

# NEO-LIBERALISM IN SLUM REDEVELOPMENT IN INDIA – A CASE OF THE DHARAVI REDEVELOPMENT PROJECT

MEGHNA MOHANDAS

Msc. City Design and Social Science, London School of Economics  
Bachelors in Architecture (B.Arch), School of Planning and Architecture, Bhopal

## **Abstract**

With the onset of globalization, economies across the world have been moving towards a market based neo-liberal agenda in various policy sectors. In India, a key sector that has adopted the neo-liberal approach is that of slum redevelopment, and the provision of affordable housing. In Mumbai, an acute shortage of land in a city where the rates of homelessness have soared in the past decade (Dhillon & Carr, 2017) has resulted in a surge in land values and real estate prices. The land on which the slum dwellers of Dharavi, one of the largest slums in Asia (Patel & Arputham, 2007), currently reside upon has been valued at about INR 31,000 per sq.ft (Sathyanarayanan, 2013) and hence is a piece of prime real estate property. But the quality of houses that currently occupy this expensive piece of land speaks of a completely different story. Families live in cramped houses that are as small as 120 sq.ft (Kumar, 2011) and have limited or no access to water and toilets. However, the unhygienic living conditions of the area have enabled the availability of a huge housing stock at affordable prices to people belonging to low income groups. This has resulted in a large number of people moving to Dharavi, resulting in the creation of one of the densest localities in Mumbai. While the area provides lifelines – both residential and commercial - to a large number of people, the appalling conditions of the residents of Dharavi has gathered the attention of the government, who has decided to redevelop the area. The growth of Dharavi over 60 years is one that has been orchestrated purely by the residents of the area. However, the Dharavi Redevelopment Project (DRP) fails to acknowledge the relevance of the residents of Dharavi as stakeholders. Through the example of the DRP, this paper aims to analyze the impact of neo-liberalization on slum redevelopment in India, particularly on the current residents of the area. It also aims to understand the need for community involvement in slum redevelopment projects, and for alternative modes of engagement and representation in poverty alleviation projects, particularly in the context of developing countries.

## **Keywords**

Neo-liberal, Dharavi, Slum, Mumbai, Community

“Dharavi is probably the most active and lively part of an incredibly industrious city. People have learned to respond in creative ways to the indifference of the state.... Over 60 years ago, it started off as a small village in the marshlands and grew, with no government support, to become a million-dollar economic miracle... No master plan, urban design, zoning ordinance, construction law or expert knowledge can claim any stake in the prosperity of Dharavi...Dharavi is an economic success story that the world must pay attention to during these times of global depression. Understanding such a place solely by the generic term ‘slum’ ignores its complexity and dynamism” (Echanove & Srivastava, 2009)

## **Introduction**

The idea of neo-liberalism is one that "...defends market freedoms, and oppose[s] the use of redistributive taxation schemes to implement a liberal theory of equality" (Kymlicka, 2002). One of the most salient features of neo-liberalism is a shift of emphasis from state planning to reliability on market forces (Nijman, 2008). It was from the 1980's onwards that India saw a shift in policies towards a free market regime, which received acceleration upon the introduction of the New Economic Policy in 1991 (Doshi, 2013). The free market economy encouraged privatization, and implementation of projects through partnerships between the state and private companies. One sector that this shift in policy particularly influenced was the delivery of affordable housing and slum redevelopment projects in India.

Being one of the largest metropolitan cities in the world, Mumbai was no exception to the gradual shift towards neo-liberalization that the country was experiencing. The city and its administrators were aiming to achieve a "global city" status (Sassen, 1992), and the redevelopment of the large number of slums was key to achieving this, especially since 55% of the population of the city lives in slums (Balachandran, 2016). Dharavi is one such slum of about 525 acres (Day, et al., 2010) that is located in the central part of the sprawling city of Mumbai. The slum is home to approximately 1 million inhabitants (Patel & Arputham, 2007), most of whom also work and have commercial establishments in the area. However, these residential and work spaces have remained in cramped and unhygienic conditions over the many years of its existence, and is in dire need of redevelopment. It was in the post neo-liberalization era that the government announced its plan to redevelop Dharavi through the involvement of the private sector (Patel & Arputham, 2007). The prime location of Dharavi, and the potential for the land to generate enormous profits led to a huge interest in the redevelopment project. The idea was to allow private contractors to redevelop the area and provide free housing for the people who lived there; the remaining area would then be used to build commercial establishments that would create profits. However, the Dharavi Redevelopment Plan failed to recognize the existing social and commercial networks and establishments of the slum, and the government aimed to develop the project along the frameworks of a greenfield development. Residents of Dharavi were not involved in the decision making process, and the plan failed to recognize them as stakeholders (Patel & Arputham, 2008).

The involvement of the private sector in slum redevelopment projects and the consequent marginalization of the poor in India has given rise to a large number of civil society organizations that aim to act as the voices of slum dwellers and to adopt the roles of negotiators between stakeholders (Nijman, 2008). One such organization is the Society for the Promotion of Area Resource Centers (SPARC), which has its operations in Mumbai. Along with key stakeholders, including NGO's and academic institutions in Mumbai, SPARC developed a document that provided an alternative plan to the redevelopment of Dharavi, one that would protect the rights of the citizens of the slum area (Day, et al., 2010). This was done through a process of community engagement, in-depth spatial analysis of Dharavi and by obtaining inputs from the residents. The alternative proposal developed by SPARC emphasizes most on the needs of the local residents, and less on the requirements of the private developer, thus developing a plan that would only generate enough profit for the sustainability of the project (Day, et al., 2010). However, the proposal by SPARC does not fit into the neo-liberal agenda of the state that is inclined towards the profit-driven mechanisms of the private sector.

