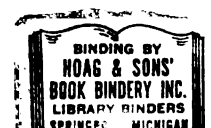


POLICIES AND PROGRAMS FOR HOUSING
IN GREATER BOMBAY

Thesis for the Degree of M. U. P.
MICHIGAN STATE UNIVERSITY
RAJENDRA KESHAYLAL MEHTA
1969

THESIS



ABSTRACT

POLICIES AND PROGRAMS FOR HOUSING IN GREATER BOMBAY

BY R. K. MEHTA

The purpose of this study is to review existing housing policies and programs in Greater Bombay and analyze the causes of the housing problems. The attempt of this study is to clear some of the concepts in the problem definition and make some specific recommendations for housing programs and policies in Bombay.

The first two chapters give a fuller presentation of existing housing problems in Greater Bombay: the tremendous amount of housing shortage prevailing for all economic classes in Bombay; the high demand for housing; and the crucial housing need among low income families and slum dwellers. It will require a very ambitious housing program to meet the demand satisfactorily.

It is felt that success or failure of housing programs depend to a great extent on housing policies. Therefore, existing housing policies regarding land, taxation, planning and organization are analyzed comprehensively.

The housing program for 1981 is outlined stating the housing demand, provision of housing sites and machinery needed to implement the programs. The specific recommendations are made in order to meet the housing needs goal for 1981. The recommendations for housing

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programs include social need of low income families, the responsibility of providing housing on the parts of public and private enterprise, provision of cheap housing for low income families and the application of self help housing programs. The recommendations for housing policies include the policies regarding land, taxation and organization. The proposed housing policies emphasize the need for land regulations and enforcement, revision of the "Rent Act", and the need for regional planning.

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POLICIES AND PROGRAMS FOR HOUSING
IN GREATER BOMBAY

BY

RAJENDRA KESHAVLAL MEHTA

A THESIS

Submitted to Michigan State University

In Partial Fulfillment of the Requirements

For the Degree of

MASTER IN URBAN PLANNING

SCHOOL OF URBAN PLANNING AND LANDSCAPE ARCHITECTURE

1969

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I am particularly indebted to Mr. Charles W. Barr, Professor of Urban Planning at Michigan State University. Without Professor Barr's valuable guidance, suggestions, encouragement and time, this thesis would not have been completed.

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R.K. Mehta

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EXPLANATORY NOTES

Ruppee (Rs) and Naya Paisa (Np) are units of Indian currency .

1 Ruppee	=	100 Naya Paisa
1 U.S. Dollar	=	Rs 7.50
1 Lac	=	1,00,000 or 0.1 million
1 Crore	=	1,00,00,000 or 10 million

CHAPTER ONE

THE HOUSING PROBLEM

THE POPULATION PRESSURE AND HOUSING SHORTAGE

Bombay is the second largest city in India. It continues to grow as large masses of people drift into urban centers from rural areas in search of better employment opportunities. The influx of population, natural increase in population and low income level of the people have created housing problems in almost every major city. Perhaps Greater Bombay is experiencing the most acute shortage of housing accomodation in the nation.

The population of Bombay is increasing at a higher rate than the city's ability to accomodate them with amenities and services. In the year 1960 the population was approximately 5,000,000. It is estimated that in 1970 the population will reach 6,000,000. In terms of area, Greater Bombay covers 26,189 square miles while the city of Bombay covers 14,281 square miles.¹ Most of the population is concentrated on the small island which creates congestion and a more acute housing problem. The island of Bombay is now so congested that as many as eight to ten persons live on a floor area of one hundred square feet. In many parts of the city, large masses of the population reside in slums where the density varies from an average of 438 to 1,175 persons per acre.²

The housing problem has become gradually worse. There are not only the problems of over-crowding, congestion and poor houses, but the problem of providing the houses for

¹Govt. of Bombay. Reports of the Panels appointed by the Study Group for Greater Bombay, (Bombay, The Government Central Press, 1959), p. 1.

²ibid., p.1.

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the thousands who do not have any roof at all over their head. The foot path dwellers are increasing day by day. Census figures for Bombay in 1963 showed that one out of every 66 persons was homeless. Another 77,000 persons lived under stairways, in cattle sheds, on landings or in similar spaces.³

THE IMMEDIATE NEED FOR HOUSING

In 1959 there were about 408,097 dwelling units on the island of Bombay and about 165,575 dwelling units in the whole of Greater Bombay excluding Bombay City, which may be said to accomodate a population of 2,800,000 persons. Considering the fact that population in 1959 was about 4,500,000 there was an immediate shortage for 1,500,000 persons. Applying an average density of five persons per dwelling unit the actual minimum need was about 300,000 dwelling units.⁴ The conditions have worsened during the last eight years. Thus, the immediate need is a crucial problem in itself.

THE FUTURE NEED FOR HOUSING

The population in 1970 is estimated to be 6,000,000. The population in 1959 was 4,500,000. The increase of 1,500,000 persons from 1959 to 1970 will need additional 300,000 dwelling units. To meet the needs, the Maharashtra Housing Board⁵ formulated a program of constructing 25,000 dwelling units annually. Financial limitations restricted the board to this construction schedule. From the year 1959 to 1970, according to all

³Charles Abrams, Man's Struggle for Shelter in an Urbanizing World. (Cambridge, Mass., 1964), p. 1

⁴Government of Bombay, op. cit., p. 2

⁵Maharashtra Housing Board is the agency for executing and administering the Housing Schemes in Bombay.

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housing schemes, 275,000 dwelling units can be constructed at the rate of 25,000 dwelling units per year. The following list clearly expresses the resulting problem:

Table - 1 POPULATION AND HOUSING NEED OF GREATER BOMBAY.

	Population (in millions)	Housing needs (in millions of dwelling units)	Actual Housing Supply	Housing Shortage
1951	3.000	0.60	0.50	0.10
1958	4.317	0.863	0.575	0.289
1961	5.550	0.910	0.650	0.310
1970	6.000	1.20	0.875	0.325

Thus, in spite of all the efforts to meet the housing shortage, the housing deficit will be 325,000 in 1970 which is greater than the need in 1959.

HOUSING AND PUBLIC HEALTH

The housing problem of Bombay has two aspects; one is shortage of housing and the second is the unsatisfactory public health aspects. This has been clearly stated by Mr. Aggarwal as follows:⁶

"Over and above the acute shortage of housing in the city and dangerous overcrowding in one room tenements, there is another drawback from which the city suffers viz. the very large extent of dark, ill ventilated, badly built housing with appallingly squalid surrounding in various parts of the city. There are rooms so dark that even during the day the inmates cannot see each other in passageways, or in single living rooms, without the help of artificial light. Fresh air is completely lacking. Ventilation is of the poorest standard imaginable. The single room serves as a living room, bedroom, sick room, kitchen and dining room, etc. and to add to this the number of persons living in the single room varies from 4 to 10."

⁶Aggarwal, S.S., Industrial Housing. (New Delhi, Roxy Press, 1952), p. 3

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DENSITY STANDARDS

A 1952 survey inquiring into working class housing conditions in Bombay put the average floor space per person as low as 27 square feet.⁷ This condition is still common and reflects the gross overcrowding existing in Bombay. However, inadequacy of living space is more clearly presented when this figure of 27 sq. ft. per person is compared to standards of other countries.

In 1918 England adopted a minimum standard of 152 sq. ft. person which was raised to 160 sq. ft. after 1930.⁸

In U.S.A. had attained a standard of 149 square feet per person in 1940.⁹ In the reconstruction plan for Moscow, the soviet city planners laid down a minimum standard of 150 square feet per person in Moscow.¹⁰

⁷ Ibid., p. 66

⁸ Housing: Report of the Royal Institute of British Architects. (London, 1937), p. 31

⁹ Louis Winnic. The American Housing: It's Use. (New York, Wiley, 1957), p. 1

¹⁰ Simon, Sir E.D., Moscow in the Making. (London, New York, etc., Longmans, Green and Co., 1937), p. 137

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SUMMARY

Thus, the problem of housing is acute in Bombay. Financial limitations make it difficult to solve the problem. Considering the housing shortage, plus the need for replacement on the basis of one percent depreciation per annum, it will be necessary to plan a building program of 60,000 dwelling units per year. This means it will cost approximately seventy-five million dollars. It is financially impossible for the state and city to provide such a large fund of money for housing. The rate of population increase is much greater than the rate of construction of building in Bombay. Thus, the housing deficit is large and the problem is becoming gradually worse.

CHAPTER TWO

THE SLUMS IN BOMBAY

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INTRODUCTION

In the first chapter, while stating the present housing situation shortage and future need for housing, it was mentioned that one out of every 66 persons in greater Bombay is homeless. This is related to the problem of providing new housing. But, at the same time, the need to replace dilapidated houses is also great. The large majority of the population live in very bad slums and slum life is miserable.

The problems of slums and slum clearance is peculiar to most of the older and industrial cities of the world. Bombay is a big industrial city and no exception to this common problem.

DEFINITION OF SLUM

A 1960 study showed that 416,000 persons lived in the city's 144 slums.¹ There is no standard definition for a slum, but for the purpose of slum Improvement Schemes, the following definition is adopted in Maharashtra State:²

"A slum area means any area where dwellings, predominate which by reason of dilapidation, overcrowding, faulty arrangement or design of buildings, narrowness or faulty arrangement of streets, lack of ventilation, light or sanitation facilities, inadequacy of open spaces and community facilities, or any combination of these factors are detrimental to safety, health or morals. Any slum area selected for improvement under the scheme should have at least 67% of the slum families in the poor and low income groups with an income of less than \$250 per month. Also, there should be no likelihood of any slum clearance or redevelopment program being taken up in that area for a period of at least 15 years for pucca* built slums and 10 years for hutment type slums, so that the adequate benefit is secured from the money spent on improvement."

¹Government of Bombay, Reports of the Panels appointed by the Study Group for Greater Bombay. (Bombay, The Government Central Press, 1959), p. 3

²Government of Maharashtra, Urban Development and Public Health Department, Urban Housing in Maharashtra. (Bombay, The Government Central Press, 1964), p.122

*"pucca" is a terminology used in India for dwellings which are constructed by building materials such as bricks, cement, concrete, etc.. "pucca" word is used to differentiate dwellings from hutment type dwellings which are small and temporary dwellings of simple construction.

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A different definition has been adopted by the government of India in the Improvement and Clearance Act of 1956. This definition has been taken from the U.S.A. Housing Act of 1949 and reads as follows:³

"Any predominantly residential area, where the dwellings which by reason of dilapidation, overcrowding, faulty arrangement of design, lack of ventilation, light, or sanitary facilities or any combination of these factors are detrimental to safety, health or morals."

THE SITUATION IN 1956

In greater Bombay area about 600,000 persons lived in slums. In other words, one-sixth of the population, or one person out of every six in Greater Bombay, was living in a slum in 1956.⁴ According to a survey conducted by Bombay Municipal Corporation in 1956-57, there were 144 slum localities having a total area of 877 acres in Bombay city. The number of residential buildings in these slum areas was 7,591 besides 4,328 huts. The number of non-residential structures was 1,360. In all, 83,451 families were living in these areas. In the suburbs and extended suburbs of Bombay there were 65 slum areas for which a detailed survey was not made.⁵

TYPES OF SLUMS

Slums similar to those in Bombay are common to most Asian cities. Slum residents can be classified into three major groups:

³Ibid, p. 34

⁴Indian Institute of Administration, Problems of Urban Housing, (Bombay, The Government Central Press, 1964), 1. 12

⁵Ibid, p. 12

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- (1) The homeless people who are squatting in cities without any shelter.
- (2) Inhabitants of shacks or temporary houses.
- (3) Inhabitants of old and decaying houses.

The slum dwellings may be either rented or owner occupied; either legally or illegally. They include small cabins, sheds, stalls and simple temporary bamboo structures on public land. There are many single family dwelling units which are converted in small rooms, creating overcrowding and thus forming slums.

THE CAUSE OF SLUMS

The causes creating slums are almost the same throughout the world. Generally the causes in creation of slums in Bombay are as follows:

- (1) The drift of people from many parts of India in search of employment;
- (2) The location of industries in an unplanned way and without having sound policies for future placement of industry;
- (3) The high price of urban land and construction in relationship to family income;
- (4) The failure of local authorities to provide minimum sanitary services in all areas;
- (5) The unfamiliarity of the ordinary resident with better living conditions;
- (6) The fatalistic acceptance of things as they are;
- (7) The low income level of slum families and individuals.

