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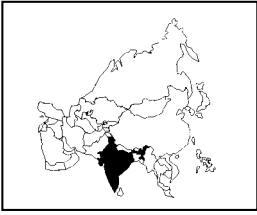
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Partnerships in urban development: a review of Ahmedabad's experience

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SUMMARY: *This paper describes the experiences in Ahmedabad of urban part-nerships recently formed by the municipal corporation, the private sector (especially one of the most successful textiles groups), local NGOs and community organiza-tions. The Slum Networking Project is the most interesting of these experiences. The paper describes the organization, financing and implementation of this project's pilot phase and its later extension to other areas. It also discusses the difficulties faced in developing the Slum Networking Project and the institutional challenges to successfully scaling it up. The scope of the municipal corporation's work was supported by a major improvement in the generation and management of its finances and by the national reforms (under the 74th Constitutional Amendment Act 1992) which sought to strengthen democratic government at city level.*

I. INTRODUCTION[1]

OVER THE LAST decade or so, a number of factors have combined to warrant a rethinking of existing institutional structures and relationships in urban development. For example, economic liberalization has brought cities to the forefront of international competition, necessitating a major change in the urban agenda. Local bodies which, hitherto, had found it hard to cope with the mandatory provision of basic services are now required to take on additional responsibility for economic development and poverty alleviation. In the face of these challenges, Indian urban governance has changed to allow more space for democratic decentral-ization and participatory development and, in recognition of their complementary role, there is also a move to formally involve NGOs and CBOs in ward committees being set up under the 74th Constitutional Amendment Act 1992.

Of the various cities undergoing transition, Ahmedabad enjoys the distinction of being the first in the history of Indian municipal adminis-tration to issue municipal bonds (on the strength of an A+ credit rating) in recent years. It has also negotiated certain innovative partnerships in urban development. The purpose of this paper is to examine various part-nership arrangements as a strategy for good governance – in particular the Slum Networking Project – and to identify the lessons emerging from the experiment. The analysis that follows is structured into five parts:

• the historical and regional circumstances of the city;
• economic and demographic trends;

- the key stakeholders and their role in urban governance;
- initiatives in participatory development;
- issues relating to the specific context of the Slum Networking Project.

II. THE CONTEXT

AHMEDABAD IS THE largest city in the state of Gujarat and the seventh largest city in India. It has a rich historical heritage and forms the hub of the most prominent regional corridor extending from Vapi (Valsad district) near Mumbai to Ahmedabad. Its growth from a major trading centre for gold, silk and cotton in medieval times to become the "Manchester of India" in the 1940s reflects the continuity of its distinct enterprise and business leadership. The establishment of the first cotton textile mill in 1861, without any special climatic advantage and before the advent of railways, and the way in which this industry expanded over the years speaks for the high level of business acumen. As an historian, examining the urban history of Ahmedabad, aptly remarked:

"Unlike Bombay, Calcutta, Madras and Kanpur, Ahmedabad was not the creation of the British but a city which while remaining true to itself successfully adapted to the new industrial age carrying over commercial and industrial skills and patterns of traditional social organization. In no great city of India can the continuity of past and present be seen as clearly as in Ahmedabad."[2]

The growth of the textile industry reached its peak in the 1940s, attracting considerable migration. In the post-Independence period, the city witnessed not only diversification of its industrial base but also significant progress in other spheres of life, especially the establishment of professional and technical institutions of various types (such as the Physical Research Laboratory, the Indian Institute of Management, the National Institute of Design, the Centre for Environmental Planning and Technology and the Ahmedabad Textile Industry Research Association). The textile industry, which loomed so large in the city's economy, suffered a decline in the late 1970s and 1980s, resulting in the closure of more than half the units and a laying off of about 60,000 workers. However, thanks to the resilience of its economy, Ahmedabad still exerts a considerable influence as the largest node in the region, although its domination has been declin-

University of Wales, Cardiff and the London School of Economics. Summaries of other city case studies also feature in this edition of *Environment and Urbanization.* The full version of this study and other city case studies, and also of theme papers may be obtained from the Publications Office, School of Public Policy, University of Birmingham, Birmingham B15 2TT,UK; tel: (44) 121 414 5020; fax: (44) 121 414 4969; e-mail to: u.grant@bham.ac.uk. City case studies cost UK£10 each including postage) but are free to NGOs and teaching institutions in non-OECD countries.

2. Gillion, Kenneth L (1968), *Ahmedabad: A Study in Indian Urban History,* University of California Press.

Table 1:	The Growth in Population and Area in Ahmedabad			
Year	Municipal Corporation (AMC)			Urban Agglomeration (AUA)
	Area (sq.km)	Population (million)		Population (million)
1951	52.47	0.84	(41.6)*	0.88 (47.4)
1961	92.98	1.15	(37.4)	1.21 (37.5)
1971	92.98	1.59	(40.2)	1.75 (45.3)
1981	98.15	2.06	(33.9)	2.55 (45.4)
1991	190.15	2.88	(39.7)	3.31 (30.0)

* Figures in brackets indicate growth over the previous decade

SOURCE: Ahmedabad Municipal Corporation (1997), *Statistical Outline,* Ahmedabad, and census reports.

ing over the years with the emergence of other industrial centres such as Vadodara, Ankleshwar, Surat and, most recently, Jamnagar.

III. ECONOMIC AND DEMOGRAPHIC TRENDS

DURING THE PAST few decades, the city's population has grown at a faster pace than the corresponding state average although, when compared to other metropolitan cities, its growth has been only moderate (see Table 1).