This article aims to criticize the neo-liberal political agenda in slum redevelopment in India through the example of Dharavi in Mumbai and establish the need for community engagement and involvement in redevelopment projects that affect their lives and livelihoods.

## **What is Dharavi?**

In the 19<sup>th</sup> century, Bombay (now Mumbai), developed largely in the island city (also known as the fort area) which lies in the Southern part of the large metropolis. Dharavi was a fishing village located in the marshlands of the northern part of the city, and did not hold much value at the time. However, the massive expansion of Mumbai towards the north in the late 20<sup>th</sup> and early 21<sup>st</sup> centuries resulted in development occurring around Dharavi, thus leading to its relevance in Mumbai's real estate sector. Today, Dharavi is a centrally located slum that lies on an expansive 525 acres (Day, et al., 2010). It is well - located between two of the major railway lines of Mumbai (the Central and the Western lines) and is hence easily accessible. The fort area, which is the business district of Mumbai, and the recent Bandra- Kurla Complex (international business center) are located in close proximity to Dharavi, and are well-connected to the area, by both road and public transportation.

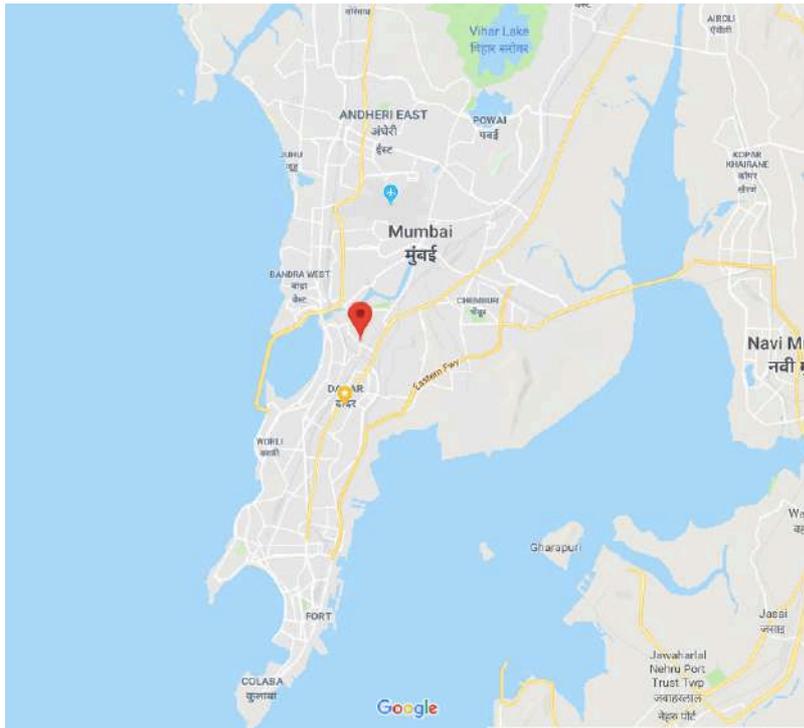


Figure 1: Location of Dharavi in Mumbai

Source: Google Maps, Accessed: 28<sup>th</sup> April 2019

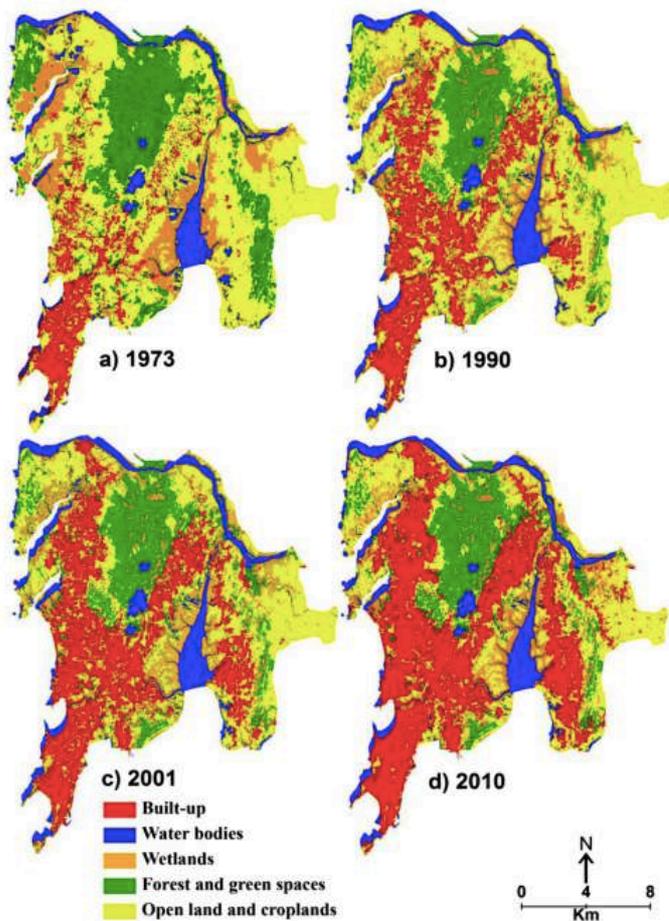


Figure 2: Growth of Mumbai towards the North

Source: (Moghadam & Helbich, 2013) , Accessed: 28<sup>th</sup> April 2019

Dharavi was once a small fishing village, but the affordability of the houses in the area and its central location lead to immense informal densification resulting in the slum that it is now. Today, Dharavi is home to approximately 1 million people (Mumbai Population, 2019), most of whom are also employed in the area. It was roughly estimated that the annual turnover of the industries in Dharavi is about INR 15 – 20 billion (Day, et al., 2010). Moreover, this estimate does not include a large percentage of the small businesses that are run within houses, hence we can infer that the actual turnover of Dharavi is higher than the “guesstimate” (Day, et al., 2010, p. 14) provided. The National Slum Dweller’s Federation (NSDF) conducted a survey in 1986 that estimated the existence of about 1044 manufacturing units in Dharavi, out of which about 250 were small scale industries that hired about 5-10 people, hence providing employment at the grass-root levels. However, “[t]he actual number is likely to be larger as many smaller units, which work out of homes and lofts, would have fallen outside the scope of the surveys” (Day, et al., 2010, p. 14). It can also be assumed that these numbers have grown significantly in the 23 years since the survey has been conducted.