SLUM LIFE

Whatever may be the causes for slums, the existence of slums is undesirable from the country's social, economical, political and cultural points of view. Slum life is miserable. These slums present a scene of filth and squalor. They do not have water or sewer facilities.

The streets are unpaved, unlighted, narrow and dingy. The co-existence of animal and human life increase the sanitation problems. The mortality rate is high, hospitals are overcrowded and the productivity of workers is affected.

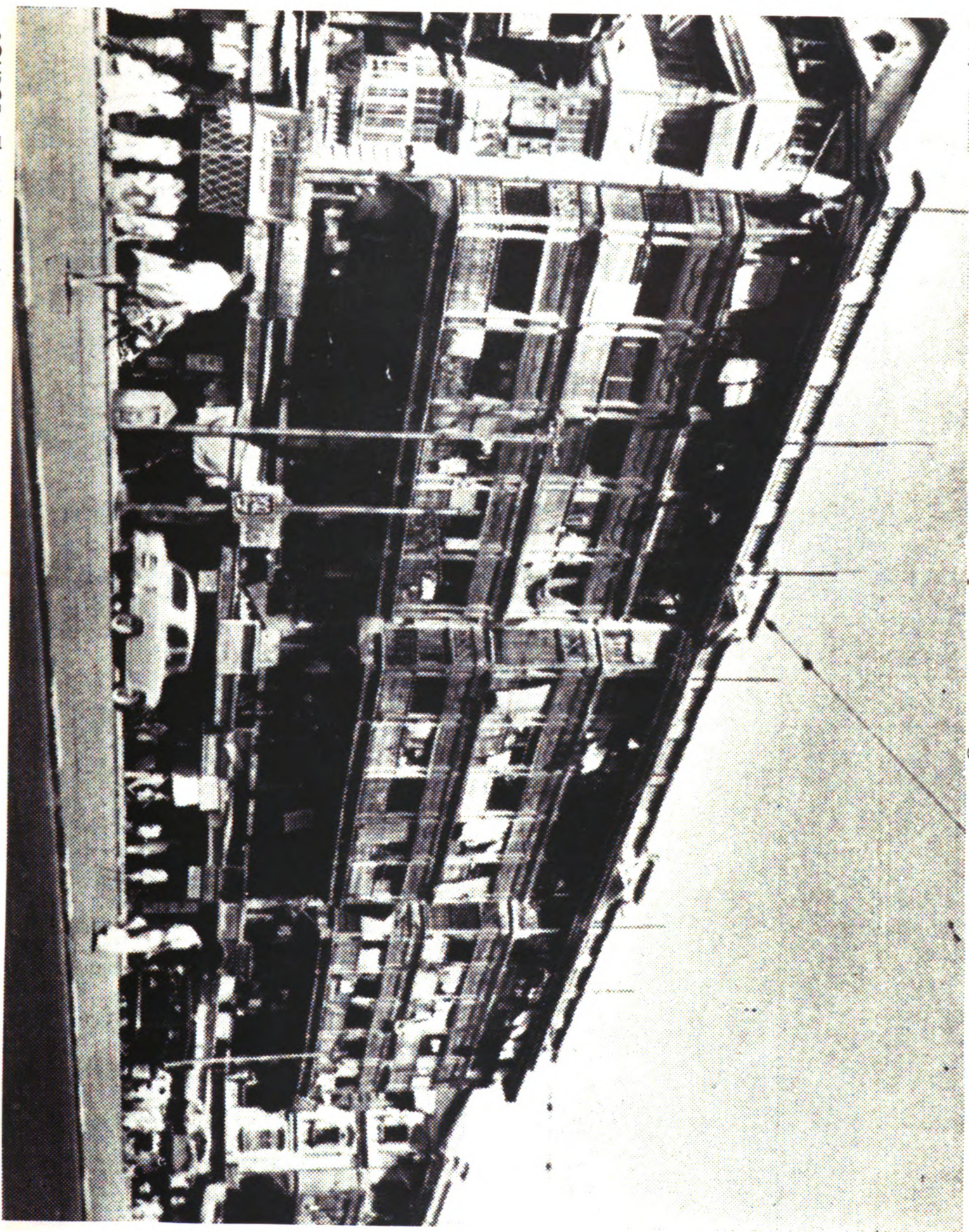
Social problems arising from such conditions are acute and a real threat to the society. Crime thrives under such conditions and individuals become the victim of distraction such as, women, drinking and gambling. Millions are living under such conditions which are totally undesirable for human habitation.

LEGISLATIVE BASES FOR SLUM CLEARANCE

Due to the rising awareness of slum problems, the national government has formulated slum clearance schemes in major cities of India. Legal procedure for slum clearance and redevelopment is established under the provisions of the City Improvement Act. Clearance of slums can be done by two methods, viz:-

(1) By the Housing Corporation declaring a slum area a "clearance area" and thereafter securing its clearance by either requiring the owners to demolish the buildings, or by the corporation itself acquiring and clearing the properties in the clearance area. When the owners themselves are required to demolish the buildings, it is done by serving them with a clearance order in accordance to the procedure stated in section 354 - RA in the Bombay Municipal Corporation Act (1954). Clearance by acquisition is done by the corporation issuing a compulsory acquisition order in conformance with procedures stated in section 354 - RD. Generally the slum clearance procedure of compulsory acquisition is resorted to when

P. II - 1 The older development at Lalbaug



SOURCE: The Municipal Corporation of Greater Bombay.

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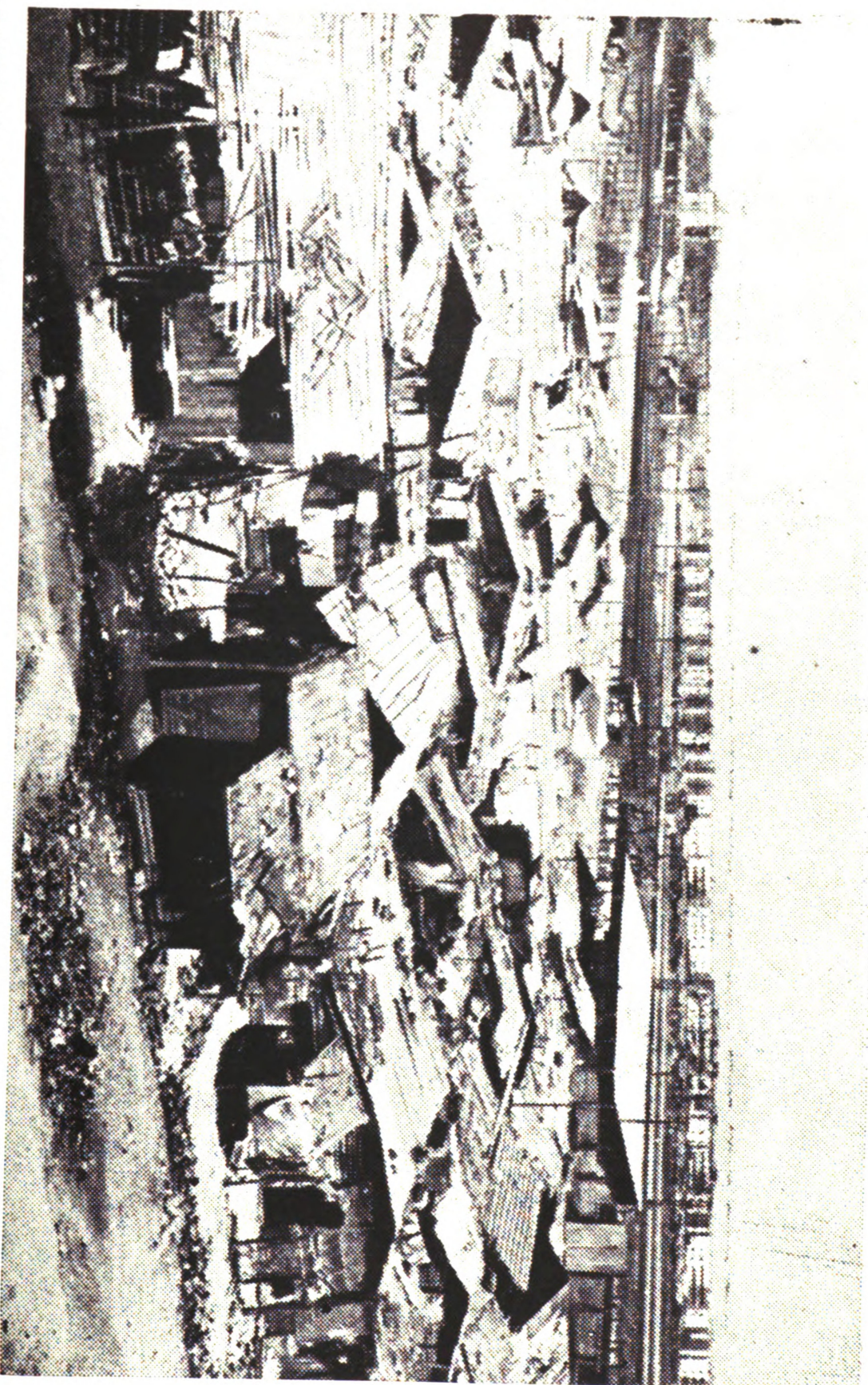
P. II - 2 THE KAMATHIPURA SLUMS (The largest slum on lands privately owned)



SOURCE: The Municipal Corporation of Greater Bombay.



SOURCE: The Municipal Corporation of Greater Bombay.



SOURCE: The Municipal Corporation of Greater Bombay.

the corporation needs lands for rehousing displaced families from other areas.

(2) Corporations may use section 354 RI of the Housing City Improvement Act and declare the slum area a "re-development area".

Applications of these slum clearance provisions is required in dealing with slums consisting of privately owned properties. The clearance of slums on corporation land is, of course, possible by a program of clearance and redevelopment.

SUMMARY

Bombay is facing the great problem of slums. The causes of a slum remain the same as in other older and industrial cities in the world. The social implications from these are undesirable, hence the national government has given attention to the problem and formulated policies and programs for slum clearance schemes. However, the problem has not been solved as the rate of slum formation is much greater than that for clearing the slums.

CHAPTER THREE

EXISTING HOUSING POLICIES

1

It is impossible to evaluate each and every factor affecting housing in this thesis. However, some specific policies regarding housing, such as, land, taxation and planning are analyzed.

LAND

In order to stabilize the land prices and to provide land for housing purposes at a reasonable rate, the state government enacted the Land Acquisition Act of 1948. This act provides for the acquisition of land at the price level prevailing on January 1, 1948 for housing schemes undertaken by state government or by local authority, company or society with the previous sanction of the state government. The state government has also decided to grant government lands for approved housing schemes at the market value, or the value prevailing on January 1, 1948, whichever is less.¹

The land values are very high in the center of Bombay. It was estimated that the rise in the values of land in the city from 1940 to 1959 was from 100 to 150 percent.²

The Rent Enquiry Committee, appointed by Government of Bombay in 1938, wrote in its report as follows:³

"Land in Bombay has become costly. There is a constant pressure of population on land for occupation; on the other hand there is a constant demand for land for possession by the moneyed class. Bombay is an alluring place where fortunes are made and unmade. In boom periods, like that witnessed soon after the war, an increasing number of people begin to roll in wealth; keen competition follows

¹Government of Maharashtra, Urban Development and Public Health Department, The Government Central Press, Urban Housing In Maharashtra. (Bombay, 1964), p. 15

²Government of Bombay, Reports of the panels appointed by Study Group for Greater Bombay. (Bombay, The Government Central Press, 1959), p. 117

³ibid., p. 117

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and a race ensues for possessing immovable property. Fancy prices are quoted and accepted and in this way the cost of land goes up by leaps and bounds."

These were the situations in 1938. During the last 25 years prices have jumped enormously high. Therefore, it became necessary to control the land values.

The need for making separate provision in the development plan to facilitate acquisition of land was stressed in the Housing Minister's conferences and as a result the Government of India formulated the Land Acquisition and Development Scheme which was introduced in October, 1959.⁴ Under this scheme state governments get a loan from the central government for the acquisition and development of large parcels of land. This permits the sale of developed plots at reasonable prices. These loans are repayable over a period not to exceed 10 years and carry the usual rate of interest. For this purpose, Government of India has devoted RS-260 million to land acquisition and development scheme.⁵ The loan assistance has to be utilized by the state governments for the exclusive purpose of acquisition and for development of land in big cities and in town and cities rapidly growing in size and population.

