

# Resettlement and Rehabilitation in Urban Centres

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The World Bank's policy on involuntary resettlement carries a heavy rural bias as does the Indian draft rehabilitation and resettlement policy. The Maharashtra government's policy on the relocation and rehabilitation of those displaced by the Mumbai Urban Transport Project (partly financed by the World Bank) is therefore significant since it has evolved over the past few years in response to the protests about its initial inadequacies. The lessons learnt from its implementation are relevant not only for large infrastructure projects in densely populated urban areas in India but also in other parts of the world.

This article is based on field research conducted among the project-affected persons at several project/resettlement sites in the author's capacity as a short-term consultant with the Inspection Panel of the World Bank (2005) and later as an independent researcher. The views expressed are her own.

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**M**akhmal ki chaddar pe ye tat ka paiband kyon?" (why is there a rag patchwork on a velvet sheet?) asked Abdul Karim, who has been displaced by the Mumbai Urban Transport Project (MUTP). He was referring (at a stakeholders' meeting) to the poor quality of tenements constructed at the Motilal Nehru Nagar, a resettlement site at the Bandra Kurla Complex, the city's most expensive business district. Karim's expression sums up very succinctly the dissatisfaction in some sections of the project displaced about the resettlement and rehabilitation (R&R) component of the World Bank-financed MUTP. The case study of MUTP highlights the tenuous relationship among economic growth, infrastructure development, displacement and issues of social equity in the current context of globalisation that Mumbai exemplifies.

The MUTP comprises three segments: (i) the upgradation of the railway transport system, improvement and widening of two highways, (ii) the Santacruz-Chembur Link Road (SCLR) and the Jogeshwari-Vikhroli Link Road (JVLR) to augment east-west connectivity in the city, and (iii) the R&R component that involves the resettlement of about 20,000 project-affected households (PAHS) or an estimated 1,20,000 persons displaced by the project.<sup>1</sup> Several infrastructure development projects have redefined the

existing land use patterns in the city like the Mumbai Urban Infrastructure Project (MUIP), the Mass Rapid Transit System (MRTS) or Metro Rail Project, the Airport Modernisation Project and the MUTP. The displacement due to the MUTP is the largest urban displacement caused by a project undertaken with the help of the World Bank in India. Though the projects vary in their nature and scope, they all involve the massive displacement of those in the "right of way" (row). The commercial and residential structures displaced by all the above-mentioned projects are being relocated at about 33 R&R sites scattered across the city. In the years ahead, planned development and the consequent displacement will necessitate R&R on an enormous scale, as Mumbai is projected to become the second-most populous city in the world, with 25 million inhabitants by 2020!<sup>2</sup> The United Nations Fund for Population Activities (UNFPA) report says that of the four crore slum population in India, 25% lives in Mumbai. The "...poor people will make up a large part of future urban growth and preparing for an urban future requires, at a minimum, respecting the rights of the poor", it adds.<sup>2</sup>

This article limits itself to the MUTP and attempts to critically assess the Maharashtra government's R&R policy. The tenements for rehousing the displaced have been procured partly through the unique private-public partnership (PPP) model under which a stock of housing has been provided by real estate developers at resettlement sites in lieu of lucrative incentives such as the Floor Space Index (FSI) and tradable Transfer Development Right (TDR) granted to the builders. The rest of the tenements have been purchased directly from the Maharashtra Housing

and Area Development Authority (MHADA) by the Mumbai Metropolitan Region Development Authority (MMRDA), which is the nodal agency responsible for the R&R of project-affected households in all the transport development projects mentioned earlier.

The MUTP exemplifies the daunting task that urban planners face in the process of constructing/improving the existing network of roads, railways, airport facilities that run through existing human settlements and require the acquisition of large tracts of land. At present, the acquisition of land for the above-mentioned projects will result in displacement that requires the R&R of about 1,36,000 PAHS. (According to the MMRDA web site and personal interviews with the officials and displaced persons the numbers of the project-affected stand at: 35,000 MUIP+20,000 MUTP, 80,000 due to airport modernisation, and about 1,000 due to the Andheri-Ghatkopar-Versova segment of the MRTS.) It is estimated that the magnitude of displacement will increase as soon as the other eight segments of the MRTS and other development projects on the anvil are given the required clearances and implemented.