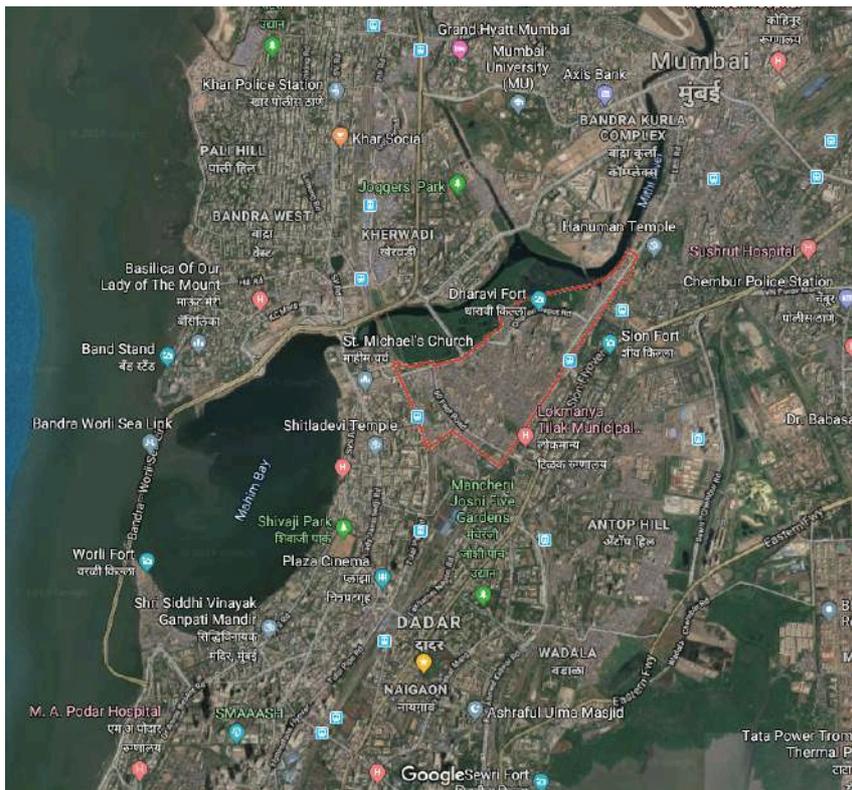


Figure 3: Dharavi in the Neighbourhood Context

Source: Google Maps, Accessed: 28<sup>th</sup> April 2019

Leather production is the most prominent industry in Dharavi, with an estimated annual turnover of about INR 600 million (Day et al., 2010). While tanneries were banned in the city due to pollution regulations, Dharavi is still one of the largest producers of finished leather goods in the country, and provides employment to more than 3000 people (Day, et al., 2010). A single large unit of textile manufacturing, which is another leading industry in Dharavi, can produce an annual turnover of about INR 7 million per annum. (Day, et al., 2010). About 250 families live in the *Kumbharwada*, or the Potters Colony. The houses of the potters have been constructed in a manner that enables the movement of finished products easily from the manufacturing area to the street in order to display finished goods (Day, et al., 2010). The food making industry is another huge industry in Dharavi, which provides employment to a large number of women. One of the key sectors of this industry is *pappad* (cracker or flat breads) rolling, which usually require large amounts of terraced areas; however, the women of Dharavi have derived alternative mechanisms to do so in the limited space that is accessible to them (Day, et al., 2010). The 1986 survey by the NSDF also established that the recycling industry in Dharavi is one of the largest in India, and employs about 5000 people (Day, et al., 2010). Most of the garbage that arrives here from across Mumbai is processed through an intricate system of separation, reusing and recycling, which enables a sustainable system in a largely consumerist economy (Day, et al., 2010). Dharavi also hosts a number of other small scale industries including jewelry manufacturing, printing presses, etc. (Day, et al., 2010). These

examples showcase the extent of the economy that exists within the narrow lines of an area that has been largely classified as a slum, and the importance of the existing built spaces and neighborhood networks in allowing the sustenance of the economy of Dharavi.