When land already in possession of the state government or any other public authority is proposed to be developed for house-building purposes, the loan assistance under the scheme is restricted to the cost of development only. The size of an individual house plot developed under the scheme shall not exceed 500 sq. yards.⁶

⁴Government of Maharashtra, Urban Development and Public Health Department, op. cit., p. 85

⁵United Nations: ST/SOA Sales No. E/CN S/367/Rev. 1. The report of Ad Hoc groups of experts on Housing and Urban Development, (New York, 1962), p. 64

⁶Government of Maharashtra, Urban Development and Public Health Department, op. cit., p. 86

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In the matter of plot sales the scheme lays down the following conditions.⁷

- (1) Not more than one plot shall be sold to any individual or firm under the scheme.
- (2) If an individual eligible for the benefits of this scheme already owns a house or a developed plot of land in any town of the state whether in his own or her own name or jointly with others, he shall not ordinarily be entitled to purchase any plot under this scheme for the construction of a house. The state government is however, allowed to relax this condition in very exceptional cases.
- (3) Plots intended for commercial, or commercial-residential purposes, as well as, plots to be given to those who are not covered by any of the housing schemes shall be sold at public auction or open tender. Plots remaining after the auction may be sold by the state government at a price it considers appropriate.
- (4) The state government should ordinarily give out the land on a lease-hold basis on suitable terms devised to prevent misuse, speculation, transfer, etc.

The Land Acquisition and Development Scheme was introduced in Maharashtra in 1960-61. A program estimated to cost 29 million Rupees was drawn up by Maharashtra Housing Board for acquisition of land in Greater Bombay and approved by the state government.⁸

As we have seen earlier, the need to regulate the use of land is very important. In Bombay the use of land is regulated through provisions made under the Town Planning Act, 1954. The development plan must contain the following proposals under the Town Planning Act, 1954.⁹

- (i) Proposals for designating use of the land for purposes such as, residential, industrial, commercial and agricultural.

⁷ Ibid., p. 87.

⁸ Ibid., p. 87.

⁹ Government of Bombay, Report of the Study Group for Greater Bombay. (Bombay, The Government Central Press, 1959), p. 49

- (ii) Proposals for designation of land for public purposes such as, parks, playgrounds, recreation grounds, open spaces, schools, markets or medical, public health or physical culture institutions, etc.. Section 11 of the Act empowers the local authority to acquire any land designated in the development plan for purposes specified as above. There are provisions in the Act to prevent property owners taking any action with reference to their properties contrary to the requirements of the development plan.¹⁰

Compensation for land to be acquired for housing projects is paid at the rate prevailing on 1st January, 1948. The reasons behind this policy are related to a basic philosophy of the country. Housing and land for houses are necessary for people. When, the 'general welfare' of society is blocked, it is considered to be the State's duty to intervene in order to free the obstructions such as large land holdings by individuals.

To sum up, there is a lack of sufficient space on the Island and land values are high. Owing to the lack of sufficient space on the Island the bulk of the housing program will have to be located in the suburbs on the mainland. It is necessary to regulate the use of land on the Island, the reclamation land that will become available in the future and the land in the suburbs. The regulation of land use in the suburbs is very important if conditions similar to those on the Island are to be avoided.

TAXATION

Desired housing progress has been hindered by the various factors which make the individual lose his incentives for housing investment. The incidence of taxation is one of the leading factors causing the slow down.

It is estimated that the burden of taxes has increased about 40 percent since 1940.

¹⁰Ibid., p. 49.

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Tax measures taken by the municipality which tend to inhibit the construction of new houses are illustrated in the following paragraphs.

A dwelling unit suitable for a low income employee in Bombay costs at least Rs 8,000.¹¹ The rental value of this dwelling unit is taken at about Rs 800/ - per year. The rateable value, (which is 5 percent of land value plus 8-2/3 percent of a structure value) is considered 84.5 percent of gross rent for tax purposes. In this case, rateable value would be Rs 676/ - per year. The employer has to pay the following taxes:

General Tax at 19-3/4% of rateable value	RS	133.51
Water Tax at 4-1/2% of rateable value	RS	30.42
Halkora Tax at 3-1/2% of rateable value	RS	23.66
Education Cess 3/4% of rateable value	RS	<u>5.07</u>
Total Municipal Taxes	RS	192.66
Urban Immovable Property		
Tax (State Govt.) at 5% of rateable value	RS	<u>33.80</u>
Total	RS	226.46

The additional income tax payable would be as follows:

Rental Value

Less:	1/2 General Tax	RS 66.75	
	1/2 Water Tax	RS 15.21	
	1/2 Halalkhor Tax	RS 11.83	RS <u>93.79</u>
			RS 706.21

¹¹These figures are based upon 1960 figures. The recent figures are not available, but the construction cost have gone up rapidly since then.

Less:	1/6 of RS 706.21 for repairs	RS	117.70
	Collection charges (Estimated)	RS	42.37
	Insurance (Estimated)	RS	<u>8.40</u>
		RS	168.47
	Net taxable property income	RS	537.74
	Income Tax at 45 percent of net taxable property income	RS	241.98

Thus, the total taxes and expenses would be,

Local Taxes	RS 226.46
Income Tax	RS 241.98
Repair Charges	RS 117.70
Collection Charges	RS 42.37
Insurance	<u>RS 8.40</u>
Total	RS 636.91

This leaves a net return of RS 163.09 giving a net return of 2.04 percent per annum, which compares very unfavorably with the rate of return available from other investments. For instance, the investment in bank savings, small savings bonds, etc., give approximately a 4 percent return.

We have mentioned only direct taxes, but there are also many indirect taxes which makes the problem more acute. The materials which go into the construction, such as cement and steel are taxed. The sales tax and town duties levied at the time of importing building materials also add to the higher construction costs.

As indicated earlier, the housing shortage is being accentuated mainly because the cost of construction has gone up beyond the economic capacity of the common man who is not able to build for himself. Building materials are in short supply.



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Another factor which militates against the inflow of private investment into housing is the certain restrictive provisions in the Rent Control Act. The Rent Act has been enforced to protect the tenant. But the law has also affected the rights of the owner. In many cases the present rent could have been higher according to the prevailing market value, but the tenant pays the same low rent which he used to pay years before when he moved into the house. The owner can sell the property, but the new owner does not have the right to increase the rent. Also, certain conditions in the Rent Act make it impossible to evict tenants. In this case, the owner suffers yet, legally, he can do nothing because the tenant is protected by law. The Rent Act has not only put a ceiling on the rents in "old" buildings, but has also considerably reduced the house owner's right to allot dwelling units to any persons he desires.

While the basic rights implied in ownership are denied to the house owner, there are quite a few tenants who have been abusing their tenancy rights. Some of them are actually trading in their tenancies. The right given to the tenant in a new building to go to a court of law for getting the 'standard rent' fixed at anytime during the tenancy has been creating a great deal of uncertainty and causing much inconveniences to the landlord. It is the adverse effect of all these factors on the economic as well as the psychic return to the house owner.¹²

The heavy burden of the Municipal Corporation tax, State and Central Government taxes and other measures, such as the Rent Act, work as disincentives for housing. Not only that, but the cumulative result has caused the rise of many dishonest and illegal practice

¹²Government of Maharashtra, Urban Development and Public Health Department, op. cit., p. 49

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and waste of national resources. The owners adopt other measures such as "pugree", "advance" and "goodwill". These are common terms for the methods employed to obtain more money from other parties illegally in order to raise their economic return. Thus, such public policies work against the objectives and force the public to adopt dishonest procedures, which does not help the nation at all. There is an urgent need for reducing these situations which give rise to undesirable practices.

To sum up, the heavy burden of taxes has resulted in the acute housing problem and the loss of private enterprise incentives in the building industry. The policies need to be revised. The Rent Act, especially should be modified, giving some protection to the owner. It is necessary to devise a formula which safeguards the revenues of the government and at the same time promotes the housing activities.

PLANNING

The concept of planning is defined in Article 38, of the National Constitution as follows:

"The State shall ensure that "the ownership and control of the material resources of the community are so distributed as best to subserve the common good", (article 39-B) and that "the operation of the economic system does not result in the concentration of wealth and means of production to common detriment" (article 39-C)

Thus, social justice has been the guiding principle of India's development plans. Central government plays an important role in planning. The policies, programs and priorities are determined on the national level. The National Planning of Government of India is responsible for policy formation at the national level. Although production of

materials, except steel, has been left to the private sector, the Planning Commission, in consultation with the Ministries concerned, tries to plan and get the production capacity expanded, in accordance with the estimated future requirements.

In the content of the five year plans of India, housing policies are formulated in conformance with economic development and industrialization. Conditions are to be created in which the entire program of housing construction, both public and private is so oriented that it especially serves the requirements of the low income groups within the community. Efforts for the coordination of all agencies concerned, public, cooperative or private should be made.¹³

ORGANIZATION

The Ministry of Works, Housing and Supply, which was created in 1952, is entrusted with the function of administering the housing policy of the National Government of India. The name of the Ministry was changed to Ministry of Works, Housing and Rehabilitation in 1962.

As recommended in the First Five Year Plan, the Ministry established a National Building organization in July, 1954 at the national level. The functions of this organization are to collect and disseminate information on building science, techniques and materials, formulation and coordination of research programs and the execution of physical, socio-economic, statistical surveys and studies.

At the individual state level there is a department of Urban Development and Public Health which observes and administers all urban housing schemes in the Maharashtra State.

¹³United Nations, Report of the AD HOC Groups of Experts on Housing and Urban Development, (New York, 1962), p. 63

Under the general administrative control of the Urban Development and Public Health Department there are two Housing Boards in Maharashtra; one is Maharashtra Housing Board and the other is the Vidarbha Housing Board.

In Bombay, the Maharashtra Housing Board is the main executive agency for implementing the various urban housing schemes. At present, there is a State Housing Advisory Council which advises State Government on the housing problem in the state. The State Minister for Housing is the chairman of this council. The Maharashtra Co-operative Housing Finance Society, which was set up in 1952, advances loans to co-operative housing societies in Maharashtra under its own schemes.

Thus, the Ministry of Work, Housing and Rehabilitation at the national level, and the state agencies of Urban Development and Public Health Department, Maharashtra Housing Board, Maharashtra Co-operative Housing Finance Society are the organizations dealing with the housing problem in Bombay.

CHAPTER FOUR

ANALYSIS OF THE HOUSING PROBLEM



In this chapter some contributing factors to the housing problem are analyzed under economical, physical, social and organization factors. It is very important to look at the housing problem from many angles.

THE GAP BETWEEN FAMILY INCOME AND HOUSING COSTS

The basic cause of the housing problem in any undeveloped country is the wide gap between shelter cost and that which families can afford. Most people are poor. They earn very little and can hardly provide food for their families. Housing cost is very high due to high construction cost and the high price of urban land. Though the average family's earnings may go up when he migrates from the village to the city, the problem of finding a home he can afford becomes almost a nightmare. For most cities in India, the cost of a new dwelling is approximately \$1000.¹ This amounts to 12 to 15 years of income of an average Indian. In addition to house construction costs, one has to pay taxes, maintenance, insurance, utilities, etc.. If 15 to 20 percent of a family's income should be spent on housing, an Indian urban family would need a minimum income of \$600 to \$800 per year.² In India, the average per capita is less than \$80 per year and only 12 percent of the urban population has earnings above \$600 to \$800 a year.³ Unless the wide gap between the income of families and rent can be minimized, the problem of housing will always remain crucial.

¹United Nations, Financing of Housing and Community Improvement Programs (United Nations Publication. Sales No.: 1957 IV. 1), p. 13

²Abrams, Charles, Man's Struggle for Shelter in an Urbanizing World. (Cambridge, Mass., 1964), p. 57

³United Nations: Financing of Housing and Community Improvement Programs
Op. cit., p. 15



ECONOMIC FACTORS

Generally, the poor economic case of the country is the main reason for the housing problem. Ten new dwellings per 1000 people are needed annually in Asia. In a big city like Bombay this need of new dwellings seems to be higher. The magnitude of the construction problem is clearly apparent when it is compared with highly developed nations where even they cannot afford to build more than 6 or 7 dwellings per 1000 people annually.⁴

The main cause for this grave problem is that the national and state governments cannot afford to invest needed money in housing. The economic planners of India believe that they should focus more on food production and assets that advance productivity, such as factories, power plants, livestock, highways, etc.. Use of the country's limited resources for housing would consume the funds needed for productive development.⁵ Thus, for these reasons housing has low priority in India for both internal spending and international aid.