At present there is no comprehensive R&R policy regarding displacement in the urban context drawn up either by the World Bank or by the central government. If we read paragraphs 11 and 13 (b) of the Operational Policies and Bank Procedures (OP/BP), 4 December 2001, the rural bias of the World Bank policy of involuntary resettlement is evident.<sup>3</sup> In India, the resettlement and rehabilitation policy (2007) drawn up by the Ministry of Rural Development is yet to receive Parliament's approval. In any case it details R&R provisions, mainly in the rural context. The Maharashtra government's R&R policy for urban displacement in general and for the MUTP in particular has evolved over the past few years, mainly since 2005 in response to several factors. These include the increased awareness of the complexities of the process by the implementing agency (the MMRDA), people's protests against inadequacies in the R&R policy, the involvement of the Inspection Panel of the World Bank and the withdrawal of funding in early March 2006 that

followed the release of the panel's investigation report.

### The Inspection Panel and MUTP

The Inspection Panel investigated the complaints of four main requesters in the "right of the way" of the SCLR and the JVLR. These were the United Shop Owners Association, Kurla West (SCLR), the Hanuman Welfare Society, Gazi Nagar (SCLR), the Bharati Nagar Association, Chembur (SCLR), and the Ekta Wyapari Jan Seva Sangh, Bharekar Wadi (JVLR).

These requesters claimed that the World Bank safeguards on involuntary resettlement would result in the loss of livelihoods and harm those displaced. In the Investigation Report (January 2006) the panel stated unequivocally that the World Bank safeguards on involuntary resettlement applicable to the MUTP had been violated. It expressed concern, inter alia that "the lack of sufficient analysis and consideration of many risks of resettlement may be at the root of problems facing the people affected by the Project" and that the World Bank failed to recognise and incorporate in the project preparation and implementation the substantial differences between the rail and the road component and overlooked the fact that many of the PAPS are middle income shopkeepers.

The rehabilitation of all PAHS is done as per the Maharashtra government's R&R policy drawn up initially in 1997 and amended later to comply with World Bank policies and safeguards on involuntary resettlement. It was accepted by the World Bank in 2000. For those displaced by various state-led displacement projects, the state government provides free tenements of 225 sq feet (residential) and an equivalent area of up to a maximum of 225 sq feet, free of cost for commercial structures, in the "squatter category". Legal title holders that form a very small percentage of those displaced are entitled to an area corresponding to the space acquired for the project. In addition PAHS are given a one-time compensation to cover the costs of shifting, increased travel distance and contribution towards the Community Revolving Fund.<sup>4</sup>

The R&R and the restoration of livelihoods of commercial establishments

especially the middle and large-sized establishments (with 1,000-2,500 sq feet and a turnover that runs into several lakhs of rupees) has been the major challenge and the most contentious issue. Relocation to distant R&R sites such as Mankhurd (M east ward) has been resisted by shopkeepers who pointed out that the reduced clientele and a drop in sales of certain products such as marbles, tiles, crockery, car spares and other high end products that have little or no demand among the displaced poor at the R&R sites would result in a drop in income. The unwillingness/delay in the vacation of their premises in the row of the project has led to huge cost overruns.

### Issues on the Ground

Intensive field research since 2005 on the social impact assessment due to displacement caused by the MUTP highlights certain issues that need to be addressed in order to evolve a more comprehensive policy on R&R in the urban context. These relate to:

**Issue of Cutoff Date:** In the case of the MUTP the date of survey is the cutoff date to determine PAHS in the squatter category (as per the agreement with the World Bank) and it can be beyond 2000, while for the other projects it is the date decided by the government of Maharashtra (extended from 1 January 1995 to 1 January 2000). This discrepancy (which forms the basis for the determination of entitlements) has been a cause of discontent among PAHS of non-MUTP projects.

**Allegation of Irregularities:** "Windows, stairs, toilets and even hen coops have been marked as separate residences in the Hanuman Nagar chawls", located along the Mithi (*Times of India*, 23 May 2007), alleged a local corporator. This may be an

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exaggerated description of the basic socio-economic survey (BSES) conducted for determining the eligible PAHS under the ongoing projects. However, extra allotments to those with money and muscle power or those facilitating speedy vacation of structures in the row have been reported, by those affected by the MUPP as well, though the percentage of such case is very small.

**Multiple Categories of Displacees:** The state government's policy has enumerated two major categories, titled and non-titled landholders. In fact the field reality is more complex. For example, there are tenants under the *pagri* (ownership) system that has been the practice prior to 1947. The tenants have objected to their categorisation as squatters and the applicability of the policy meant for slumdwellers to them.

**Private Property Owners:** In many cases the land records have not been updated. Owners of private property have objected to their being clubbed together with the "squatter category" of slum-dwellers. Several of them have gone to court on the issue of inadequate compensation. Litigations has delayed the land acquisition process and in turn the project's implementation.