Figure 4: Leather Industry, Dharavi

Source: <https://curlytales.com/dharavi-also-asias-largest-small-scale-industry/>, Accessed: 28<sup>th</sup> April 2019



Figure 5: Recycling Industry, Dharavi

Source: <http://www.reinventingdharavi.org/resources.php>, Accessed: 28<sup>th</sup> April 2019



Figure 5: Potter's Colony, Dharavi

Source: <http://www.reinventingdharavi.org/resources.php>, Accessed: 28<sup>th</sup> April 2019



Figure 6: Tailoring Unit, Dharavi

Source: <http://www.reinventingdharavi.org/resources.php>, Accessed: 28<sup>th</sup> April 2019

### Neo-liberalism and Slum Redevelopment in the Indian Context

Broadly speaking, “[n]eoliberalism is a theory of political economic practices proposing that human well-being can best be advanced by the maximization of entrepreneurial freedoms within an institutional framework characterized by private property rights, individual liberty, unencumbered markets, and free trade” (Harvey, 2007, p. 22). The political theory of neo-liberalism essentially reduces the intervention of the state, and encourages a free market mechanism through which goods and services are supplied by the private sector according to market demands. Neo-liberalism encourages freedom of the market, and aims to limit the role of the state in the provision of services.

Privatization in the 1980’s gave rise to a phenomenon of globalization that encouraged de-regularization and the opening up of national economies to foreign investment (Sassen, 1992). In the urban context, liberalization translated into the development of global cities, which were “the command and control centres of the 'global' economy (Sassen, 1992), which serve as the organising nodes of global economic systems and through which the regional, national, and international economies are articulated within the global capitalist system (Friedmann, 1993)” (Mahadevia, 1998, p. 13). The growth of cities like Shanghai and Hong Kong became iconic examples that city administrators aimed to replicate in varyingly different contexts. “Metropolises located in the Global South deserve special mention in this respect, as they show[ed] signs of intense conflict due to the imposition of the neoliberal framework, reflecting contestation between global society and segmented localized communities” (Banerjee-Guha, 2012, p. 77). In India, it was Mumbai, as the financial capital of the country, that was identified as the representative, to uphold national interests in the global economy (Mahadevia, 1998). What followed was a process that could be termed as the “Shanghaification of Mumbai” (Roy, 2011). The New Economic Policy introduced in 1991 paved the roadway for the liberalization of the Indian economy, with a push towards privatization, and soon urban policies were being developed in a similar framework.

“At the city level, it was characterized by limitations on planning and the political capacity of elected municipal governments, privatization of basic services, withdrawal of the state from urban development, escalating support for public-private partnerships, increasing gentrification and urban restructuring to expand space for elitist consumptions, and a growing exposure to global economic forces and global competition reflecting the power of a disciplinary finance regime and a hegemonistic cultural framework” (Banerjee-Guha, 2012, p. 76)

The huge demand for office spaces in Mumbai coupled with a limited availability of land resulted in exponential and unprecedented growth in real estate values (Doshi, 2013). This opportunity was utilized by city planners in the post-liberalization era to maximise the economic output of the city through the second draft regional plan of Mumbai.

“The economic liberalisation policies of the Govt. of India provides immense opportunities for Bombay to not only seek it’s economic recovery but develop as a business and finance centre of an international level. Positive steps need to be therefore taken in this direction” (BMRDA, 1995, p. 19).



Figure 8: Wealth and Poverty in area around the Bandra-Kurla Complex

Source: <https://unequalscenes.com/mumbai>, Accessed: 28<sup>th</sup> April 2019

The neo-liberalization of India's (and Mumbai's) urban policies was an indicator of the diminishing role of the state as a provider of housing for the poor. This was most significantly highlighted through the repealing of the Urban Land Ceiling and Regulation Act (ULCRA) in 1999. While the act had various flaws in its implementation, its primary objective was to set a ceiling on urban land and distribute the surplus to the poor at affordable prices (Baweja, 2015). In its place, a new urban policy was introduced in which the primary role of affordable housing provider would be played by the private sector. Developers were encouraged to redevelop slums and rehouse the existing residents into high rise buildings on the site, or relocate them in free housing in the peripheries of the city. The land that would be freed up through this process would then be utilized to develop commercial establishments, thus allowing developers to reap maximum economic benefits from the process. However, the policy fails to recognize the negative implications of rehousing slum dwellers through this framework. In the first case where slum dwellers are rehoused into high rise buildings on the same site, recent examples have shown us that they are unable to afford the high maintenance costs of buildings (Burra, 2005), for example, electricity charges for running elevators. This leads to the dwellers selling their new houses and moving back to slums, or to peripheral areas, where housing is affordable to them thus resulting in a wave of gentrification. The second scenario is one in which slum dwellers are relocated to new houses in peripheral areas of the city. This peripheralization of low income slum dwellers tends to push people further into the cycle of poverty as this leads to increased time and costs of commute, especially in large cities like Mumbai. This is particularly relevant in the case of cities in developing countries like India where poverty is absolute, and not relative (Mahadevia, 1998). It can thus be concluded that neo-liberalization of slum redevelopment policies have resulted in the segmentation of the population into two categories – the rich and the poor (Mahadevia, 1998). It can be argued that the poorer half of the population is forced to pave the way for development (as it has been conceived by the state) through slum evictions and relocations.