Investment in housing furnishes low returns in short run financial terms. However, benefits are derived from the more balanced development of economic activities which it supports.⁶ The provision of housing is necessary to enable economic projects to be undertaken or expanded. Housing provides the physical link to economic activities. For instance, factories, workshops, offices and other economic structures are related to housing and failure to establish well planned housing results in a high economic price in the inconveniences of

⁴United Nations: Ad Hoc Group of Experts on Housing and Urban Development
(United Nations publication: Sales No. 63 IV. 1), p. 2

⁵Abrams, Charles, op., Cit., p. 106

⁶United Nations: Report on a Special United Nations Fund for Economic Development.
(United Nations Publication: Sales No. 53 II b.1), p. 9

the city which are measured in terms of wasted time of man, high transport cost, etc..⁷

House building stimulates the manufacturing of materials not only for housing but for all kinds of construction. Domestic production of building materials will help to improve the trade balance. Also experience shows that in rapidly developing and urbanizing countries employment in construction appears to be the first industrial employment undertaken by rural migrants. The provision of building materials can also be an important step towards the monetization of rural economics.⁸ Thus, housing investment is important from an economic view point.

Long term finance is very essential for housing activity. In Western countries a very large contribution towards provision of housing programs is made by house building societies for the supply of long term house financing.⁹

Accentuating the housing shortage is the rising cost of construction. It has risen beyond the economic capacity of the common man to satisfy his housing need and he, for the most part, is not able to build for himself. Both the cost of building materials and the transportation cost to move them are high. For instance, the transport rates for sand have been raised by the railways from Rs.20 prior to the second world war to Rs. 105 per wagon (600 cu. ft.) from the usual fields supply to Bombay.¹⁰ In recent years the rates have been risen very high.

⁷United Nations: Report of the Ad Hoc Group of Experts on Housing and Urban Development, p. 11

⁸Ibid., p. 13

⁹Government of Bombay, Report of Study Groups for Greater Bombay (Bombay, 1959) p. 60

¹⁰Ibid., p. 73

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Not only the high development cost, but also the central, state, and local governmental policies regarding taxation and the Rent Control Act have made the investment unremunerative for those having the resources for house building. Governmental and semi-governmental bodies cannot cope with this large demand for housing. Private investors must make a large contribution. But, private enterprise will not invest money in the building of houses unless it is assured that it will have a reasonable return. The public has other alternatives for investing money which give a greater return in comparison to that derived from housing. For instance, central government has offered very tempting inducements for investment in small savings by exempting the same from the income tax, super-tax and corporation tax. Also, the 12 year National plan Savings certificates offer a very attractive investment. Income from the same is not liable to any tax. These funds are used for investment in central and state government industrial project undertakings.

As described earlier, the development costs are very high. In contrast, labor is very cheap. The failure to use these human resources effectively in housing is another cause for the housing problem. "The unutilized talents of the people constitute the chief present waste and the chief future hope of the developing countries. Only a small fraction of these populations participate actively in national life today."¹¹ Thus, the need of using human resources of the developing countries is becoming widely acknowledged. Self-help housing can be of importance in this direction.

¹¹United Nations: The United Nations Development Decade Proposals for Action (United Nations publication: Sales No. 62 II b. 2), p. 7

URBAN LAND FACTORS

As mentioned in the first chapter, the great demand for housing in Bombay has been created by the increase in population. As against an increase of 200 percent in the City's population between 1901 and 1951, the increase in the stock of residential buildings during the same period hardly amounted to sixteen percent.¹² There is also an extreme paucity of open space in Bombay City. The quantity of public open space works out to be one acre per 6,819 persons.¹³ In Greater London there was seven acres of open space per 1,000 persons, and it was proposed to raise it to ten acres.¹⁴

The most important factor responsible for the growth of population in Bombay is the immense concentration of economic activities. The two major types of economic activities are industry and commerce, which together with government and semi-government offices constitute the principle agencies of employment. Bombay Island accounts for 76 percent of the registered factories and 85 percent of the labor employed in such factories in Greater Bombay.¹⁵ Absence of such essential facilities like transport, electricity, water supply, etc. on the main land and their existence for a long time in Bombay have attracted industries towards the City of Bombay. Another attraction for new industries is the location of many existing financial, industrial and business houses in the Greater Bombay area. They provide the drive and financial wherewithal, which are necessary for further industrial development.

¹²Rajagopalan, C., Greater Bombay. (Bombay, 1962), p. 44

¹³*Ibid.*, p. 43

¹⁴*Ibid.*, p. 45

¹⁵Government of Bombay, op. cit., p. 22



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Lack of facilities outside the Greater Bombay area acts as a deterrent against both the original location and subsequent movement of industries to the periphery of Greater Bombay.

Land is the basic resource for purposes of planning. This resource has not been utilized to the best advantage and hence the result is shortage of space for various requirements of the community. In the year 1951, Bombay City had an average gross density of 143.8 persons per acre, but the distribution of population within the Bombay City was uneven. Some sections like Chakla, Umarkhadi, Khara Talao Market, Dhobi Talao, had densities ranging from 500 to 1,000 persons to the acre, two sections, viz, Bhuleshwar and Kumbharwada showed the highest densities of 1,366 and 1,063 persons respectively per acre.¹⁶ (see Map IV-1) In the closely built-up sections the buildings are old, dilapidated and lacking essential amenities. The streets are narrow, unpaved and unlighted. It is in such environment that a vast majority of the inhabitants of Bombay live. Thus, physical and environmental blight, lack of open space and mixed land uses have resulted in the formation of slums.

It is necessary to prevent slums from developing rather than just clearing them. To do this it is necessary to understand the causes of slum formation and take proper preventative measures by enforcing, effectively, public health regulations, building codes and other municipal regulations, building codes and other municipal regulations.

¹⁶ Rajagopalan, C., op, cit., p. 41

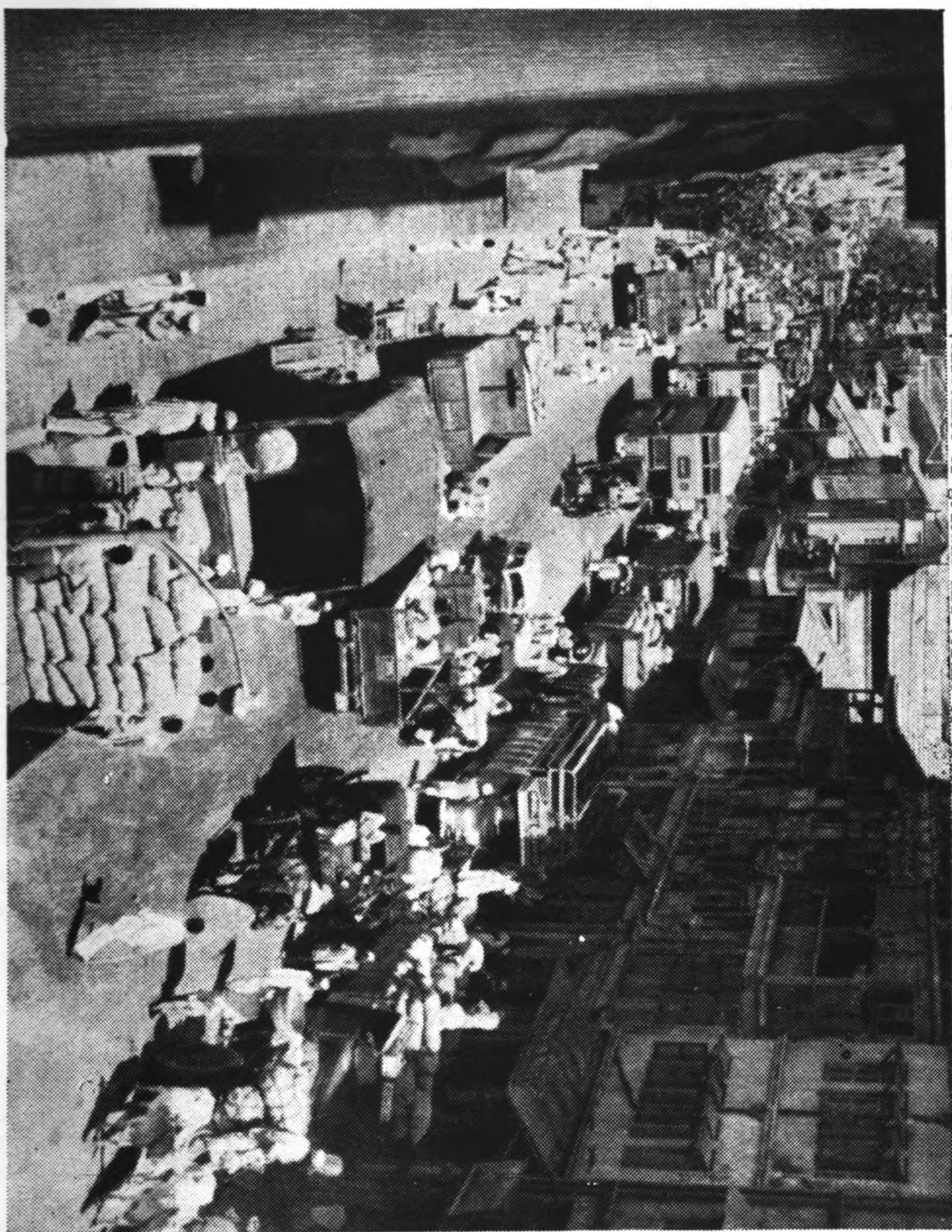


P. IV -1

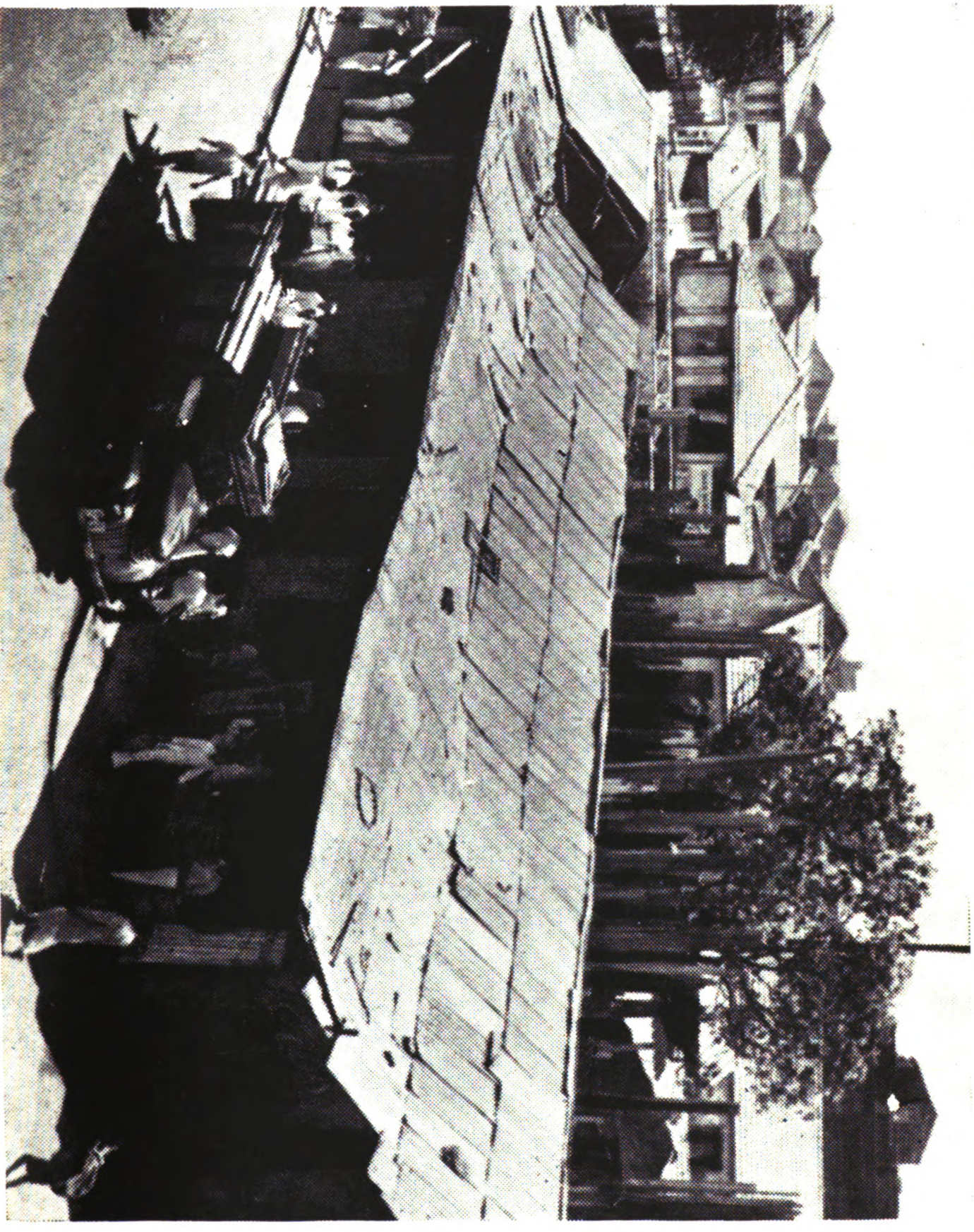
(Non-conforming users in a typical residential area are a constant source of danger)

SOURCE: The Municipal Corporation of Greater Bombay.

