Policy interventions and grassroots initiatives

Mismatches in a relocation project in Chennai, India

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SUMMARY
This paper is based on research that took place between 1998 and 2002 in a relocation project in Southern Chennai, India. About 2,640 poor urban households were relocated from the city centre to the project location on the outskirts of the city in the early 1990s. The paper describes the relocation programme of the government, its objectives, its organization and the way it was implemented, and the role of NGOs in the area. The main focus of this paper is on the initiatives taken by the relocatees in trying to rebuild their lives in the absence of services and employment. It will describe the nature and the direction of these initiatives, their capacity and significance, and how these initiatives are related to the other actors in the area. It describes the extent of coordination between the different actors and includes an assessment of the manner in which activities could be better coordinated and matched to improve outcomes for the urban poor. The paper starts with a description of the project, its objectives, its organization and the actors involved.

INTRODUCTION TO THE RELOCATION PROJECT
The objective of the Velacheri relocation project was to re-house slum dwellers and pavement dwellers located in flood-prone areas, road margins, railway tracks and those living on the tracks of a Massive Rapid Transport System to be constructed in the city centre of Chennai. The relocation project was part of the Pavement Dweller Housing Scheme, a scheme of the Government of India and the Tamil Nadu State Government, and was the first of its kind to be implemented under this programme throughout the whole country. The TNSCB was the implementing agency and the coordinator between all the different government departments, local bodies, and NGOs.

The relocation site at Velacheri is located fifteen kilometers from the Chennai city centre. The layout for the site was prepared and approved by the Madras Metropolitan Development Authority (MMDA) in close consultation with the Tamil Nadu Slum Clearance Board (TNSCB)
Twelve sub-neighbourhoods were created, each with a nursery school and a children’s playground. It provided for 2,640 house sites measuring 4.5 by 5.5 meters each. The majority of the houses would have tiled roofs and brick walls. Plans were established for piped water and underground sanitation either from the inception or at a later stage. Ten public convenience units were constructed throughout the area. Sites for all major community buildings were concentrated in one location, which provided for the construction of a primary school, a high school, a community centre, and public utilities. Sites for a shop and market complex were also planned to be provided.

The resettlement of the 2,640 households, who came from different areas in Chennai city, started in 1990 and was completed in four phases, over a period of four years. The following map of Chennai indicates the origins of the relocatees.

Map 1  The relocation area Ambedkar Nagar in Chennai, and the localities from where its inhabitants were relocated

The first settlers were free to construct their own huts through either a small donation from the state government; or through a cash loans from the Housing and Urban Development Corporation (HUDCO). Also some houses were built with the additional help of an NGO for which the target groups were consulted on which type of house was to be built. But because some loans given to the relocatees were not used for the purpose they were meant for the TNSCB decided to construct a number of 1,656 independent core houses alone. The cost of these houses was met through the loan assistance provided to the beneficiaries.

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1 MMDA is now called Chennai Metropolitan Development Authority (CMDA).
The agreement was that the beneficiaries had to repay Rs 66 per month as land cost and Rs 10 per month for maintenance to the Slum Board for 21 years. After 21 years, when the full amount has been paid, the beneficiary receives a sale deed, and the plot and dwelling become privately owned. Beneficiaries can repay the amount due before 21 years are over. When they have done so, they will receive a temporary sale deed for five years. Only in some individual cases after those five years the Slum Board will allow the allottees to leave the area. In those cases the Slum Board will buy the plot and allocate it to another family.

RATIONALE AND OBJECTIVES OF THE PAPER

Development initiatives such as this relocation project are characterized by the inputs of different actors: key to these processes are the initiatives and resources of the government, NGOs and the community. However, formal and informal activities are often left uncoordinated: the government and NGOs are often unaware of the initiatives of local community groups and unable and/or unwilling to coordinate with or take advantage of these activities. The reverse is also true; communities or community leaders often have no capacities or interest to match their initiatives with the activities implemented by the government and NGOs. Many authors have started to look at the manner in which communities combine resources to implement activities, the factors behind the desire of community members to group together and coordinate activities, and at the nature of action taken collectively by community groups. This as a way of coming to understand how to improve the matching between the key actors involved in development activities. This article looks at one case, assesses the role of each of the actors, the level of matching between the initiatives and the ways in which this matching can be improved.

THE RESEARCH DESIGN

Local initiatives and collective action

In many settlements it was found that there are a multitude of local associations present, and their presence is the norm rather than the exception. Among the more common factors instigating and then supporting grassroots organizations are kinship, ethnicity, trade union involvement, city-based federations, NGOs, religious organizations, political parties, and the private sector. Groups could be catalysed by need to secure land, resist eviction, provide themselves with water, shelter, employment and security, and manage savings and credit. It occurs without government assistance, and is most likely to occur and achieve goals in settings in which people have a sharpened sense of shared destiny. These grassroots organizations are anchored in local culture and have a strong hold on people’s commitment, dedication and sense of identity. In the absence of state resources, informal networks and associations of poor people are experienced by the poor themselves as critical for their survival (Mitlin, 2001; Eckstein, 1990; Narayan et al., 1999; Desai, 1995; Baud, 2000, Kumar et al., 1999).

