums on their lands are likely to benefit from redevelopment through the NPI. Even areas without slums are likely to benefit from the NPI instruments, as these lands can increase the building area per plot through higher AFAR. Landowners whose lands have development plan reservations for roads, amenities or public housing are also likely to benefit from either TDR or AFAR instruments. Thus they are likely to be one of the interested parties in pushing for liberalization of urban land development.

Finally the residents of Mumbai are interested in seeing more public amenities delivered by the state. The population of the city is not homogenous and is stratified along class and caste divides (Patel and Thorner 1996). One of the historical divisions in the city exists between the residents of informal communities - or 'slums' are they are called in legal language and those who live in formal tenured housing – in high-rise condominiums or small villas. The citizens of Mumbai are organized around their housing and class groups. The interests of these groups are likely to differ.

Putting together planning instruments, rules and policies, (it appears from the newspaper reports and authors experience) is a very dynamic process with interventions from various actors, civil society groups, housing rights groups, government officers, politicians, small and big land owners, builders, large industrialists and the new service sector, as well as multilateral agencies such as the World Bank and international development consultants. Decision-making is becoming more complex with the entry of new actors. While some of these actors have played a historical role, others are relatively new. One such actor is the middle class of Mumbai (Fernandes 2000; Baud and Nainan 2008). Their growth is directly linked with economic boom of mega-cities of India.

In the 1960s and 1970s, industry was the powerhouse of Mumbai and much of this industry consisted of cotton textile mills located in the south central part of the island city, towards the eastern side. By the next decade, the nature of industrial activity widened to include chemicals and engineering sectors. The growth of the services and financial sector in Mumbai from the late 1980s onwards gave birth to a new middle class. Employment in the tertiary sector (Finance, Insurance, Real Estate, Business Services, Social and Personal Services) doubled in the time period between 1980-1998 (Pacione 2006; Pendharkar 2003).

Over the last decade, the middle class in Mumbai has grown to be very active. They have used their voice, organizations and have also litigated to influence policies of relocating street hawkers, tame municipal labour unions, and joined hands with the elite to create a powerful neo-liberal lobby which is pushing for a global Mumbai (Baud and Nainan, 2008). There appears to be an emergence of a new kind of politics led by the middle classes and elites of the city. This new elite movement is also demanding public amenities. However, their focus is more on open spaces, pavements, roads and gardens and is likely to conflict with the needs and interests of the slum dwellers and industrial workers, who have been demanding public housing, public schools and hospitals.
Slum dwellers living on lands earmarked for public amenities are now being wooed by the landowners and builders who find it attractive to redevelop these lands. AR projects require consent of slum dwellers. They are then moved into transit accommodations constructed by the builder and on completion of the project, are allotted composite units of 225 sq feet on the site itself. Under infrastructure projects, slum and pavement dwellers are termed Project Affected Persons and are required to move into homes built by private builders in lieu of TDR (Patel and Arputham 2008). This process appears to be fraught with protests and conflicts. While a growing number of slum dwellers approached the Central Bureau of Investigation to complain about misdeeds of builders and officers, middle class residents protested against sharing lands reserved for public amenities with “encroachers” (Relief Road Residents Association PIL).

Urban policy studies by other academics have also pointed to a struggle amongst different levels of government and their collective impact on urban developmental policy (Pethe and Lalvani 2010). Within the government too there is a tussle between the elected representatives and officers, who might have differing positions on the development plan. Do the slum dwellers have any role to play, formally or informally, how do they go about influencing the policy-making process to ensure that they gain housing security and amenities? The potential number of actors who could possibly engage in influencing developments is very large. However, we know very little about who participates and how. Several questions need to be answered on actors before it is possible to understand policy-making processes. They include:

Which actors participate in the process of TDR and AR policy formulation? What are their interests and what resources do they draw on to influence policy? What strategies and forums do they use to influence policy decisions? What is the role of the state in all this?

These are some of the questions, which surface when we think of the actors in Mumbai.