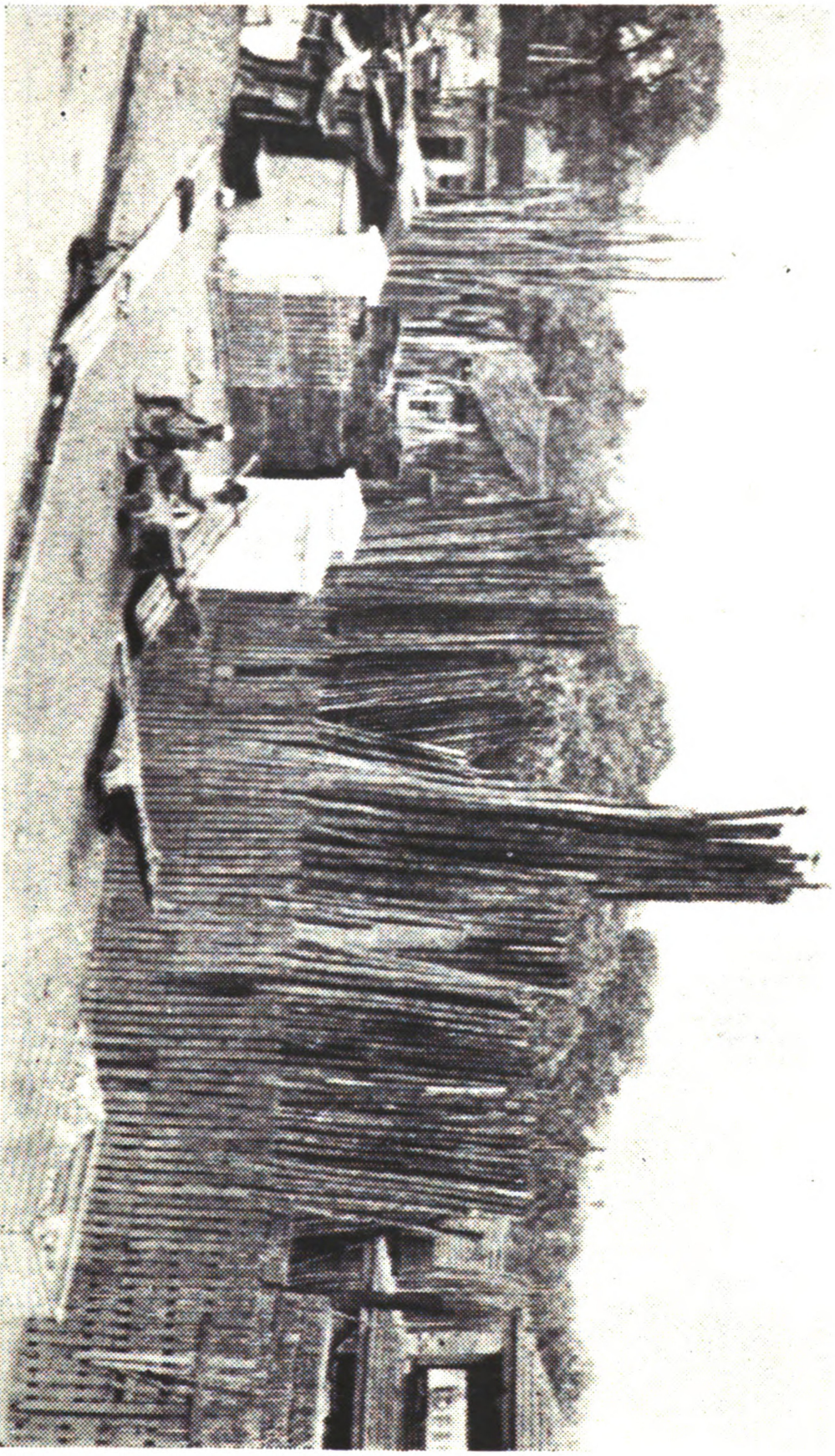
P. IV-2 DUNCAN ROAD (existence of godowns and volume of truck traffic in the residential area)



P. IV-3 FORAS ROAD * RESIDENTIAL AREA INTERSPERSED WITH LUMBER STORAGE

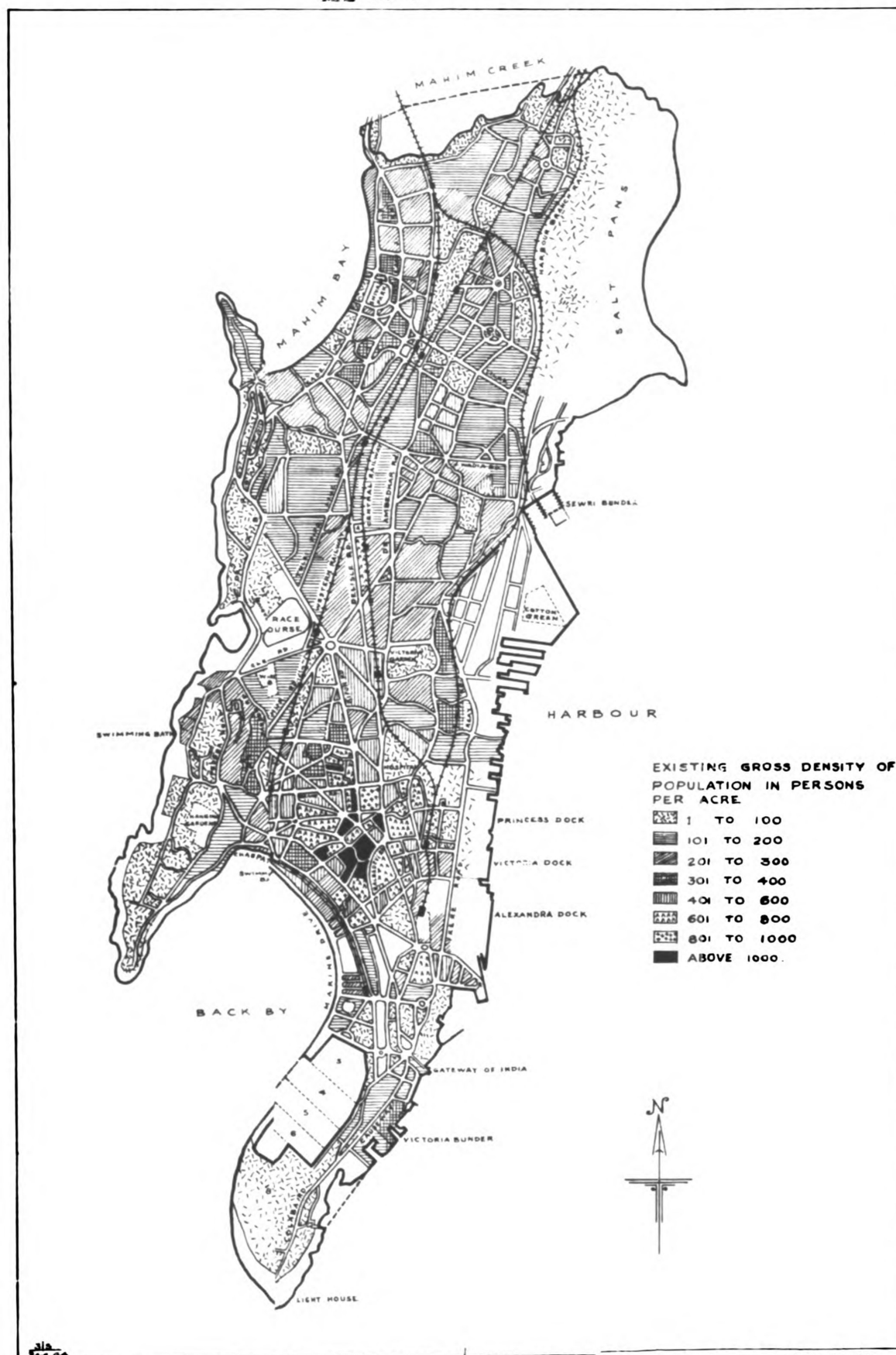


P. IV - 4 (ANDHERI — Incompatible uses in a vast suburb



SOURCE: The Municipal Corporation of Greater Bombay.

MAP IV-1



SOURCE: The Municipal Corporation of Greater Bombay.

One of the principle difficulties in providing additional housing for easing the housing situation on the Bombay Island is finding building sites at reasonable rates. Therefore, the bulk of new housing should be located in the suburbs and on extensive peripheral reclamation areas of the island. To this end, coordinated steps will have to be taken for steadily developing fresh tracts of suburban land and providing them with all necessary civic amenities. One of the most important requisites for developing the suburban areas is adequate transport facilities.

To sum up, the main urban land factors for the housing problem are; concentration of industries and labor force working in the industries on Bombay Island, undevelopment of suburbs, lack of transport facilities in the suburban areas and lack of land use controls.

SOCIAL FACTORS

Housing schemes must be elaborated in terms of tomorrow's society and yet, it is common to define the future society on the grounds of economic calculations and population figures. But, to understand human behavior is very complex to understand. The social factors which affect the housing situation are many, but only a few major factors will be considered in this chapter.

Population Growth

The last decade saw Bombay continue previous growth trends in population. Predictions for the future population indicate that in 1970 there will be approximately six million inhabitants. The increase in population is due mainly to two factors; first, the natural increase and, second, the net immigration.

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The birth rate has increased and death rate has declined, due to the advancement in medicine. The only alternative to controlling the natural increase is through family planning. Some of the obstacles to the progress of family planning are the illiteracy of a large majority of the population, the religious beliefs, the strong feeling in some communities of security and pride in having big families.

Another factor for population increase in the city is immigration which is gaining at a rapid rate. The people are coming to Bombay from rural areas for employment opportunities. There are not enough jobs in villages, but there is another social aspect also. The young generation seems to be attracted by visions of a glamorous city life. The income from their family trades would be much greater than the city's ordinary job. Also, there are quite a few examples of individuals having a high school or sometimes college education, feeling ashamed to work in his family's profession such as a smithy, carpenter, etc..

The growth in population is generally held to be an advantage in an economy developed to the point "...where the expected increase in demand due to increasing population leads to additional investment and production."¹⁷ But in the undeveloped country, over-population tends to intensify every problem they face.

Family System, Caste, and Religion

The Indian family is very cohesive. But with the industrialization and higher education in Bombay, the nuclear family system is emerging in place of the cohesive family system where generations live together because of old traditions and economic security.

¹⁷Brand, William, The Struggle for a Higher Standard of Living (Glencoe, Ill. The Free Press, 1958), p. 60

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Another factor is the caste system. Though the caste system is declining gradually, it still exists in India to some extent. In general, the rundown areas are occupied by people belonging to the lower castes. In the social organization it is difficult to accept these members of lower castes and income on an equitable basis. Thus, the lower castes form their own temporary neighborhoods with inadequate living environment, which results in slums.