Figure 9: Map showing Peripheralization of Slums in Mumbai

Source: PK Das Associates, Mumbai (<http://www.pkdas.com/maps.php?p=9>), Accessed: 28<sup>th</sup> April 2019



Figure 10: Living Conditions in Dharavi

Source:

<http://www.reinventingdharavi.org/resources.php>, Accessed: 28<sup>th</sup> April 2019



Figure 11: Contrast between Dharavi and its Neighbourhood

Source: <https://unequalscenes.com/mumbai> , Accessed: 28<sup>th</sup> April 2019

### **The Dharavi Redevelopment Plan**

The first plan to redevelop Dharavi was introduced in 1985, when an award of 350 million rupees was provided to the city of Mumbai for this purpose, by the then Prime Minister Shri. Rajiv Gandhi (Patel & Arputham, 2007). A special unit was set up within the Maharashtra Housing and Development Authority (MHADA) to enable the redevelopment of the slum (ibid.). Using the allocated funds, the leather production industry was relocated to the outskirts of the city, mainly due to environmental reasons. Additionally, a few houses were constructed in this phase, but the project failed to create any significant impact in the landscape of Dharavi (Patel & Arputham, 2007). The second wave of the Dharavi Redevelopment Project was conceptualized in the post liberalization era with the involvement of the private sector. During this period the role of the state was changing from that of a housing provider to one of a regulator. The role of the private sector in the housing industry, particularly in the provision of affordable housing, received unprecedented significance. A large number of Public-Private Partnerships (PPP) were being introduced by the government and Dharavi was one example of a slum redevelopment project that was to be implemented through PPP models. The area was to be divided into five zones, and bids were invited by private developers for the redevelopment of each of these zones.

The project aimed to maximize the land value of Dharavi and re-house most of the existing residents into new housing units in the same area. The remaining land would then be redeveloped by the developers, and market housing and commercial establishments would be generated, which would cover the costs of re-housing of slum dwellers, profits for the developers, and would additionally generate income for the government. Developers were also incentivized with the proposition of Transferrable Development Rights (TDR) that would enable them to use unutilized FAR (Floor Area Ratio) in other projects in Mumbai, which would generate more profits for them. The phase-wise redevelopment plan for Dharavi was conceived by architect Mukesh Mehta whose principles of sustainable urbanism were aligned with the neo-liberal idea to transform Mumbai into a “World Class City” (Baweja, 2015).

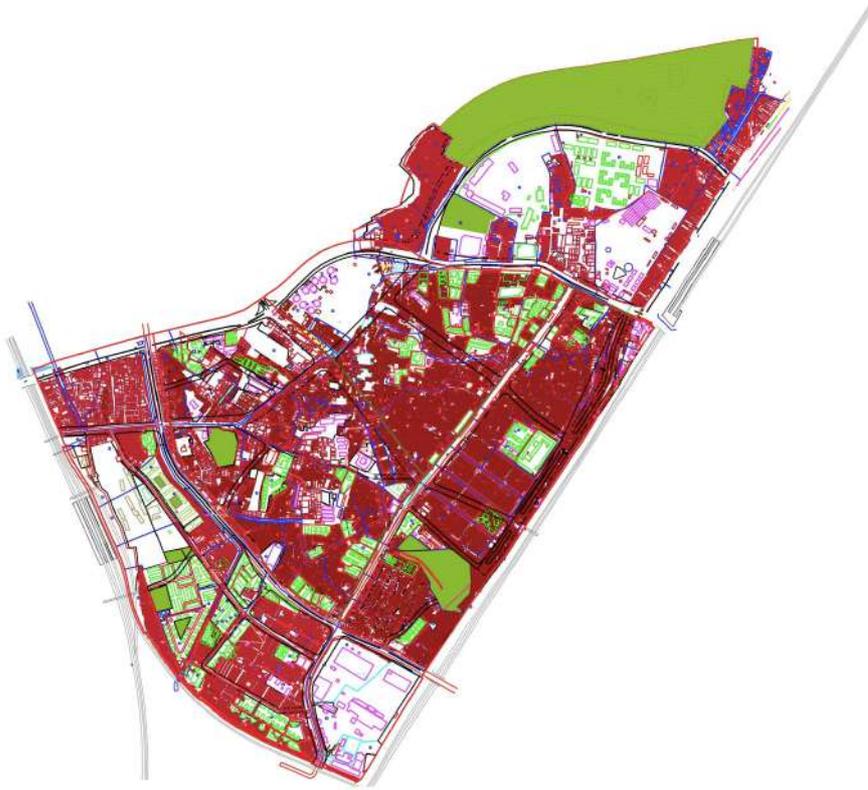


Figure 12: Mapping of Dharavi (Current Conditions)

Source: KRVI (http://www.reinventingdharavi.org/resources.php), Accessed: 28<sup>th</sup> April 2019