**Processes of policy making**

Groups of all the above actors appear to be actively involved in the discussions and debates on the new planning instruments. Both the TDR and AR policies started off with much protest and critique from environmental and citizen groups in Mumbai, in the mid ’80s. Chandrashekar Prabhu, then an MLA, raised the issue in the State Assembly of the de-reservation of 285 plots of land reserved for public amenities by the then Chief Minister. Other organizations such as the Save Bombay Committee (SBC) and the Bombay Environment Action Group (BEAG) led a subsequent series of Public Interest Litigations (PIL). While the MRTP Act does provide opportunities for voicing opinions and invites comments and suggestions to the draft development plan, this space appears not to satisfy the needs of various actors, and as a result they seek other spaces, such as mass action, the courts, assembly or lobby with officials. A growing strategy for influencing decision-making was the use of PILs by civil society groups (Dupont and Ramanathan 2008). As a result, there appears to be a growing role of city and national level courts in deciding the extent to which planning instruments can be applied to various areas of the city.

Some actors appear to be forming networks based on common interests, such as federations of housing co-operatives which have clearly promoted the interests of middle-class citizens living in condominiums, while slum residents have organized under the leadership of NGOs and political parties. Landowners and industry representatives have well established organizations and associations who lobby with the government and are also known to contribute to their party funds.

There appear to be high interests at stake as different sets of actors mobilize resources and formulate strategies to influence the new and old planning instruments. All these indicate a conflicting and multi-scalar process of public policy making. Which of these actors will gain higher levels of influence depends on how effectively they are able to negotiate their demands and the kind of resources they are able to draw on into achieving their goal.

With so many actors and their differing interests in the fray the questions we are asking about how actors intervene are the following: what are the networks and coalitions the actors build to influence
policies? How are conflicts and differences resolved? How are negotiations carried out? What bargains are made? What is the role of state in the negotiation process?

1.3 OUTCOMES FOR THE CITY AND ITS CITIZENS?

The NPIs were used as means to overcome the financial limitations faced by the government in their inability to fund land acquisition and construction of public amenities, in other words realize the development plan of the city with larger private sector participation. Has the change in mode of compensation to private landowners and builders in lieu of constructing public amenities attracted many more private land owners/builders in collaborating with the government in delivering public amenities?

Newspapers and reports boast the achievement of the state in being able to create rehabilitation housing for the large numbers of infrastructure affected shack dwellers using NP instruments, which suggests that there is evidence to show that NPIs have contributed to creating public amenities for the city. The question then is what types of the public amenities have been created by the new regime? What is the quality of these amenities? And where in the city are they located, for the use of which section of the society? Finally we are interested to know to whether the goals set by the development plan have been achieved by the new regime (Balachandran n.d.; MUTP 2002).

One of the possible difficulties the new regime was going to face in bringing land into public amenity use was the problem of squatter settlements on private lands. As almost fifty percent of the city is living in squatter settlements and the previous regime did not have funds to rehouse them, the question then would be whether NPIs were able to do what earlier regime failed to do. I am interested to know how the NPI works with squatter settlements on private lands reserved for public amenities’. Are they relocated on site or off site? How has NPI impacted squatter settlements? Have their housing condition become better than what they were earlier? Further, whether market based instruments improve supply of public amenities across classes of citizens in an equitable manner is an unanswered question.

A study of rehabilitation sites in New Delhi by Baud and others found that there was a differential set of norms set for housing constructed for households rehabilitated under infrastructure projects than the norms laid down for other formal housing (Baud, Sridharan, and Pfeffer 2008). All these households were identified as poor and majority to be living below poverty line. Such differentiation (discrimination) of public housing and amenities is known to exist in Mumbai from the colonial times. Have the new instruments been successful in including excluded sections - slum and pavement dwellers - as the earlier instruments did not actively provide any plans for those who would be displaced from their homes as result of land acquisition for public amenities. Do the new planning instruments ensure that equal sets of norms for amenities are available for all and that earlier patterns of unequal development are evened out?