Another factor is religion. Behind the political partition of India religion has played an important role. In 1947, immediately after partition, millions of Moslems and Hindus migrated from one country to the other. This migration was accompanied by rioting which resulted in damage to a large number of dwelling units, thus reducing the housing inventory. The people who lost everything they had, began looking for shelter in big cities, squatting and forming slums. This was one the causes for the slums in Bombay.

ORGANIZATION AND ADMINISTRATION FACTORS

Undeveloped countries lack administrative skill. Even the talents to deal with simple governmental tasks has been scarce.¹⁸ Politics plays a great role in the administration. The selection of administrative personnel has been made on the basis of connections rather than qualifications. The qualified people, such as engineers, surveyors, planners, etc. needed for planned housing projects are not readily available.

Pay scales of government officers are low, which results in low morale of officers. In the government's housing projects, corruption is the major obstacle to rapid progress. Both, the contractors and government officers aim for their personal gain and, hence as a result, the quality of work suffers.

¹⁸Abrams, Charles, op. cit., p. 71

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Conflicts between political departments are common and jurisdiction hard to define in the field of housing which cuts across many official lines, finance, public works, health, industrial development, etc..¹⁹ Thus, the problems of organization and administration affect the housing problem to a great extent.

REGIONAL PLANNING FACTORS

Bombay has experienced tremendous growth in the last twenty years. In the language of urban economist this growth is very expensive. This is due to lack of sound regional planning for the Bombay region.

The Island of Bombay is a focal point for commercial, cultural and government activities. It is a heart of the Greater Bombay region. It is evidenced from the growth of Bombay that Island of Bombay, no longer, could meet the demand of its growing region. No attempt has been made to develop another focal point in the region where these demands can be served more efficiently. Large masses of people have been concentrating and living in the small area of the Island of Bombay. This is mainly due to the lack of sufficient foresight on the part of the authorities in not creating conditions which would provide reasonable attraction to the people to go and live in the suburbs. The transportation accessibility in the region is poor. Most of the public works programs have been oriented for the Island of Bombay to relieve immediate problems on the Island. No attempts have been made on the parts of authorities to develop regional highway and transit corridors which could induce the growth in the desired locations in the Bombay region. The existing Western Railway provides a very good link between the Island of Bombay and the suburbs. (see Map IV-1) No effort has

¹⁹ibid., p. 73

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has been made to develop these suburban towns as self-contained satellite towns. Thus, the lack of regional planning for the Bombay region has created complex urban problems.

SUMMARY

The housing problem in Bombay encompasses many aspects. The main causes are the wide gap between shelter cost and income of families, population growth, high development cost, the burden of taxes of national, state and local governments and unutilized human resources. The financial limitations of national, state and local governments offers the major difficulty in the housing programs.

The concentration of major industries on Bombay Island has resulted in congestion, unavailable building sites, lack of open space and overcrowding of labor force. The concentration of industries on Bombay Island is mainly due to lack of transport facilities and other utilities in outlying areas of Bombay Island. Inadequate enforcement of municipal regulation on Bombay Island has created slums which are too costly to clear. In the public housing programs, corruption, non-availability of technical and administrative people to handle the housing programs also contribute to the problem.

Finally, it is very important to understand and evaluate all of the factors that affect the housing problem with the generalized approach. Comprehensive, coordinated housing programs can solve the problem to some extent.

CHAPTER FIVE

THE FUTURE HOUSING PROGRAMS



INTRODUCTION

The program for housing depends on the population increase and distribution in the future. The realistic population projections are, therefore, essential to estimate the housing demand for the future years.

The second essential element for the housing program is the search for housing sites and sound land planning. The other important elements are estimates of building supplies required to meet the projected housing demand, building technology and other economical means to build the housing developments, organization and management of housing projects and framework of sound policies for housing programs.

POPULATION PROJECTIONS

A large increase in population is anticipated in Greater Bombay in the next 10 years. The Table 2 shows the population estimates of Greater Bombay by age and sex from 1961 to 1981.

TABLE 2

POPULATION in AGES 6-11, 12-17, 15-59 and 60+ years - 1961 - 1981

Age Group	1961		1966		1971	
	M	F	M	F	M	F
6-11 ..	254,591	234,248	314,207	300,209	384,209	365,257
12-17 ..	275,190	209,247	295,944	246,258	359,689	314,513
15-59 ..	1,732,898	969,936	1,970,769	1,174,220	2,208,354	1,401,643
60+ ..	76,929	63,102	99,691	73,930	129,674	89,781
All ages ..	2,518,307	1,682,243	2,910,923	2,041,047	3,303,519	2,402,900

TABLE 2 -- ContinuedPOPULATION in AGES 6-11, 12-17, 15-59 and 60+ years - 1961 - 1981

Age Group	1976		1981	
	M	F	M	F
6-11 ..	407,831	386,613	410,913	388,701
12-17 ..	420,203	371,967	447,889	397,271
15-59 ..	2,476,946	1,658,255	2,749,485	1,931,648
60+ ..	169,960	110,639	227,881	138,951
All ages ..	3,660,563	2,723,569	4,015,586	3,046,487

SOURCE: Municipal records, Municipal Corporation of Greater Bombay 1966

HOUSING DEMANDPopulation Increase and Housing Demand

The average household size in Bombay is forecasted at 5 persons per dwelling unit for the year 1981.¹ The dwelling units required to house 3,160,000 persons in the city and 3,900,000 persons in the suburbs and extended suburbs in 1981 are based on 5 persons per dwelling unit are shown in Table 3.

The hutment dwellers to a large extent represent the influx into the city and the problem of their rehabilitation poses a serious problem among others on account of their low economic status. This problem will remain with Bombay for years to come in the absence of any effective regional planning schemes, especially the village units which would reduce the influx into the city.

¹Government of India. Ministry of Works, Housing and Supply. The Problem of Housing in India. (Bombay, 1957) p. 20

TABLE 3

Requirements of Dwelling Units

1981

Area	Population (No.)	Dwelling Units (No.)
City	3,160,000	78,200
Suburbs and Extended Suburbs	3,900,000	504,000
The Total for Greater Bombay	7,060,000	582,200

SOURCE: Municipal Records, Municipal Corporation of Greater Bombay 1966

Existing Housing Deficit:

The survey taken in Bombay in 1956 shows a tremendous overcrowding in the City of Bombay.² If conditions of overcrowding are to be prevented, the additional dwelling units would be needed. The Table 4 shows the dwelling units deficit in 1961. The deficit represents the number of dwelling units required to remove overcrowding in existing dwelling units and to rehouse the number of families residing in temporary hutments and unauthorized sheds.

²Indian Institute of Administration. Problems of Urban Housing, (Bombay, 1960)
p. 5

TABLE 4

Requirements of Additional Dwelling Units

1961

Area	Dwelling Units required in 1961	Dwelling Units Existed in 1961	Deficit in 1961
City	553,800	438,491	115,309
Suburbs	207,200	193,013	14,187
Extended Suburbs	68,800	67,644	1,156
TOTAL	829,800	699,148	130,642

SOURCE: Municipal Records, Municipal Corporation of Greater Bombay 1966

The Total Housing Demand:

Further, as described in Chapter II, there were 144 slums spread over a total area of 877 acres with a total number of 83,451 families and a population of 415,875. In accounting for the slum clearance schemes and other house collapses, there would be additional need of 150,000 dwelling units by the year 1981.

The total requirements of Greater Bombay for housing is shown in Table 5.

TABLE 5

Total Requirements of Dwelling Units

1981

Dwelling Units required for	1961	1981
Natural Increase in Population	--	582,200
Overcrowding	130,652	130,652
Slum Clearance and House Collapse	--	150,000
TOTAL	130,652	862,852

SOURCE: Municipal Records, Municipal Corporation of Greater Bombay 1972

POPULATION DENSITIES

1961

The city's population has not been evenly distributed so as to insure a uniform density. A survey taken in 1961 showed marked differences between the neighboring localities. Kumbhawada had a residential density of 1,400 persons per acre whereas Khetwadi had a density of 500 to 600 persons per acre.

TABLE 6

Population Density

City of Bombay

1961

Number of Persons per acre	0-100	100- 200	200- 300	300- 400	500- 600	600- 800	800- 1000	Over 1000
Percentage of Total city area	45.3	26.6	21.2	1.0	5.47	0.31	.1	0.02

SOURCE: Office records - Municipal Corporation, Greater Bombay 1964.

Higher residential densities occur in some of the oldest developments to the south of the city and the areas surrounding earlier development, in the absence of control, permitted the entire site to be built upon with little attention paid to the pre-requisites of open spaces, lighting and ventilation, density and other requirements. A one room dwelling unit - 100 square feet in size was considered sufficient for a family to reside in.

Higher densities are also prevalent in some of the areas of more recent development partly due to overcrowding and partly due to the absence of control over the volume of

buildings with a view to limit density. Limiting factors were only height restrictions and light and ventilation of the building and the street. Such uncontrolled development invited maximum development of the sites.

Proposed Population Densities:

Various considerations should be given to determine the densities. The important factor to be considered is existing character of development, need for improvement and prevailing land prices. The other factors are standards for community facilities, living space standards, land available for residential development.

Considering the above factors desirable densities are proposed in Table 7.

TABLE 7
Proposed Population Densities
1981

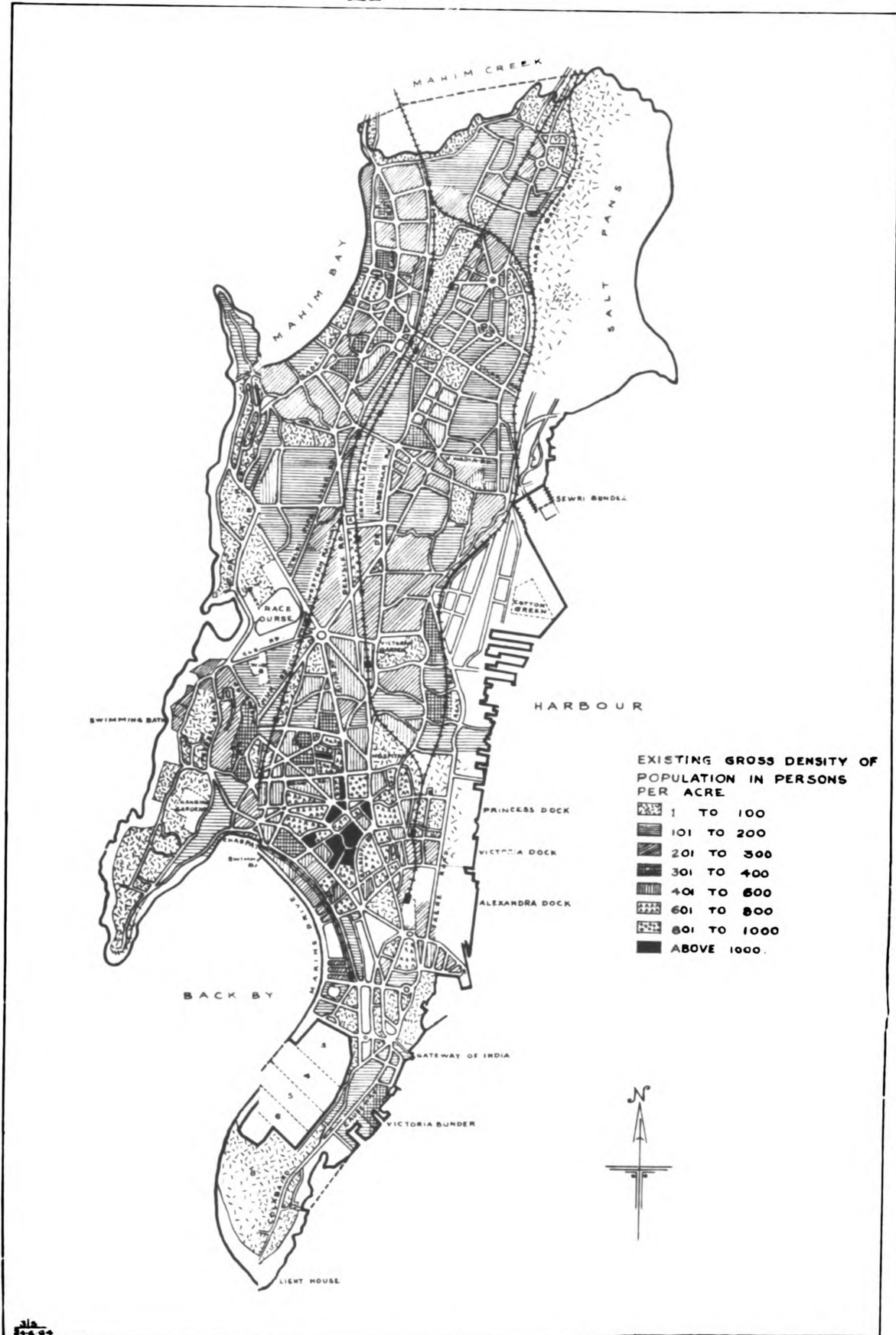
Area	Net Density (persons/acre)	Gross Density (persons/acre)
1, Suburban area	350	210
2, Northern part of City of Bombay	450	270
3, A ward City of Bombay	800	500

NOTE: Net Density is the number of persons on a building plot divided by the area of plot in acres.