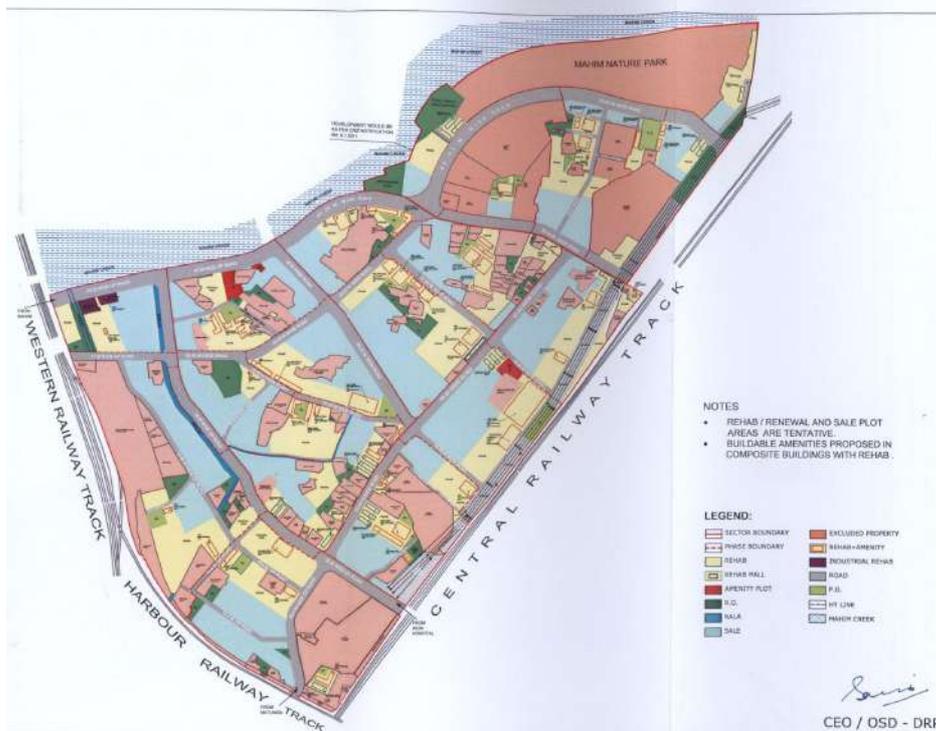


Figure 13: Dharavi Redevelopment Plan (Proposed)

Source: SRA (http://www.reinventingdharavi.org/resources.php), Accessed: 28<sup>th</sup> April 2019

For the purpose of the project, the FAR for redevelopment was increased to 4.00 from the existing 1.33 in the area (UDD Maharashtra, 2012). The idea was to provide residents with free apartments of 300 sq.ft through rehabilitation (UDD Maharashtra, 2012). The free component would be provided on the basis of production of documents that proved residency of the beneficiary in Dharavi to a date before 1<sup>st</sup> January 2000, which was the cut-off date for free housing that had been set by the government (UDD Maharashtra, 2012). The developer would also be responsible for the provision of 225 sq.ft of commercial/industrial space to eligible beneficiaries, and additional space would be available for purchase if required, as per the rates mentioned in the Dharavi Redevelopment DCR (Development Control Regulations) (UDD Maharashtra, 2012). Social infrastructure such as schools and nursery centers were to be provided by the developers for free in specific localities, and a number of other public amenities were also to be constructed for which the developers would be compensated (UDD Maharashtra, 2012). The project aimed to provide hygienic living and working conditions to the residents of the Dharavi. However, while the community agreed with the need for the slum to be redeveloped, a major criticism of the Dharavi Redevelopment Project was the lack of involvement of the community in the drafting of the redevelopment plan (Patel & Arputham, 2008), and its focus on the generation and maximization of profits for the private sector.

### **The Criticism**

A 2003 report by the Cities Alliance stated that it is the residents of slums who should have primary decision-making roles as they have the best knowledge of the issues of their community, are the ones who have to live with the outputs of the project, and have a constitutional right to participate in decision making processes (Nijman, 2008). While this statement provides common knowledge that is logical, the Dharavi Redevelopment Project is an example of how this key piece of information is missing in slum redevelopment projects in India even today. The opposition to the Dharavi Redevelopment Plan, as mentioned previously, has mainly arisen from the lack of involvement of the community in the conceptualization of the project. This opposition has developed due to a large number of reasons, some of which have been elaborated in this section.

Slum redevelopment projects in India are required to obtain the consent of at least 70% of the population currently living in the area before the plan can be implemented (Patel & Arputham, 2008). However, this clause has been eliminated in the case of Dharavi which is in violation of the 73<sup>rd</sup> and 74<sup>th</sup> constitutional amendments that allows for the decentralization of democracy and community participation (Patel & Arputham, 2008). This allows the developers to go ahead with a plan that is profitable and beneficial to them at the cost of the requirements of the local community. The lack of participation can be identified through a clause in the DCR which states that public feedback was invited upon publication of the regulations in a local newspaper, however, this eliminated the possibility of involvement of the largely illiterate community residing at Dharavi. More importantly, the residents of Dharavi cannot be considered as the public in this project; they are key stakeholders as it is their homes and places of work that are being redeveloped. Thirdly, the government has stated that only people who are able to prove their residency in Dharavi to a date before 1<sup>st</sup> January 2000 are eligible for free houses under the project, and specific requirements for documents that can be used for this purpose have been laid down. This could mean that a large number of people who are unable to produce documentation would be ineligible for free housing, which would favor the developers who now have to provide lesser number of houses. Moreover, there is no consensus on the number of people who live and work in Dharavi as it has been too complex to collect this data so far (Patel & Arputham, 2008). A detailed socio-economic survey is required to be undertaken before a redevelopment plan is to be initiated in Dharavi, and this cannot occur without the co-operation of the slum dwellers (Patel & Arputham, 2008). Additionally, it has been mentioned in the DCR (Appendix IV, Clause 8) that residents need not be relocated in the same sector as they are currently residing in, and the rehabilitation housing component can be provided in any sector that falls within the Dharavi Notified Area (DNA). There has been no mention in the DCR regarding the location of commercial spaces, hence it can be assumed that the rehabilitation of both commercial and residential spaces have been designed without an understanding of current spatial, social and community networks of Dharavi.