As is true of several other Indian cities, the process of growth has been more one of accretion of new areas than of transformation. In 1986 alone, Ahmedabad Municipal Corporation (AMC) incorporated an area of industrial growth on its eastern periphery as large as that of the existing municipality, resulting in a substantial increase in population. Natural increase contributes much more to population growth than net in-migration. The contribution of natural increase in the AMC area went from 63 per cent of total growth for 1951-61 to 89 per cent for 1971-81, while that of net migration declined from 37 per cent to 11 per cent. Although details of net migration for 1981-91 are not available, it is reasonable to assume that it was not lower than during 1971-81 because of the incorporation of the industrial area in 1986. Since 1951, peripheral growth has picked up markedly, as reflected in the growth rate of urban agglomeration, and this continues unabated.

Box 1:	Three Ahmedabads

There are, in fact, three Ahmedabads, the first of which is the five-century old walled city founded by Sultan Ahmed Shah, the main entrance to which is by way of a huge wooden gate. The area features a number of medieval mosques of Indo-Islamic architectural style and innumerable, tightly packed houses along narrow winding lanes, most of which are occupied by a homogeneous community, each with a separate sub-culture.

The second Ahmedabad developed during the latter half of the nineteenth century, around old villages on the periphery of the city, after the emergence of the textile industry. In these medieval villages turned industrial townships, slums and *chawls* (multi-storeyed concrete slums) mushroomed around the textile mills and other factories which had huge compounds and high walls. While this Ahmedabad retains much of the traditional caste-based lifestyle of the old villages, slums and *chawls* also carry the imprint of the social composition and segregated diversity of the textile mill workers. Those who migrated into the second city during the last century and in the early decades of this century settled in *chawls*, and those who migrated after Independence were forced to live in slums. Prior to 1980, almost one-third of the textile workers were *Dalit* (literally "downtrodden" - including Scheduled castes, Scheduled tribes and Backward classes); another third were Muslim.

The third Ahmedabad is new and is separated from the other two by the river Sabarmati. An élite area, it is populated by the upper- and middle-classes with a very small and scattered Muslim population and a few *Dalit* housing colonies and slums; this part of the city hosts most of the modern institutions of higher learning, including the university. In the last decade, the character of this Ahmedabad has changed. In part, this has been influenced by communal riots, and the old city (which, apart from trade and commerce has a large concentration of Muslims living alongside the Hindu community) has been worst affected. After each riot, the middle- and upper-classes in the walled city felt less secure, and the traders with their shops and the professionals with their practices in the other two Ahmedabads have moved to the new Ahmedabad. The process quickened after 1985, with the rise of multi-storeyed offices, residential buildings and Singapore-style shopping arcades. This made the élite areas of the new Ahmedabad even more exclusive.

SOURCE: Yagnik Achyut, Ashis Nandy et al. (1997), *Creating a Nationality*, Oxford University Press, Delhi.

Although not unique to Ahmedabad, the interaction of demographic and economic forces has resulted in a highly segmented spatial pattern of growth in terms of income-class and environmental quality. *Chawls* and slums are concentrated in the old city and beyond on the eastern side and, with high densities and a lack of basic facilities, these represent the lower end of the spectrum.[3] The growth areas to the west of the city are predominantly occupied by the middle and high-income categories. The addition of the industrial area to the east of the city in 1986 compounded the problems of infrastructure deficiencies in the eastern periphery. The processes underlying the emerging economic and ethnic polarization of people in the city are detailed in Box 1.

Despite the decline in the textile industry, available evidence suggests a revival of the local economy after 1990-91. This is indicated by a marked reduction in the number of households in the lowest-income group during 1985-95; a decasualization of labour and an increase in the number of regular workers between 1987/88 and 1993/94; and an increase in the number of power looms and a growth in trade and services, and a doubling of sales tax revenue between 1992/93 and 1997/98. Simultaneously, there are signs of further growth in the informal sector of the economy.

A striking development is the decrease in the percentage of households in the lowest-income group (those with less than Rs 25,000 per annum) from 35.3 per cent in 1985/86 to 11.4 per cent in 1995/96 (see Table 2). National Sample Survey Organisation (NSSO) employment data for 1993/94 and 1987/88 supports this development; the participation rates for usually employed males during this period remained stable and those for females, who constitute a much smaller proportion of the working force, improved significantly from 14 per cent in 1987/88 to 20 per cent in 1993/94. More significantly, the percentage of casual labour among males in this category decreased from 20 per cent to 13 per cent while that of regular workers increased from 45 per cent to 50 per cent.

Ahmedabad led three other comparably sized cities (Bangalore, Pune and Hyderabad) in the proportion of self-employment, a clear indication of the growing strength of the informal sector of the economy. Based on the Employment Market Information Programme (which regularly brings out data for all public and private establishments employing more than 25 persons at district level) and the relevant employment magnitudes in the census economic tables, the estimated share of the informal sector in the total work force in Ahmedabad district increased from 50 per cent in 1981 to 64 per cent in 1991. The estimate is made more plausible by the major setback faced by the textile industry during the 1980s.