Gross Density is the number of persons in a block in a residential zone divided by the area of block in acres exclusive of any large recreational spaces but including streets, small parks and other areas devoted to serving people of the area.

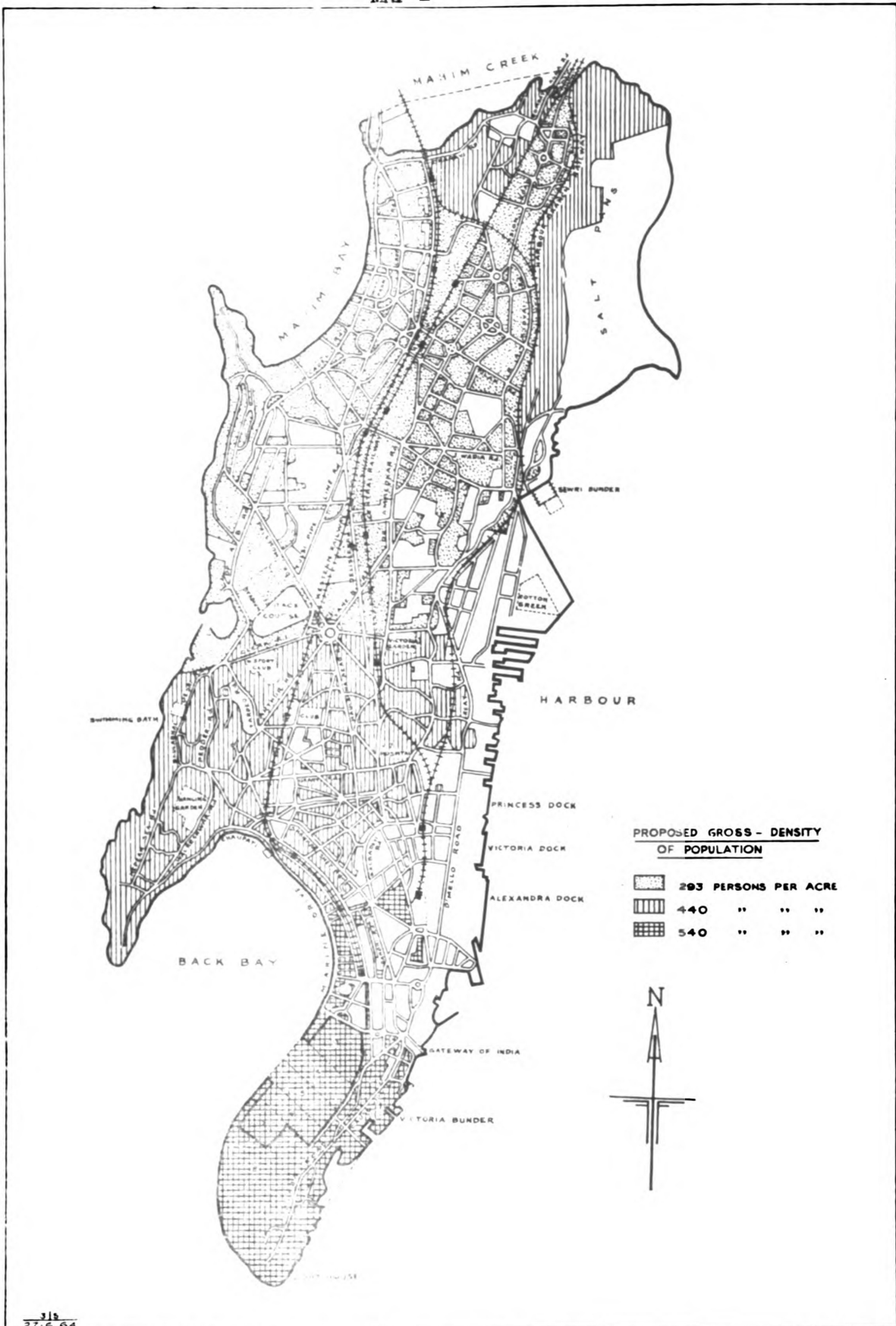
SOURCE: Municipal Records. Municipal Corporation of Greater Bombay 1966

MAP 1



SOURCE: The Municipal Corporation of Greater Bombay.

MAP 2



SOURCE: The Municipal Corporation of Greater Bombay.

SELECTION OF HOUSING SITES

To maintain the pace of the housing program the sites should be readily available. In the suburbs and extended suburbs of Greater Bombay there is no scarcity of land required for ambitious housing projects. But in the City of Bombay land is very costly and limited. The Municipal Corporation of Greater Bombay has reserved sites for housing developments to meet the housing demand as shown in Table 6.

The suburbs and extended suburbs of Bombay provide a vast field and can accomodate any ambitious housing projects in contrast to the city.

The Map V-3 shows the location of sites for housing.

TABLE 8

Wardwise Reservations of Sites for Housing in the Development Plan

City

Ward	A	B	C	D	E	F	G	Total
Area of reservation in acres	1.57	2.04	4.43	57.70	54.80	276.80	90.20	486.54

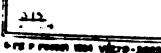
Suburbs

Ward	H	K	L	M	N	P	R	T
Area of reservations in acres	125.794	566.06	120.732	348.68	663.455	290.27	823.91	122.87

TOTAL 3061.77

SOURCE: Municipal Records, Municipal Corporation of Greater Bombay 1966

MAP 3



SOURCE: The Municipal Corporation of Greater Bombay.

LAND ACQUISITION AND DEVELOPMENT

Availability of building sites at reasonable rates is essential for successful housing programs. According to Land Acquisition Act, 1948 Government of Bombay, local municipal authorities can reserve the sites for housing schemes at the price level prevailing as of January 1, 1948. A "housing scheme" as defined in this act means 'any scheme which the government may from time to time undertake for the purpose of increasing the accommodation for housing persons and shall include any such scheme undertaken from time to time with the previous sanction of the State government by a local authority.'³

The Government of India introduced a Land Development and Acquisition Scheme in October 1959, in which national government provides loan assistance to the state governments to facilitate acquisition and development of land on a large scale for making available developed plots at reasonable prices to the intending builders, more particularly in the lower income brackets. The loans are repayable over a period not exceeding 10 years. The interest rate for such loans is 4 percent per annum.

BUILDING SUPPLIES

The housing program for Greater Bombay is a massive program. A yearly program of 50,000 dwelling units would require the following minimum quantities of materials.

(1) Steel	62,500 tons
(2) Cement	325,000 tons
(3) Bricks	350,000,000
(4) Timber	1,000,000 cf.

Even with full operation of the new steel plants and cement factories, it cannot be assumed that there will be no difficulty in getting the necessary quantity of steel and cement

³Urban Development and Public Health Department, Government of Maharashtra. Urban Housing in Maharashtra. (Bombay, 1964) p. 84

as the demand for these materials is not a local one but spread over the entire country that is making rapid strides under the various five-year plans.

HOUSING RESPONSIBILITY

After determining housing demand and location of housing developments, there is the issue of determining who should have the responsibility of providing the housing.

Housing accommodations are being created both in the public and private sector.

These are:

1. The Maharashtra Housing Board, which is mainly concerned with industrial housing and subsidized low-income group housing. The Board has several other schemes covering both the high and low income groups on the tenant-ownership basis.

2. Employers for their employees exclusively. Within this category fall the programs of (a) the State Government. (b) the National Government through the Public Works Department and other statutory corporations like the Railway, Port Trusts, etc., and (c) various industrial and commercial establishments.

3. The Municipal Corporation. Besides programs for housing its employees the Corporation has schemes for re-housing those dishoused as a result of Municipal policies and actions. The B.E.S. & T. a Municipal Undertaking has a program restricted to their employees.

4. Co-operative Housing Societies. The Co-operative movement, with the encouragement of Government, is gradually gaining momentum and, given suitable and easy facilities, would gradually replace the private sector as a major agency in the field.

5. Private sector. The activities of the private sector are gradually falling on account of the high cost of construction and the low returns in relation to other investments. Besides, the high maintenance costs act as a deterrent. The activities of the group is, however, mainly restricted to housing for the higher-income people.

CHAPTER SIX

RECOMMENDATIONS FOR HOUSING PROGRAMS AND POLICIES

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THE HOUSING NEEDS GOAL

1961 - 1981

As described in chapter five, the annual requirement for the Greater Bombay is 50,000 dwelling units. This goal should be attainable by careful attention to both the supply and the demand side of the housing market.

The Supply Side

The Maharashtra Housing Board has program of constructing 10,000 dwelling units a year in Bombay and if the several schemes, the Board has of tenant-ownership are used there is no reason to doubt that the Board will be able to step up its program. It would be particularly pertinent to draw the attention of the industrialists to the scheme, especially those who have valuable industrial lands occupied by non-conforming residential use. The Board's program also includes development of building sites and leasing the sites to Co-operative Societies.

The efforts of private individuals are not very reliable, but with the gradual improvement of the requisite facilities in the suburban areas essential to meet domestic requirements, transport and occupational potentialities, it is felt reasonable to rely on private agencies contributing 5,000 dwelling units annually.

The limited resources of the Municipal Corporation precludes it from having an ambitious program though its requirements are large. However, in a single year it has achieved a planned target of 4,000 dwelling units a year, and its aim is to construct 6,000 dwelling units in a year.

The national government and the state government should, between them, share the burden of 4,000 dwelling units for their employees, if not more, considering that the apportionment is below the recommendations of the Sub-Committee of the City Coordination Council.

The contribution from industries and commerce has not been encouraging and with improvement in this direction, about 2,000 dwelling units each year can be expected from them. Actually in spite of substantial government subsidies and low interest loans for housing private industrial workers, there is no sufficient response. Their main difficulties seem to be --

1. They would not like to be burdened with the task of estate management including the difficulty of evicting the tenant-employee after termination of his service.
2. The initial capital outlay for the housing program and the recurrent financial burden in the form of subsidized rent would impose huge financial burden which they would prefer to direct towards expansion of the industry itself.
3. Difficulties of procuring suitable sites, building materials and providing utility services therein.

If the problem of housing the industrial labor, which by far forms the bulk of Bombay's population, is successfully dealt with, the housing problem of Bombay would be within sight of solution. It has been suggested that to tide over the difficulties of the industrialists, a scheme could be prepared whereby the industrialist would contribute Re. 1 per month per worker which would amount on an aggregate to Rs. 6,800,000. This could be placed at the disposal of the Housing Board which would then be in a position to put up 750 more dwelling units annually.

Summing up the above, the total new housing that can be erected each year with a determined effort on all sides will approximate 33,000 dwelling units. As against this, the annual requirements will be 50,000 dwelling units and 40,000 dwelling units during the current and the next decades respectively. This could be achieved only if the several agencies in the field step up the programs beyond that apportioned above so as to take in their stride additional responsibility of breaching the deficit.

The Demand Side

In housing programs the lower income families and slum dwellers should have higher priority. The low income industrial workers and dishoused persons who are rendered homeless, due to house collapse or natural calamities also need housing with government programs.

The need for shelter is more than just a roof over a head. The demand for housing is not only in terms of dwelling structures but in terms of the dwelling environment. The housing authorities in Bombay should study the housing problems as part of the urban settlement process. The planning for low income housing should be based on the needs and desires of the low income families. The effect of family size, age, behavioral problems and cultural characteristics upon housing needs of low income families should be analyzed before housing programs for such families are planned. For example, highrise apartments provided for low income families are not suitable for families with children.