**Multiple Agencies/Multiple Displacements for Some PAHS:** Some PAHS are being displaced simultaneously by two ongoing projects or partially affected by two different projects, or have been displaced earlier by the Municipal Corporation of Greater Mumbai (MCGM) and are now displaced for the second time after a hiatus of a few years by the MUPP or the MUPP. In the case of the MUPP, some of the PAHS in the Kismet Nagar Area are also affected by the Mithi River Project that is being implemented in contiguous areas. This has created uncertainties about compensation due to lack of coordination between the implementing agencies, mainly the MMRDA and the MCGM.

**Multiple Allotments and Resale:** There are allegations that some of the PAHS have received more than one allotment in the name of extended family members (based on the multiple entries in the BSES). As per

the slum rehabilitation policy, the flats allotted to PAHS cannot be resold for a period of 10 years. Impact assessment studies at various resettlement sites reveal that several flats have however been sold.

**The Post Relocation Scenario:** Critics have labelled the state's R&R policy as a mere rehousing scheme, as little or no attention has been paid to issues of disruption of access to schools, hospitals, community assets, and source of employment in the new neighbourhoods.

**Poor Quality of R&R Buildings:** The builders have garnered windfalls under the PPP model, but the quality of construction is shoddy. Cracks in the walls, leakages and seepages are evidence of poor monitoring of the quality of construction and approvals and clearances for the same. The builder-bureaucrat nexus has been let off the hook and can no longer be held accountable as most of these constructions are beyond the defect-liability period (DLP). Though the procurements under the PPP model is certainly novel it has severe limitations.

**Government's Responses to Anti-displacement Protests:** The state government's policy probably did not anticipate the complexities involved at the time of it being framed. The political and economic debate that such protests generated and the withdrawal of World Bank funding for the project in March 2006 led to some rethinking by the government on the R&R policy. Subsequently, there was a marked improvement in order to enable resumption of project funding. These changes were: disclosure of project information on the MMRDA's web site and at public information centres, increased stakeholder participation whereby the PAHS were invited to consultation meetings where their views on a more suitable R&R could be taken, access to a grievance redressal procedure, choice of alternative resettlement sites, option of monetisation of compensation for certain categories of MUPP displacees who were not satisfied with the existing R&R package. The World Bank agreed to resume funding in view of the improvements but subject to the condition that such concerted efforts to augment and meet the standards spelt out

on involuntary resettlement in the case of the MUPP would be continued.

Maharashtra is the only state to have a comprehensive policy for displacement and resettlement in the urban context. The lessons learnt from the MUPP and the evolution of the R&R policy in a city where development projects criss-cross established and densely populated human settlements will be of relevance in the years ahead, as planned development and the consequent displacement will necessitate R&R on an enormous scale.

#### NOTES AND REFERENCES

- 1 For details please refer to Inspection Panel Investigation Report, India: Mumbai Urban Transport Project (MUPP) (2006) and related reports at <http://web.worldbank.org/WBSITE/EXTERNAL/EXTINSPECTIONPANEL/0,,contentMDK:20223785~pagePK:64129751~piPK:64128378~theSitePK:380794,00.html>, accessed on 20 October 2008.
- 2 The "State of the World Population", 2007 Report released by the United Nations Population Fund on 27 June 2007, states that the city of Mumbai has a population of 16 million and a density of 29,650 people/sq km. It states that 37% of the world's slum population lives in India and China and India will be home to four crore-slum populations. The report also predicts that towns and cities in developing countries will comprise 80% of the world population. For details see [www.unfpa.org/swp](http://www.unfpa.org/swp) accessed 28 July 2007.
- 3 Paragraph 11: "If land is not the preferred option of the displaced persons, the provision of land would adversely affect the sustainability of a park or protected area, or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. The lack of adequate land must be demonstrated and documented to the satisfaction of the Bank."
- Paragraph 13 (b): "In new resettlement sites or host communities, infrastructure and public services are provided as necessary to improve, restore, or maintain accessibility and levels of service for the displaced persons and host communities. Alternative or similar resources are provided to compensate for the loss of access to community resources (such as fishing areas, grazing areas, fuel, or fodder)" (ibid) (<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTPOLICIES/EXTOPMANUAL/0,,contentMDK:20064610~isCURL:Y~pagePK:64141683~piPK:64141620~theSitePK:502184,00.html>)
- 4 For details on the R&R entitlement matrix refer to the implementation manual at <http://www.mmrda.mumbai.org/docs/Implementation%20manual%20part%201.pdf>.

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