### **The Alternatives**

One of the major criticisms of this project has been the lack of involvement of the residents of Dharavi in the conceptualization of the redevelopment plan. In accordance to this criticism, SPARC, along with KRVI (Kamla Raheja Vidyanidhi Institute for Architecture and Environmental Studies) proposed an alternative masterplan for the redevelopment of the area. Due to time and resource limitations, the "Re-Dharavi" document focuses on Sector 4 of Dharavi in order to provide an example of an alternative development plan for the the area, one that was based on the requirements of the citizens. The first step towards this was the mapping and identification of the different residential clusters, transportation routes and commercial networks that existed in the area. The

various *chawls*, housing societies and *nagars* (residential areas) had been developed over a long period of time based on social relations, religious preferences, commercial links, etc. The proposed masterplan aimed to utilize these existing networks in order to propose a sustainable and effective redevelopment of Dharavi.

The first strategy of the plan was to strengthen the existing road network in the area. Roads were identified as primary vehicular, secondary vehicular, and pedestrian, and the plan focused on developing and widening these existing roads in order to improve efficiency. Additionally, huts and squatter settlements that would be cleared in order to widen these roads would be rehabilitated in the same sector, thus minimizing the negative effects on their social and livelihood networks. The residential clusters would be allowed to conduct redevelopment on their own, and could rope in private contractors in order to do so, as is currently allowed under SRA (Slum Rehabilitation Authority) regulations for slum redevelopment in Mumbai. This would enable current social relations to thrive, hence avoiding any negative effects on individual and familial well-being. The plan also proposed the strengthening of open spaces based on current utilization, which has evolved around usage during festivals and other celebrations, and the use of smaller spaces by communities and neighborhoods. A cluster based FSI plan is also drawn out based on existing densities of the area, thus developing a more sustainable proposal built on the infrastructure capacities of the locations. The alternative masterplan for Dharavi is based on a system of “deep democracy” (Appadurai, 2001), which enables a process of decision-making and poverty alleviation that focuses on the citizens and residents affected by the project in question, that effectively re-directs power to the grassroots level.

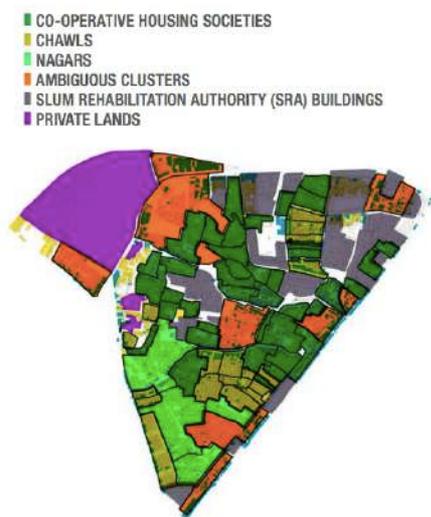


Figure 14: Mapping of Existing Residential Clusters in Dharavi (Sector IV)

Source: (Day, et al., 2010) , Accessed: 28<sup>th</sup> April 2019



Figure 15: Mapping of Existing Commercial Zones (Sector IV)

Source: (Day, et al., 2010) , Accessed: 28<sup>th</sup> April 2019

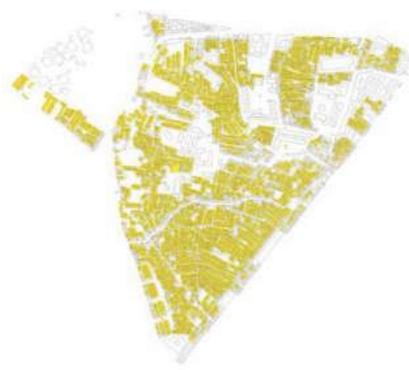


Figure 16: Mapping of Existing Residential Zones (Sector IV)

Source: (Day, et al., 2010) , Accessed: 28<sup>th</sup> April 2019

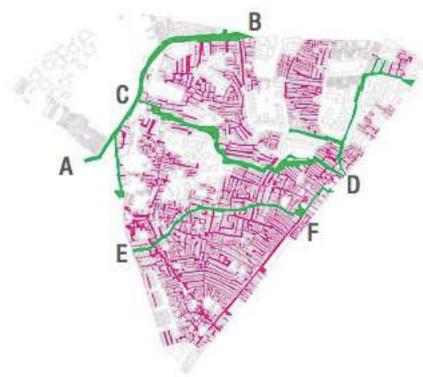


Figure 17: Mapping of Existing Road Networks (Sector IV)