There exists a clear division amongst the actors and their interests, as the interests of the class to which they belong and the resources and coalitions they can draw on are distinct. Research has already indicated that there are two different models of influencing and accessing decision makers used by the middle class and slum dwellers (Baud and Nainan, 2008). It is quite likely that this class fragmentation will leave vulnerable sections with less power in influencing processes, as a result of which the existing dominance of the rich and industrialist class is maintained. How are NPIs able to accommodate the needs of three different interest groups (i.e. the squatter settlements, public amenities to be created and landowners wanting compensation)? What kinds of trade-offs are made in the process of satisfying needs of three different interest groups? With a very active middle class activist community in Mumbai, it was quite predictable that breaches of norms and rules would give rise to conflicts between interest groups at the project level. How are these conflicts over project deliverables mitigated? What is the role of the state in this process?

One of the problems of urban development is its commodification; i.e. the use value of the product (either house or open space) is transformed into its exchange value and in the process becomes part of
the capitalist market economy. This process of commodification is inherent in fungible land market instruments such as NPI. The State has a larger role to play in ensuring that such market swings are regulated. What is the role of the state in ensuring that NPIs are implemented towards achieving the goal of social development and not transformed into a system of generating commodified land products? Since NPIs function in imperfect markets, externalities are bound to occur. The state’s role in dealing with externalities and interest groups is a new challenge demanding new capacities. Information on land markets too needs to be readily available so that it can be used to intervene in the market from the side of the citizens.

The key question for this study then becomes:

**How did the new urban regime in Mumbai emerge in the early 1990’s? What regulatory framework did it set up, and what are its impacts on urban space and equality?**

More specifically, how has the adoption of New planning instruments (TDR and AR), which engaged private land owners and builders as co-producers of public amenities’ to realize the revised development plan of Mumbai, affect the decision-making process of provisioning of amenities and what are its outcomes for urban inequalities? The figure below shows the connections raised by these questions in a conceptual framework.

**Figure 1.2: General Conceptual Framework**

![Conceptual Framework Diagram]

The contention of this study is that the shift from government funding to the new mode of funding public amenities has changed the role of the land owner/builder to a producer of public amenities. Theoretically, the introduction of a new mode of compensation has resulted in a more decentralized decision making process as two new actors are brought into the picture - the land owner/builder and the occupiers of the land.

A more participatory form of local governance also appears to emerge, as formal rules require consent of 70% of the occupiers of the redevelopment project land. However, a settlement of plot occupiers is not a homogenous group and not all may fit into the eligibility rules. As a co-producer, the private
land owner definitely has an interest to ensure that a larger number of occupiers fit into the eligibility rules, for which there are efforts to influence the rules which govern this aspect of the policy.

At the city level, the location choice of the public amenity is likely to have been influenced by existing land markets. As existing land markets are class sensitive, it is likely that TDR will work towards enhancing the current trend of the land markets, thereby allocating amenities lopsidedly, and requiring ongoing changes in policy rules and bringing state government into a more frequent role of a regulator for city land markets. Further, as public amenities are also of interest to the middle class, their organizations and coalitions influence the rules that govern what share of the land plot is used for what purpose. They contest the allocation of land as a resource too. Thus, various elements of decision-making processes are influenced by different actors and factors, making such processes multi-scalar, multi-actor and multi-arena processes.

TDR, as a fungible product, is easily transferred to fill other financial gaps of the state government, such as source of funds for rehabilitation of people affected by large infrastructure projects. Thus, its continuation benefits the proponents of large infrastructure projects – the big industrialists, new service sector and multi-lateral funders of these projects. Even though this section is not a direct actor, it is a beneficiary of such modes and contributes towards creating a larger consensus on the use of the new modes as compensation.

In the next chapter we critically examine what other authors have to say about such changes in urban areas and what models have they used to examine such processes. We analyze the relevance of this to the study of changing urban regimes of Mumbai in order to make informed choices for the dimensions and methodology utilized in this study (chapter 3).