Textiles still constitute the largest industrial group in the registered industrial sector in Ahmedabad. The potential for this sector's growth can be appreciated by the fact that it accounted for 33 per cent of the country's total exports in 1997. Some of the larger surviving textile mills (such as Arvind Mills and the Ashima group) have diversified their production and have emerged as major players in national and international markets. Sub-contracting the weaving of selected varieties of cloth by textile mills to power looms has been quite common.[4] Yet, despite its considerable potential, the garment industry has not developed as much as in other major cities such as Mumbai, Bangalore and Delhi.[5]

Finally, in the midst of the overall prosperity of the city, there exists a large poor population. Although quite a significant proportion of the poor are above the traditional poverty line, they do suffer from other depriva-

3. The initial thinking on slums as defined in the Central Slum Areas (Improvement and Clearance) Act 1956, and later adopted with minor adjustments by several states, emphasized the inadequacy of shelter in terms of structural quality, hygienic condition, availability of basic services and the quality of its environment. This included both old, dilapidated, overcrowded, insanitary, authorized buildings and unauthorized hutments. A number of policy and programme initiatives undertaken in later years reflect not only a change in strategy (from clearance to upgrading of "slums") but also a wider and deeper understanding of the problem - not only a problem of environmental degradation and physical deprivation but a more complex socio-economic, political, cultural and human problem to be solved through a range of responses: education and awareness to motivate the individual; community organization and mobilization to promote collective and cooperative group action; and planned intervention for income supplementation and creating conditions for sustainable change (see: Planning Commission Task Force on Housing and Urban Development (1983), *Report on Shelter for the Urban Poor and Slum Improvement,* Government of India.) The Slum Networking Project in Ahmedabad exemplifies this to a significant extent.

4. As of March 1998, there were 30,000 power looms operating in Ahmedabad. Some had been set up by mill owners, others by cloth merchants and others still by ex-mill-hands.

5. A study undertaken by the School of Planning of Ahmedabad (which examined the assets and liabilities of 15 textile mills under liquidation) recently

Table 2:	Estimated Number (in thousands) and Percentage Distribution of Households by Income Group in Selected Cities							
Annual income* (Rs.)	Ahmedabad		Bangalore		Pune		Hyderabad	
	1985/86	1995/96	1985/86	1995/96	1985/86	1995/96	1985/86	1995/96
Up to 25,000 (low)	198 (35.2)	85 (11.4)	241 (36.9)	197 (22.1)	24 (5.3)	68 (12.9)	85 (14.7)	146 (13.5)
25,001-50,000 (low-medium)	222 (39.3)	322 (43.0)	333 (51.1)	310 (34.8)	162 (35.8)	88 (16.6)	278 (47.9)	378 (34.9)
50,001-77,000 (medium)	96 (17.0)	201 (26.8)	61 (9.4)	206 (23.2)	174 (38.3)	166 (31.4)	174 (29.9)	297 (27.4)
77,001-106,000 (medium-high)	25 (4.5)	95 (12.7)	10 (1.6)	110 (12.4)	64 (14.2)	114 (21.6)	32 (5.5)	151 (13.9)
Above 106,000 (high)	23 (4.0)	47 (6.3)	7 (1.1)	67 (7.5)	29 (6.5)	94 (7.8)	11 (2.0)	112 (10.3)
	563 (100.0)	749 (100.0)	653 (100.0)	890 (100.0)	455 (100.0)	529 (100.0)	580 (100.0)	1084 (100.0)

Note: The income level in each year has been brought on par with the base year in terms of purchasing power by using the consumer price index deflator.
* 1995-96 prices
SOURCE: Rao S L and I Natrajan (1996), *Market Demographics* National Council of Applied Economic Research; and Natrajan, I (1998), *Market Demographics,* National Council of Applied Economic Research.

recommended pooling together the mills' lands and redeveloping them for commercial and industrial use on a public-private partnership basis involving major stakeholders. In 1988, Arvind Mills mooted a proposal for setting up a garment park in the heart of the city that would make use of such land, of the abundant labour in close proximity and of the management skills available at the Indian Institute of Management and the National Institute of Design.

6. Dinesh and Mehta (1992), *Modelling Urban Housing Strategies for Ahmedabad Urban Area School of Planning (CEPT),* Ahmedabad.

7. Pangotra, Prem (1997), *City Monitor 1996-7,* Indian Institute of Management, Ahmedabad.

8. There are no disaggregated data to highlight health risks and variations in service conditions in slums.

tions, especially in basic services and amenities. The percentage of housing categorized as slums increased from 17.2 in 1961 to 25.6 per cent in 1991[6] and the proportion of the total population in slums (including chawls) was 41 per cent in 1991 as against 22.2 per cent in Bangalore (including outgrowth) 29.2 per cent in Hyderabad (including outgrowth) and 38.8 per cent in Pune.[7] Whereas in 1991, the bulk of residents in slum areas had a shared water supply and as many as 28 per cent had no toilet facilities, in other settlements the majority of people had these facilities on an individual basis. While these inadequacies in basic services in themselves carry serious health implications, malnutrition and poor shelter conditions further aggravate the situation.[8]

IV. STAKEHOLDERS AND THEIR ROLE IN URBAN GOVERNANCE

THERE ARE A number of public and private agencies involved in the city's development ranging from central and state government agencies to the Ahmedabad Electricity Supply Company, the Ahmedabad Urban Development Authority (AUDA), the AMC and NGOs/CBOs at local level. In exploring the new paradigm where government's role is to create an enabling environment, democratic decentralization and participatory development, and the structures and relationships that stand out in the city's context, the analysis here is focused on the role of three players - the AMC, the business community and NGOs/CBOs. The improvement in the efficiency of city administration (tax and services) in its increased responsiveness to the needs of the poor has put Ahmedabad Municipal Corporation (AMC) in the driving seat. Besides drawing up a corporate plan for infrastructure development (funded through the capital market) the Corporation has undertaken the redevelopment of a major commercial street in collaboration with Arvind Mills. It is also planning to

construct a number of bridges with the private sector on a build-operate-transfer basis, and has entered into partnerships with NGOs and corporate groups in other areas of development. Before elaborating on these initiatives, some notes on the role of the business community and NGOs/CBOs are necessary.