Source: (Day, et al., 2010) , Accessed: 28<sup>th</sup> April 2019

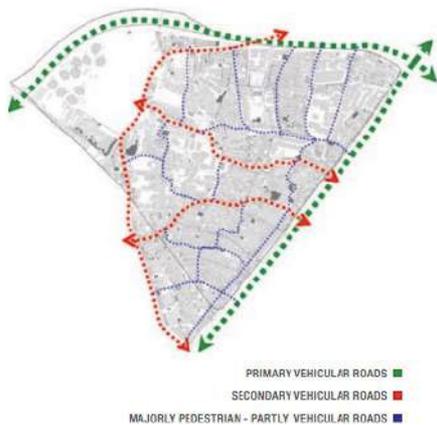


Figure 18: Proposed Road Network

Source: (Day, et al., 2010) , Accessed: 28<sup>th</sup> April 2019



Figure 19: Proposed Open Space Network

Source: (Day, et al., 2010) , Accessed: 28<sup>th</sup> April 2019

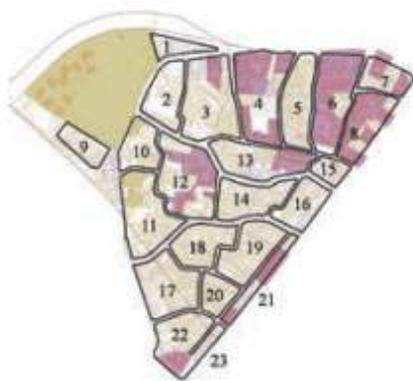


Figure 20: Proposed Residential Clusters

Source: (Day, et al., 2010) , Accessed: 28<sup>th</sup> April 2019

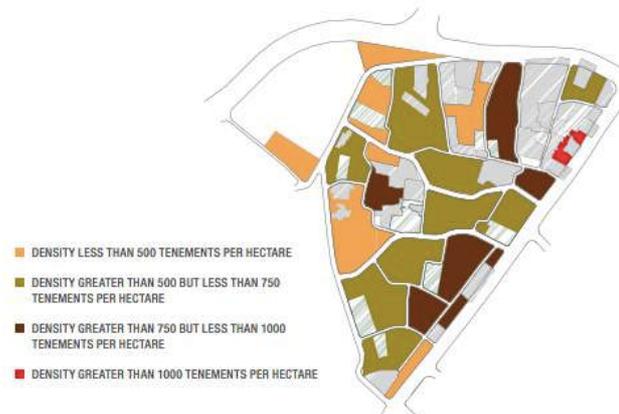


Figure 21: Density Mapping for FSI Proposals

Source: (Day, et al., 2010) , Accessed: 28<sup>th</sup> April 2019

Another major criticism that the Dharavi Redevelopment Project (DRP) faced was that the objective of the project was defined on the basis of maximizing profits for the private sector and the government, based on the land value of the identified area. However, a key aspect that has been omitted in this plan is that the annual turnover of Dharavi, in its current state, is about INR 15-20 million, as has been mentioned previously in this article (Day, et al., 2010). The question that then arises is why the state would be willing to turn a blind eye to this large income generating population and their spatial needs. One reason for this lack of consideration could be attributed to the fact that the official calculator of economic growth, the GDP, fails to incorporate the turnovers of the informal sector and grassroots level employment (Jain, 2016). This is most surprising in a country like India, where about 80% of the employed workforce belong to the informal sector (The Wire, 2018). Privatization and commercialization of the land on which the slum sits on proves far more profitable in terms of GDP calculation, and this could be one of the key issues of the Dharavi Redevelopment Project and slum redevelopment projects in India in general. One of the alternatives that has been recommended to better capture poverty and well-being has been the capabilities approach proposed by Sen (1999), however, the scope of this alternative is beyond that of the current paper, and may be elaborated upon in future research on the issue.

## **Conclusion**

With the introduction of the New Economic Policy in 1991, the movement of policies towards a discourse of neo-liberalization received acceleration in India. One of the key sectors affected by this change was the development of affordable housing and slum redevelopment in the country. A key example of this is the Dharavi Redevelopment Project (DRP), which aimed to redevelop one of Asia's biggest slums that is located in Mumbai. In order to improve the sub-standard living and working conditions of the slum private developers were invited to submit proposals for redevelopment, which was to be implemented through public-private partnerships. The redevelopment plan focused on maximizing the profits that could be generated from the high value of the land that Dharavi resided on. It did not account for the existing social networks of Dharavi, or the thriving commercial sector of the area which produces an annual turnover of about INR 15-20 billion (Day, et al., 2010). SPARC, a non-profit organization based out of Mumbai, along with other key NGOs and academic institutions, developed an alternative proposal for the redevelopment of Dharavi that focused on existing social, commercial and infrastructure networks, and aimed to develop the area at a grassroots level focusing on the requirements of the residents of the area. The alternative proposal essentially aimed to put power back into the hands of the people of Dharavi, and provided a plan that would generate minimal profits, which would purely enable the sustainability of the project. However, this proposal does not align with the neo-liberal agenda of the state and the private sector that aims to maximize profits through marginalization of the slum dwellers. The article also aims to draw attention to the flawed calculations of economic growth under the current GDP model, which does not account for well-being of citizens, or profits generated from the informal sector.

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