However, there are also many constraints that hinder the development of collective action. Some of these constraints are social stratification: communities most often are not harmonious as there are social divisions and conflicting interests within any community - between men and women, between young and old, between leaders and inhabitants. Also, grassroots organizations do not always make decisions according to consensus, or principles of democratic and equity oriented decision making, it is debatable whether they always represent the local community, or whether they represent only a minority. Other constraints include: in the search for wage work many of the urban poor lack the time to be involved in collective action, in particular the poorest (Leach et al., 1997; Baud, 2000; De Wit, 1993; Dia, 1996; Douglass, 1992).
Also, the impact of grassroots organizations on poverty may not always be positive as they
do not necessarily assist in the reduction of urban poverty and vulnerability nor in the
consolidation of social capital, they are often limited in addressing some of the more
structural causes that result in a lack of empowerment and powerlessness, sometimes they
even act to reinforce patterns of inequality and social exclusion. These organizations are
often dominated by men, particularly men of higher status and/or higher income. (Mitlin 2001;
Devas et al., 2001). Also, local organizations are often found to be inflexible to change (Dia,
1996).

Collective action occurs at different levels and that when people identify strong common
interests within a community, collective action will emerge beyond local divisions like caste.
Collective action in the relocation site, being one of the central issues of this study, is seen
as a way of getting things done, providing access to services, access to credit, improving the
living conditions. In this study the nature and the outcome of collective action is studied.

**The types, roles and limitations of NGOs**

There are many types of NGOs, defined as “groups and institutions that are entirely or
largely independent of government and characterized primarily by humanitarian or
cooperative, rather than commercial, objectives” (Korten, 1991). They differ enormously in
size, geographical spread or scale of operations, orientation, ideology, ownership, objectives,
strategy, financial resources, relations with their beneficiaries and the government and they
differ in activities as well (Put, 1998). In regard to cities, three roles have been identified for
NGOs: enablers alongside community-based organizations; mediators between the people
and authorities controlling access to resources, goods and services, and; advisers to
comment on policy changes and to increase local access to resources and greater freedom
to use them in locally determined ways. (Turner, 1988, UNCHS, 1996).

Different authors have identified the difficulties of the relationships between NGOs and local
organizations; they sometimes impose their agenda on local organisations; they often are
insensitive to political power struggles and they often are overactive and do not make use of
abilities and skills of local organizations. Also, they often have tense relations with local
communities. Besides; they often are incapable of playing a significant role in poverty
reduction because sometimes they are simply business ventures and not really interested to
address poverty; their programmes are too small, and; they are incapable of stimulating
policy changes (Mitlin, 2001; Devas et al., 2001).

**Relocation**

During the last two decades of the previous century over 200 million people have been
affected by forced relocation. The major causes of urban relocation being: economic growth;
environmental improvements; slum upgrading and non-urban programmes. Involuntary
relocation is almost always a highly disruptive experience leading to a number of
impoverishment risks: landlessness; joblessness; homelessness; marginalization, food
insecurity, loss of access to common property and services, social disarticulations and a risk
to host populations. The location of the relocation site and the facilities and services offered
playing a major role in this (Cernea, 2000; UNCHS, 1991). Therefore the World Bank in 1988
adopted the policy guideline that whenever feasible, involuntary resettlement must be
avoided or minimized but whenever unavoidable, sufficient resources must be used to
ensure that the urban poor do not suffer from the process (Davidson et al., 1993).

**Participation**

The perception of the academics, bankers, and other decision-makers regarding the role of
the government in developing countries from the fifties till now has gradually shifted from that
of provider to enabler. In terms of service provision, more room was to be left to the poor themselves, the private sector, NGOs or the development of partnerships. Also, the local community was to be enabled to participate in specific development programmes, as they are undertaken at different levels. The following levels of participation, starting at the highest level, are: empowerment; the development of partnerships; conciliation, where the government comes up with solutions that are ratified by the community; dissimulation, where communities are placed in advisory committees without actual influence; diplomacy, where it is expected that the local communities will make the necessary changes themselves; informing, one-way flow of information without any influence from the community; conspiracy, no participation and the government often rejects help to the poor, and; self-management, where the poor are left on their own (Arnstein, 1969; Wils and Helmsing, 2001). In this study, the list is also applied to assess the functioning of NGOs. The levels of participation that were found in Ambedkar Nagar will be discussed, as well as their relative importance according to the sector under consideration.

**Matching local initiatives to government and NGO policies and programmes**

It is assumed when local initiatives and collective action and government and NGOs policies and programmes are matched better the outcome of these policies and programmes will be much more beneficial for the urban poor in this case the relocated slum and pavement dwellers. Therefore, according to Dia (1996) formal institutions need to be adapted to the local context in order to build the legitimacy needed for enforceability, and informal institutions need to adapt to the changing outside world to maintain their relevance in a more challenging and competitive global arena. Whether this is possible and if yes how will be one of the objectives of this paper.