The business community's interest in civil life goes back to the early years of the municipal corporation in the 1950s when the Congress Party in alliance with the Textile Labour Association dominated the local scene. Practically all the mayors during 1950-65 were mill owners who enjoyed high status and respect among the population. With changes in political fortunes and as the textile industry floundered, the mercantile aristocracy increasingly lost its traditional interest in the quality of civil life.[9] More recently, there has been a renewed recognition of the need for the business community to take an interest in civil life and there are some signs of involvement.[10] For example, apart from road improvements, Arvind Mills has been involved also in the Slum Networking Pilot Project and "green partnership". The reasoning behind this evolving concern for social engagement is "enlightened self-interest" as suggested by excerpts from Arvind Mills' briefs on its involvement in the Slum Networking Project (SNP) (see Box 2).

Ahmedabad had a high tradition of charitable and welfare activity even before the advent of the British regime. Over the years, the city's voluntary sector has expanded significantly in quantitative and qualitative terms. The more important factors associated with the evolution of voluntary organizations in the city are the missionaries' role in education and welfare of the lower castes and poorer sections of society; initiatives by Gandhi for upliftment of the down-trodden; the establishment of the Textile Labour Association; radical movements arising as a reaction to the shortcomings of the emerging political and social processes; a growing dissatisfaction with basic services provided by the civic authorities; and a marginalization of the poor. The Self-Employed Women's Association (SEWA), a membership-based organization set up in 1972, stands out among civil society organizations because of its reach, activity base (ranging from banking and credit, to health care and insurance, to housing, legal aid, and research and training) and ability to influence policy environment. By extending its operational base to rural Gujarat and other parts of the country, SEWA has been transformed into a movement. Yet another example of a highly successful organization is provided by the Ahmedabad Educational Trust (established in the 1930s) which has

9. These can be considered "mercantile" since the relationship between Ahmedabad trade and manufacturing is fairly close. Historically, the trading community took to textile manufacturing in the expansion phase of the industry and, lately, textile merchants have been involved significantly in power loom production operations.

10. Khare, Harish (1998), "An unending struggle for Gujarat's political soul", *Seminar*, October.

Box 2:	Resolution of Societal Problems; Arvind Mills' Perception of its Contribution

Arvind Mills' headquarters are located in Ahmedabad where, by December 1998, their investments totalled approximately 15 billion rupees. The company is acquiring the characteristics of a global company and feels it is very important that its management attract talented people from all over the world. To do this, the quality of life in Ahmedabad must be of international standard but, clearly, this is not possible when 40 per cent of the city's population reside in "slums". Arvind claims that alone it cannot solve the "gigantic" problems of the city slums, but acknowledges that it must play a leadership role in resolving this societal problem, and concludes that once the feasibility of upgrading the city slums has been established, the support of other business organizations can be won. Arvind Mills was persuaded, with enlightened self-interest, to work actively with Ahmedabad Municipal Corporation in the city slum upgrading programme.

SOURCE: Excerpts from Arvind Mills' briefs.

been instrumental in making the city one of the richest educational centres in the country.

In a number of instances, NGOs have made significant contributions, particularly in health, education, service delivery and awareness by the poor of various issues affecting their lives. But, by and large, these remain project oriented and fragmented efforts. There are a number of positive strands of development where networking among NGOs and the integration of community efforts at grassroots level have brought advantages to the poor. These include the professionalism of NGOs, an open minded approach regarding collaboration with public agencies, the acknowledged specialization of various organizations, and the self-management capacity of certain community organizations in credit and savings, education and health, among others. However, there are still problems, for example, networking among NGOs has yet to make significant headway and cooperation among CBOs is even more problematic.

Ahmedabad Municipal Corporation (AMC), formed in 1950 under the Bombay Provincial Municipal Corporation Act 1949, is reckoned to be one of the better administered municipal bodies in the country. The main infrastructure services as provided under the Act include a protected water supply, sewerage and storm water drainage, the construction and maintenance of roads, street-lighting, disease prevention and monitoring, conservancy (solid and liquid waste disposal), public transport, and parks and gardens.[11] For a local body which, for years, had been hard put to meet its revenue deficits despite the sale of land assets, the generation of a Rs 3.8 million surplus on their current account in 1994-95 and improvements on that in subsequent years is a radical transformation. AMC is now financially one of the healthiest corporations in India.

This transformation in the fiscal situation is primarily attributable to buoyant revenues, giving the Corporation reasonable leverage both in terms of its borrowings and investment base, including investment in the social sector.[12] The Corporation's credit rating has, for the first time, enabled it to access funds from the capital markets and obtain international credit. Supported by these borrowings, its annual capital expenditure has increased from Rs 224.8 million in 1993-94 to Rs 724 million in 1996-97. Over 80 per cent of capital expenditure goes to water supply, sewerage, roads and bridges, and a major part of this is earmarked for the hitherto neglected eastern part of the city. The Corporation enjoys a high level of autonomy in revenue use in that it depends on the state government for only 10 per cent of its total revenue in the form of a grant for primary education.