In addition to a roof over their head, the housing programs should be planned in such a way that low income families can find their own identity and security. A co-ordinated program of housing and social services should be the goal. The provision of community facilities in the housing program projects is very important.

DEVELOPMENT OF COMMUNITY

The physical and social development of the families living in public housing should be promoted and encouraged. The low income families should be given the opportunity to invest something of themselves in the community. Some specific recommendations are made for the physical and social development of the families as follows:

1. A community hall should be provided in order to facilitate the tenants to conduct their social and cultural activities.
2. The tenants associations should be encouraged and assistance should be given to these associations by housing authorities to organize social and cultural activities. Activities of the association in family planning, small savings and handicraft should be encouraged.
3. The educational facilities such as primary schools, handicrafts, sewing and embroidery classes should be provided.
4. Post offices, police stations, libraries, health and sports facilities should be provided.

The emphasis should be on the essential amenities and conveniences necessary to life and future development.

SLUM CLEARANCE AND PUBLIC HOUSING

As explained in chapter two, slums present crucial problems. Existing slum clearance schemes in Bombay are facing the problems of implementation. Most of the slums in Bombay are comprised of shacks, cottage and tin-sheds and are made up of unauthorized constructions. In many cases they represent encroachments on municipal land or land of other public authority. The removal of these encroachments and unauthorized constructions

is not easy in practice. Quite frequently if such structures are removed they locate elsewhere. It will be several years before public housing programs sufficiently progressed to offer alternative accommodations to the shack dwellers. Hence, it is important to take some interim measures to obviate the further growth of such slums. It is recommended, for such interim purposes, to provide plinths in a properly laid out ground with amenities of conservancy, drainage and water supply at modest rentals to enable slum dwellers to put up their own structures. This will be a cheap housing. The cost of a dwelling unit to meet the minimum standards of housing is Rs. 6000/- per unit. The economic rent of such a dwelling unit when it is available to such slum dwellers would be far in excess of what the slum dweller can pay. Hence, for such slum dwellers it is desirable to provide cheap housing by making plinths available, in laid out plots with the necessary sanitary services, supplied by the Municipality.

SELF-HELP HOUSING FOR LOW INCOME FAMILIES

There is great and immediate need for low-income housing in Bombay. The problem of dwelling supply at rents within the means of low-income families is acute, since the per capita income in Bombay is less than \$85.00 per year. It has been estimated that an individual working family cannot afford to pay more than 10 percent of its earnings in rent. It has been also estimated that only 12 percent of the population in India in Urban areas could afford the economic rent of low-cost dwellings.¹

¹Indian Institute of Public Administration. Problems of Urban Housing, (Bombay, 1960) p. 2

To meet this gap, self-help aid housing programs seem to be the partial answer. These techniques have been proved successful in Puerto Rico, Jamaica and other parts of the world.

The United Nations 1952 study on "Housing in the Tropics" stated;

"..it must be recognized that, even under the most favorable conditions, it may be a very long time before sufficient progress has been made to permit the use of adequate economic resources for such social goals as better housing and improved community facilities. Meanwhile, with few exceptions, families in the tropics simply cannot afford to buy or rent houses built for them on a commercial basis. It is also obvious that neither governments nor private agencies can provide housing on a subsidized basis to all in need. In addition, in most underdeveloped countries the technology retarded state of the building industry is one of the factors raising the cost of house construction beyond the reach of most of the population. The physical improvement of the houses and communications, and the important construction work to be done in common with transport, power and industry will be possible only by first developing an adequate building industry and related manufacturing in line with country's resources. But to accept that nothing can be done amounts to a gospel of despair.

Although resources and techniques are in short supply, the aspirations of many are not. Practical solutions to the crushing problem of housing must be arrived at in the near future. They should combine the initiative and resourcefulness of the people, the national application of local materials and skills, the social advantage of group work and the best use of resources and technical knowledge available."²

After 16 years the situation has become more desperate. The concept of self-help housing, using the available human resources in an efficient way with needed technical guidance and efficient organization can ease the problem to some extent. The aim of aided self-help housing is to get the householder to help so far as is possible to build and maintain his own house.

Government may encourage the person by providing part of land cost, materials, and

²United Nations, Manual on Self-help Housing, (New York, 1964) p. iii

possibly skilled help. Thus, the prospective owner contributes his savings and labor, by doing some of the actual construction work possibly in cooperation with others. So it makes full use of the innate resources of the community.

Self-help housing programs should be provided for families whose needs are pressing and who are willing to undertake the work involved. Selection for self-help communities is a very important first step. Sites can be determined through a community development program. In this program skilled and unskilled labors are utilized. The proper organization and construction planning is done to achieve the speed of construction. On the technical side, housing design, layout, etc., are furnished by the sponsoring agency, which may be a local municipality or a private agency of industry.

On the administrative side, families must be selected and registered; and machinery for housing management has to be created to take care of financing of houses, loans, rents, control over subletting, overcrowding, etc..

The careful selection of families, proper planning of the program, setting administrative and technical procedure, and community participation are the main features of successful self-help housing programs.

It is recommended that families should be selected on the basis of their willingness to work. The separate self-help housing agency should be created within municipal corporation. This agency should be headed by the program director. The Agency's technical staff should include planners, architects, engineers, land and legal counsels. This agency should also coordinate its activities with planning, public works, community development and social welfare agencies in Greater Bombay. The location of housing sites should be

selected carefully. It would not be economical to select the site in the City of Bombay due to the high cost of land. But, a large majority of low-income families have job opportunities in the city, so, it is recommended that housing sites should be selected in the suburban area which is close to the city and along existing mass transportation corridors.

The participant families work as a team. The team should be grouped as building trainees. The number of operations during the construction phase should be preplanned. The maximum number of workers on each operation should be properly adjusted to available workspace, so overcrowding and consequently reduced efficiency can be avoided. The workers should be allowed to specialize by frequent repetition of limited operations.

The self-help housing programs could be financed through the loans available for low-income housing by National Government. The dwelling units should be rented to participant families upon completion of the project.

PROPOSED HOUSING POLICIES

Land:

The success of housing programs depends upon an effective land policy. When a piece of land has been put to a particular use, it does not necessarily mean that it is best suited for that purpose. There are instances in which a land ideally suited for one purpose may in actual practice be put to an altogether different purpose simply because the claim of the former is not so pressing as that of the latter. For the dispersal of industries, control of land is very vital. Socialism is the prime objective of national planning of India. In social planning, the best use to which a piece of land may be put is determined by the needs of the community and the benefit that accrues from it, not to any particular individual.

The land acquisition costs are often heavy in public housing projects. Though, in India the National Government assists in the form of loans carrying an interest rate of about 4 percent per annum, such loans are given to State Governments for the purchase of land, not only for housing projects but also for the provision of community facilities such as parks, playgrounds, schools, health centers, shopping areas, etc.. Under Bombay Town and Country Planning Act 1959, the local authorities have power to acquire the land for "public purpose" and pay the compensation at the rate prevailing on the first of January, 1948. However, delays in acquisition should be eliminated and to meet the heavy cost of acquisition as excess condemnation of land technique should be adopted. This is the technique used in city planning where more property is taken than required for public use and then selling or leasing the surplus land. The power for condemnation of land should be delegated to Bombay Municipal Corporation, which is the local authority for Greater Bombay.

One of the artificial forces which keeps slum land values high is the resistance of net revenues to change. Land owners can maintain profits by neglecting maintenance or by overcrowding. Effective code enforcement, particularly of density requirements, can keep the land values to more realistic level. Slums reflect the fact that some persons do not earn enough to be able to afford better housing, but this is only one facet of the problem. Builders construct new housing for only the higher-income classes. This has meant a constant tight market at the bottom. Slum landlords hold monopolistic positions. So, the first measure that should be taken to reduce the cost of acquiring slum land should be to increase the supply of housing for low-income persons. This can be done by building public housing units on available vacant land on the island and in the suburbs as suggested earlier.

Taxation:

For the implementation of housing programs in accord with regional plans, taxation policies are important. In public housing programs, due to the heavy taxes as explained in Chapter III, the economic rent of new houses exceeds even the total rent-paying capacity of the people for whom these houses were constructed. The present "Rent Act" should be amended to provide equity treatment. There is a wide disparity between the "old rents" and "new rents". Persons occupying new houses are paying almost four to five times the rents paid by residents in old rent-controlled dwellings. Persons staying in the older rent-controlled premises are, therefore, enjoying a huge benefit, while others occupying new houses have to pay very heavily. Because the rents and the rateable values of the old buildings are low, the municipal and property taxes payable are also low. In the case of new buildings the rents, rateable values and municipal and other taxes are high. The occupants of new houses are, therefore, in a way subsidizing the occupants of old houses. It is necessary that this inequity should be reduced. This can be done by changing or interpreting liberally the basis of municipal taxation and modifying the rent control act.

In order to encourage housing, the rateable values, as the basis of municipal tax, should be calculated after deducting from the gross rent, the statutory taxes to be paid to the central and state governments. The loss in municipal revenues may be made up by imposing a suitable increase in rental value on frozen rents under the protection of the rent act, making tenants liable for the increased taxes to the municipal authorities.

Organization:

Organization is a key factor in the success of any program, stating the duties and responsibilities of different levels of government is very important for a housing program.

At present, there is at the state level a department of Urban Development and public-health which administers and supervises urban development programs in the state. Bombay Municipal Corporation has a department of town planning. There is no regional planning agency. It is felt that there is a need for a separate regional planning agency which can conduct research studies regarding urban development, placement of industries, etc., and make plans for the physical, social, and economic development of the region. This agency should have jurisdiction area over the Greater Bombay area. The Maharashtra Housing Board should work in close cooperation with this agency. Taking into account the proposal of the regional planning agency, it should make their detailed plans for housing estates, also, the Maharashtra Housing Board should have the power to build outside the city limits. This will need to be non-subsidized housing.

Maharashtra Housing Board, private employers, governmental and semi-governmental bodies should be responsible to carry out the housing programs. The details of housing programs have to be done at local level. The major policies should be established at state level.

At present, the Maharashtra Housing Board seems to be more oriented towards just constructing a volume of houses. It is apparent from the staff organization that most of the staff is composed of engineers. It would be desirable to have people with a background of social science to make sociological studies pertinent to housing. This kind of research will help in making better housing schemes.

On establishing the industrial estates, it is recommended that this work should be entrusted to a separate statutory corporation. However, policy aspects of development, such as location, size, the program of development, etc., may be decided by Government. But,

the actual execution of work should be completely carried out by such an authority rather than being conducted departmentally.

CONCLUSION

The housing problems in Bombay are crucial. The slum housing and low-income housing deserve high priorities among the total housing programs. The basic cause of the housing problem is the wide gap between shelter cost and that which families can afford. The efforts should be done to bridge this gap.

The study of the existing policies and programs for housing in Bombay show that the problem definition need to be defined in terms of social needs of low income families. The existing housing programs have done little in contributing toward the development of a community.

Large masses of people have been concentrating and living in the small area of the Island of Bombay. This is mainly due to the lack of sufficient foresight on the part of the authorities in not creating conditions which would provide reasonable attraction to the people to go and live in the suburbs. Most of the industries are located on the Island of Bombay because there are not adequate provision for power, water supply and transportation facilities in the suburb. This is mainly due to lack of regional planning of the Bombay metropolitan region.

Various provisions of the Rent Act and the great burden of taxes - National, State and Local, have provided disincentives for private enterprise in the building industry. The "Rent Act" needs to be modified.

The bulk of the housing program need to be concentrated in the suburbs. The suburbs should be planned, taking advantage of modern knowledge, experience and out of town planning to create self-contained Satellite towns around the existing suburban railway stations. The new center of activities is needed in addition to the Island of Bombay in order to accommodate the future growth.

The sound land use planning, land regulations and enforcements are needed to combat the haphazard growth. The effective administration and organization are needed to implement the large-scale public housing programs. Among the total housing program low-income families and slum dwellers need higher priorities.

The provision of cheaper housing for Hutment dwellers and self-help housing programs for low-income families are the partial answer towards bridging the gap between the shelter cost and that which families can afford to pay. The social needs of low-income families should not be ignored in planning of housing programs. The housing demand in Bombay is very high and it will require very ambitious programs and cooperation of public and private enterprise to meet the demand.

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