The main credit for the financial turnaround of the Corporation and other development initiatives and administrative reforms goes to the dynamic leadership of a municipal commissioner, Mr. Keshav Verma, who remained at the helm of affairs for three years, 1994-97.[13]

The healthy state of municipal finances has enabled AMC to undertake various development initiatives, including innovative urban partnerships, in particular, with the Slum Networking Project, with the redevelopment of an important commercial street called C.G. Road, and "green partnership". Of the three, the Slum Networking Project represents a unique experiment in that slum dwellers are made full partners in the process of development rather than passive beneficiaries of a welfare-oriented scheme.

Where, normally, these three relatively important stakeholders would have little to do with each other, and where the complexity of problems

11. Under the conformity legislation of the 74th Constitutional Amendment Act, economic and social planning and poverty alleviation have been added as obligatory functions of the corporation.

12. An attempt to achieve this was sought by putting into effect existing statutory provisions for mobilizing additional resources; for assessing AMC's credit-worthiness and risk level for accessing capital markets; for building public confidence with respect to AMC's capacity to effectively deliver services; and for tapping private resources and know-how for infrastructure. Octroi, which accounts for the bulk of revenue income, increased from Rs 972 million in 1991-92 to Rs 2,258 million in 1996-97, while property tax collection grew from Rs 336 million to Rs 907 million in the same period.

13. As a part of the administrative reforms, a number of MBAs and chartered accountants were inducted, at middle management level, to bring a corporate business ethos to the corporation. The computerization of different departments lent further substance to a more professional administration.

defies routine interventions, it makes both economic and strategic sense for the Corporation to have initiated participatory development. Recent changes in the image of the Corporation seem to have facilitated this. However, given substantive differences in organizational parameters and work culture of different agencies, partnership is not a straightforward proposition.

V. PARTNERSHIPS IN URBAN DEVELOPMENT

APART FROM THE administration of certain central/state sponsored programmes for upliftment of the poor, in the past few years AMC has been trying to provide basic services to slum dwellers but, until recently, could not make any notable impact on their quality of life.[14] The Slum Networking Project (SNP) also called PARIVARTAN (meaning "transformation") is an holistic approach in the sense that the upgrading of slums is not to be treated as an isolated operation but is to be integrated into the city's fabric. Physical development, along with community development, form the twin objectives of the SNP. After completion of the pilot project in Sanjay Nagar in April 1997, the SNP has been extended to an additional 20 slum communities. The analysis here is confined mainly to the pilot project supplemented by a brief account of subsequent developments. Before examining the project in more detail, we will briefly discuss the other two partnerships.

a. C.G. Road Redevelopment

With the improvement in its financial position in 1994-95, AMC undertook a major investment programme for road development. As part of AMC's initiative in forging urban partnerships, the C.G. Road, a prime business and commercial artery of the city, has been redeveloped as a pilot project in partnership with Arvind Mills Ltd. The redevelopment of C.G. road includes a 100-foot wide thoroughfare for fast-moving vehicles, well-defined footpaths with trees and lights for pedestrian use, a side lane and parking bay. With the completion of the project, it has become a prime shopping street providing an outlet for the sale of various national and multinational brands of goods.

The estimated project cost of Rs 35 million was funded by Arvind Mills and all additional costs have been borne by AMC. Arvind Mills expects to recover its contribution from advertising and parking revenues. Following recovery of the capital investment, these revenues will then go to AMC. The project was coordinated by a committee headed by the municipal commissioner with representatives of Arvind Mills.

b. Green Partnership

Yet another significant initiative by AMC relates to participatory arrangements with private parties/NGOs for greening the city. The underlying purpose is two-fold, namely, to make private companies share the cost of upgrading and maintaining the parks, gardens and road-side plantations in lieu of advertising rights; and to utilize, with the help of NGOs/CBOs, the Corporation's vacant lands for urban forestry, thus giving the community an opportunity to undertake agroforestry and other remunerative activities. AMC owns and maintains 66 gardens, 45 parks and 64 traffic

14. An amendment to the Bombay Municipal Corporation Act 1949 in the 1970s made it obligatory for AMC to spend at least 10 per cent of its own account revenue for improving basic services in slums and chawls.

islands. There are 15 gardens larger than 2 hectares (5 acres) in size. The Corporation is working with four leading industrial houses to improve and maintain gardens originally maintained by AMC alone. Among others, the Ashima Group of Industries has so far invested Rs 8 million in Law Gardens (3.2 hectares/eight acres), and the Torrent Group Rs 6 million in Parimal Gardens (four hectares/ten acres). Similarly, 13 traffic islands have been adopted by various industrial groups. Apart from their contribution towards planting saplings on roadsides during 1995-96, 17 private companies sponsored a total of 7,150 tree guards at a cost of Rs 9.15 million. In this way, while the Corporation's financial liability has been reduced, the overall expenditure in this area has increased substantially with significant benefit to the community.

AMC has about 600 hectares (1,500 acres) of undeveloped land in the South Zone alone. Under the urban forestry scheme, for which USAID has helped develop guidelines, AMC seeks to undertake urban forestry on its vacant plots, in partnership with CBOs. AMC provides the land and water supply and is responsible for the basic tree-planting and tending expenses, while the administration and management expenses are borne by the CBO, or a supporting NGO in cases where there is no CBO with the necessary experience. The land plots are let for an initial period of five years with the option of a second five-year period contingent upon the success of the initial period. So far, AMC has identified 34 plots for green partnership, of which 18 have been given to 13 NGOs. Of these, three civil society groups (SEWA, Centre for Environmental Education, and State Bank Officers' Association) have performed well, while others seemed to be bogged down for various reasons, for example, lack of funds, weak management or encroachment. Besides protecting the land, this scheme is expected to help expand the city's green cover while providing employment opportunities to a number of people at the lower end of the labour market. The partnership should also help ease AMC's staffing situation, which is not adequate for coping with the existing number of gardens.

VI. THE SLUM NETWORKING PROJECT

THE IDEA OF the Slum Networking Project (SNP) was mooted by an Ahmedabad based consulting engineer and designer who had previously been a consultant on similar projects at Indore and Vadodara.[15] Drawing on the experience of these previous projects, the Ahmedabad SNP was conceived as a pilot project with four main stakeholders joining as partners – the slum community, Arvind Mills Ltd, AMC and an NGO called SAATH. Arvind Mills, which took on the responsibility of executing the project, set up, in December 1995, a trust called Strategic Help Alliance for Relief of Distressed Areas (SHARDA). AMC was to act as facilitator while SAATH was to look after community mobilization and development. Initially, it was proposed that four slum pockets in different parts of the city should be involved but, for various reasons, three were dropped and only Sanjay Nagar, a small settlement with a population of 1,200 (located on an AMC plot of 1.75 hectares in the north of the city) was chosen as a pilot project.

Departing from the conventional approach, the project concentrated on improvements in basic infrastructure (rather than on housing,) and on the provision of water supply and toilets on an individual basis. Other aspects of physical development included internal roads and pavements, storm

15. The Indore Slum Upgrading Project was, by and large, funded by the UK Government's Overseas Development Administration (subsequently renamed Department for International Development) and did not involve any financial contribution from the community. In Vadodara, a substantial proportion of development funds (50 per cent) were raised internally from slum dwellers, with the rest coming from UNICEF and the municipal corporation. In Ahmedabad, the Slum Networking Project approach has been taken one step further by replacing external aid with contributions from the city's industrial groups.

water drainage, street-lighting, solid waste management and landscaping. Community development, in the main, focused on setting up neighbourhood and women's groups, youth activities, mobilizing community savings, educational activities for pre-primary age children and illiterate adults, organizing community health, education, mother and child care, supporting income-generating activities, and developing linkages with the finance sector to access finance for small business and trade.

Although not explicitly stated, the key premises of the SNP are:
- there is a far greater chance of achieving given objectives through cooperative activity than by going it alone;
- a shared vision and commitment on the part of partners is necessary;
- project services should only be extended when there is a clear demand for this;
- community involvement is necessary in planning, executing and maintaining services;
- physical improvement is one aspect of the programme to which community development is integral; and
- security of land tenure (even if only on a de facto basis) is a necessary condition for community involvement.

At the outset, community leaders were identified and motivated to persuade the community to participate in the project as partners. The process was facilitated by AMC's resolve to give slum dwellers secure land tenure for ten years, together with lobbying by some Arvind Mills employees who lived in Sanjay Nagar. Each household paid Rs 2,000 as their share of the costs plus another Rs 100 towards a community fund for maintaining the services. Two-thirds of the households were able to meet their financial obligation immediately; the remaining one-third, who were unable to raise the amount, were persuaded to take a Rs 2,000 loan from SEWA Bank against a savings contribution of Rs 500. It was women members who opened the bank account. They had to agree to realign their houses to ease congestion in the settlement, sometimes even losing part of

Table 3:	Distribution of Costs in Pilot Project				
Cost component	Cost per family (Rs.)	Participating organizations' share (per cent)			
		AMC community	Slum	Arvind Mills	SAATH
Physical development	6,000	33.3	33.3	33.3	0
Physical survey	30	100	0	0	0
Design and consultancy	120	100	0	0	0
Establishment	330	70	0	30	0
Community development	1,000*	70	0	0	30
Community fund for maintenance of infrastructure services	100	0	100	0	0
Total expense per family	7,580	(3,081)	(2,100)	(2,099)	(300)

* This amount was sufficient to run the community development programme in Sanjay Nagar for about one year. SAATH decided to run the programme for a total of three years with the cost of the additional two years to be met out from SAATH's own funds.

SOURCE: Chauhan, Uttara and Neraj Lal (1999), `Public-Private Partnerships for Urban Poor: A Slum Project in Ahmedabad' *Economic and Political Weekly* XXXIV (10&11).

the land in their possession. The project was launched on August 5, 1996 and completed by April 1997 at a total cost of Rs 2.5 million. These costs were shared by various partners, as shown in Table 3. AMC's share of the pilot project was funded through soft loan assistance from the national Housing and Urban Development Corporation (HUDCO).

The fact that the project was completed within the stipulated time and without any cost overruns speaks for the efficiency of its execution and supervision. The community's representatives were consulted on every major decision relating to the project, ranging from infrastructure design to payment of contractors' bills. The residents also formed and registered Sanjay Nagar Residents' Association, one of whose immediate tasks was to mobilize and manage a community fund of Rs 100 per household for the maintenance of on-site infrastructure. At AMC level, an SNP cell was set up under the administrative supervision of a deputy commissioner to coordinate the activities of the various departments concerned.

Even before its completion, the SNP pilot project was recognized by the Habitat II Conference in Istanbul in 1996 as a "100 Best Global Practices". The pilot project's success was judged according to three criteria, namely, a significant improvement in the living conditions of the residents, replicability and sustainability. The project seems to have met the first criterion. Apart from the project's visible impact on the physical environment and a significant consolidation of the housing, there has been a marked improvement in the health of residents as reflected in increases in levels of immunization and a decline in the incidence of TB and skin and malarial diseases; in fact, community health programmes made much greater headway than other components of community development. With respect to shelter improvements, in many cases, residents are reported to have made an investment of Rs 10,000 each. There was also a better appreciation of the role of education among the residents as reflected in an increase in the level of school enrolment for children. Women found more time to attend to household activities and help their husbands in vending etc. Most important among the factors facilitating these improvements are the homogenous nature of the community (which helped encourage cooperation between residents and community mobilization), the granting of de facto land tenure by AMC for 10 years, the high credibility of partners, the proactive role of SEWA Bank in financing slum dwellers, and the active participation of women. The feedback, as given in Box 3, highlights the residents' reaction to the project.

The fact that, after completion of the pilot project, Arvind Mills opted out of the programme is certainly a setback to the participatory process and puts a question mark on its replicability. Differences in work culture and decision-making structures are understood to have caused tension in the working relationship between Arvind Mills and AMC, the two major partners. As one expert, who undertook a review of the programme, has remarked:

"I think the alliance between organizations, regardless of their structural-cultural parameters, can work provided appropriate measures are taken to reduce, if not altogether obviate, the kind of recrimination that dogged the Sanjay Nagar operations. No alliance managed by normal human beings has or could even work without some tension. But with suitable safeguards, the areas of conflict can certainly be narrowed or be kept within manageable limits. If that is so, would we like to write off the alliance idea, throwing out the baby with the bath water? What the

Box 3:	A Resident's View on the Transformation of Sanjay Nagar through the Slum Networking Project

"My name is Champaben. I am 40 years old. Ever since I bought a house in Sanjay Nagar, I had wondered how I could help bring amenities to the place because the women of Sanjay Nagar would have to go to a nearby chawl to wash clothes and vessels at a Rabari's house. They would have to perform the service of collecting the cow dung and taking it to the dump yard to be allowed to fill up one or two buckets of water. Later, out of our own money, we got three or four public taps installed for 200 families. But these were not enough for so many households. We paid Rs 600 for an illegal connection but that also got disconnected. There was no gutter line. So everyone would dig soak-pits or little ditches in front of their house which had to be emptied somewhere. There were public toilets but outsiders and people from nearby chawls would use them. They were overcrowded and never cleaned. During monsoon, all sorts of insects would get into the house. Thus, we had a problem of water, gutter and toilets. Then we heard about the Slum Networking Project. People did not believe it. People thought that Sanjay Nagar was within the red line (land reserved by AMC for some other purpose) and the slum would be cleared sooner or later. The people had many questions on their mind - where will we get Rs 2,000 from? Nevertheless, we took the responsibility of mobilizing 200 households and, after that, ladies from SEWA Bank came. We started to get the accounts opened.

Out of a total of 181 families in Sanjay Nagar, 118 families deposited their entire contribution amount in cash. The remaining 63 families got loans from SEWA Bank. Before the project started, the lanes were narrow and would become muddy during monsoon. Waterlogging and poor light and ventilation caused a severe mosquito menace. Garbage was dumped in our common open area and small children would play there and would often fall ill.

After getting the amenities, now it feels very good. The roads are wider. Lorries can come inside the colony. There are no mosquitoes. There is one dustbin for every 20 families. Each family has been provided with a toilet. The facility of electricity has provided much relief. Now the houses have become pucca. We will not be evicted from these houses for ten years. There is a check-up in the dispensary every Wednesday. Medicines are available there. In this way, we have been able to control the spread of disease. The leaders tell everyone to keep their houses and surroundings clean. There is now a lot of spare time. The children can live well. Our life has changed and the mental, economic and physical condition of our people has improved. Everyone wants to start saving and some have taken loans to further improve their houses."

SOURCE: Tripathi Dwijendra (1998), *Alliance for Change A Slum Upgrading Experiment in Ahmedabad,* Tata, McGraw Hill.

Sanjay Nagar experience emphatically suggests is the need to devise these safeguards."[16]

Furthermore, in the nature of things, the pace of improvement in the community development segment of the project was not as fast as the physical development; practically no progress was made with regard to income-generating activities. As to the sustainability of the programme, much depends, first, on a strengthening of institutional arrangements, particularly the mechanisms that facilitate collective decision-making and partnership and, second, on the capacity of the partners in relation to development tasks.

AMC has brought a number of additional slums into the programme without the support of Arvind Mills. The fact that some 85 slum clusters are reported to have approached AMC for incorporation into the programme indicates its popularity. So far, 20 slum pockets (ranging in size from 42 to 1,200 households) have been included of which three (including the pilot project) have been completed and work is in progress in another 17, some in an advanced stage of completion. SAATH and SEWA continue to support the programme and, in addition, Mahila Housing Trust (a subsidiary of SEWA) and AMC's Urban Community Development Department have also joined the programme to support community mobilization and related inputs in some areas. There are certain slums where the community development component is not being

16. Tripathi, Dwijendra (1998), *Alliance for Change - A Slum Upgrading Experiment in Ahmedabad,* Tata, McGraw Hill.

followed up. A number of slums in the second phase of the programme are located on private land and landlords have been assured that nothing will be done to prejudice their ownership rights. It is a bold decision on the part of AMC to cover private slums, contrary to the legal provision (Bombay Provincial Municipal Corporation Act) not to extend basic services to such areas.

As well as financial support for three slum pockets from the Lions Club and another charitable trust, AMC has secured assistance to the tune of Rs 28.5 million (70 per cent loan and 30 per cent grant) under the National Slum Development programme which is administered through Gujarat Municipal Finance Board.

While a full fledged evaluation of the second phase of the programme has yet to take place, it seems that its execution is much slower than that of the pilot stage. This is attributed to the bureaucratic routine of AMC and delays in mobilizing the community's contribution in certain instances.

VII. POLICY IMPLICATIONS OF THE SLUM NETWORKING PROJECT

CONSIDERING THE RANGE of partnerships the AMC has entered into over the past five years or so, the participatory approach to development seems to have become an established part of its governance. The SNP, which has opened a new opportunity for the poor as partners in development, is the most interesting experiment. Despite certain operational problems, there is little doubt about the rationale for the programme. It is proposed that most slums will be covered by the SNP by the year 2003 but this will require a substantial scaling up of the programme and attention to constraints that have come to light in the course of its operation. The most important issues in this context are detailed below.

- AMC has resolved to go ahead on its own with the SNP and it can mobilize funds from different sources, including donors. It is necessary to strengthen the coalition by reviewing the administrative framework of the programme. Given their eminent position and track record in civic affairs, and the emerging thinking on the social responsibility of the corporate sector, it should not be difficult to mobilize the support of corporate groups in the city.[17] In any case, some of the important industrial firms are already collaborating in other partnerships initiated by AMC.

- So far, the majority of NGOs have not yet joined the programme. To a certain extent, the difficulties in adjusting to the different requirements of a city-wide programme are understandable but, given the will to cooperate, these are not insurmountable.

- Although the strength of the SNP cell in AMC has been increased with the expansion of the programme, it will take some time for the philosophy of slum networking to sink into the organization's work ethos. Regular changes at the top of the Corporation's hierarchy compound such problems. As such, it seems worthwhile to set up a separate body but with a sufficient AMC stake and with powers (including the hiring of consultants) to give impetus to the programme.

- It is necessary to strengthen community structures and processes and expedite the setting up of ward committees under the conformity legislation to support community mobilization for the programme.[18]

17. In an interview with the Economic Times (Delhi) in December 1998, the London based partner and chairman of the Indian desk at Price Waterhouse Coopers (speaking under the aegis of the Prince of Wales Business Leaders Forum) stated that the concept of corporate social responsibility is actually based on hard-nosed commercial sense, and that products and services need to be sold regularly by corporations in order to prosper.

18. It is relevant to mention here the experience of community organization in one of the major slums (Parvin Nagar) currently involved in Slum Networking Project operations. There are six dominant communities in the slum and, because of mistrust between them, it was not possible to form a single community based organization (CBO). Dominant-subservient caste differences also came to the fore. Eventually, six CBOs were formed to ensure equitable participation in the programme but this caused a significant delay in the process.

- A clear definition of the ground rules is essential for a successful operation of the project. The lack of explicit definition of organizational and individual roles caused many problems during the implementation of the pilot project.[19]
- So far, the problem of land tenure in private slums (which form over 70 per cent of the total number) seems to have been swept under the carpet. This introduces an element of uncertainty and will need to be solved if the SNP is to be scaled up.
- Planning has been a weak link in the whole process of urban development in the city. A strategic plan with a clear delineation of objectives and priorities (especially in economic development and poverty alleviation) is imperative to facilitate substantive progress in the SNP.
- Hitherto, proper monitoring of the programme has not received much attention but, as it progresses, this aspect, along with suitable staff training, particularly at field level, will assume great importance.

VIII. CONCLUSION

THE MID-1990s proved to be a turning point in the history of the city's governance both for the striking improvements in AMC's efficiency in resource mobilization and for initiatives in development, including an increased responsiveness to the needs of the poor. There was some slow-down in the pace of reforms after the change in administrative leadership in 1997 but the substantive elements of the process are still intact. Implementation of AMC's corporate infrastructure plan should boost the local economy and also reduce gross inequities in the availability of basic infrastructure services. The SNP logically fits into the framework of the corporate plan in so far as it seeks to improve access to basic services for the poor. However, the experience of implementing the SNP underlines the action that still needs to be taken. This includes not only changes in attitudes, organizational culture, greater transparency and accountability to users at AMC level but also the evolution of mechanisms that allow greater participation of various stakeholders, particularly the poor. Positive trends in household income distribution bring into focus the resilience of the local economy, yet this is not matched by any deep insight into its workings (especially the workings of the labour market) nor by any strategic response at policy level to sustain improvements in employment and earning opportunities. The least that one would expect in this context is a review of the regulatory constraints that affect the growth of the informal sector. The key message that emerges from this brief analysis is that the role of leadership, the financial and management capacity of local administration, the involvement of stakeholders, the clarity of roles, a shared commitment, flexibility and grassroots participation are essential for the success of participatory governance.

19. Chauhan, Uttara and Neraj Lal (1999), "Public-private partnerships for urban poor: a slum project in Ahmedabad", *Economic and Political Weekly* XXXIV, Nos 10 and 11.