**Research questions**

The central research question of the study is: can local initiatives and forms of collective organization of the urban poor be matched with the implementation of formal development programmes, and if so, how can this be done more effectively?

Sub questions are:

- What are the most important policies, programmes and forms of collective organization of the actors in the relocation area?
- Are these collective initiatives at the local level and government and NGO programmes effective and appropriate?

Effectiveness is defined as: the degree to which they produce a decided, decisive, or desired effect from the perspective of the provider/initiator. Appropriateness is defined as an indication of the priorities given to the activity by the local community themselves. When it excludes parts of the community, the perspective of the excluded is also evaluated.

A precondition for selecting collective initiatives was that they had to be undertaken and developed by members of the local community and they had to be locally based. A distinction is made between collective action undertaken by primary social groups, and action undertaken at the secondary level where more social groups join together. Primary groups are social groups that distinguish themselves from others based on their caste identity, and it is expected that caste is one of the elements on which the primary social groups are formed in the study area. Another distinctive element leading to heterogeneity is the location background of the different relocated groups. As people in the relocation site were relocated there from many different areas in Chennai, it was assumed that the new community would also be differentiated according to the location they were relocated from, which is in the study also defined as a primary social group. Apart from collective action or initiatives this study
also looks at individual initiatives as a response to the policies and programmes implemented in the relocation area, relocation being one of the major ones.

The most important project which was selected to assess whether it was effective and appropriate was the relocation project itself. All the inhabitants of the relocation area were assumed to be affected by it and through different methods it was assessed whether the programme was successful from the perspective of the stakeholders involved namely the relocatees and the implementing agency the TNSCB. In this relocation project the focus was on housing itself and the provision of basic services.

Through the use of questionnaires it became clear that the most important issues affecting the daily life of many of the inhabitants in the relocation area were access to water, credit and the role that local leaders played in the area and therefore it was decided to incorporate these in the study as separate case studies.

Table 1. Overview of project/aspects studied, and the different stakeholders and actors involved

<table>
<thead>
<tr>
<th>Project/aspects studied</th>
<th>Stakeholders/actors involved</th>
</tr>
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<tbody>
<tr>
<td>Relocation</td>
<td>TNSCB</td>
</tr>
<tr>
<td></td>
<td>Local community</td>
</tr>
<tr>
<td></td>
<td>Local leaders</td>
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<tr>
<td>Water</td>
<td>CMWSSB²</td>
</tr>
<tr>
<td></td>
<td>Local community</td>
</tr>
<tr>
<td></td>
<td>Local leaders</td>
</tr>
<tr>
<td>Credit</td>
<td>NGOs</td>
</tr>
<tr>
<td></td>
<td>Chit funds³</td>
</tr>
<tr>
<td></td>
<td>Moneylenders</td>
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<tr>
<td></td>
<td>NGOs</td>
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<tr>
<td></td>
<td>Local community</td>
</tr>
<tr>
<td></td>
<td>Local leaders</td>
</tr>
</tbody>
</table>

HOUSING PROVISION AND LOCAL INITIATIVES

As indicated in the introduction about 2,640 families, approximately 11,500 people were relocated to Ambedkar Nagar by the TNSCB. The relocatees were not involved in any of the stages of the project formulation and implementation. Not in the selection of the site, and not in the design of the site. They could however indicate to the TNSB with whom they would like to live and select their neighbours. The relocatees were forced to stay in the area for a period of 21 years. It was illegal to sell off or rent out their plot and the government promised that they would provide additional employment for those depending on employment in the city centre. This did not happen, no additional employment opportunities were created and therefore many people remained dependant upon the city center for employment.

Data were collected by use of a questionnaire from 158 respondents that were randomly selected in the area, which revealed that 24 percent of the inhabitants of the sample were not the original allottees, as is shown the table below.

Table 2. Number of relocatees, tenants and buyers in Ambedkar Nagar

<table>
<thead>
<tr>
<th>Abs. numbers</th>
<th>%</th>
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² Chennai Metropolitan Water Supply and Sewerage Board.
³ A local form of group finance where people pool money together and they can gain access to a lump sum in times of need.
⁴ The average family or household size was 4.4, household being defined as those sharing the same house.
The above table only shows how many respondents in Ambedkar Nagar were relocatees, how many had come to Ambedkar Nagar as tenants and how many respondents had bought a house or plot and moved to Ambedkar Nagar. What became clear is that some of the relocatees did not actually live in an allocated plot but they either hired or bought a place. If we take a closer look at the relocatees it became clear that from those being relocated thirteen respondents live in Ambedkar Nagar as tenants and one relocatee has bought a place in the area.

Table 3. Relocatees living in allotted plots, tenants, and buyers

<table>
<thead>
<tr>
<th></th>
<th>Abs. numbers</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relocatee living in allotted plot</td>
<td>106</td>
<td>67</td>
</tr>
<tr>
<td>Relocated but hiring a house</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Relocated but bought a house/plot</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>158</td>
<td>100</td>
</tr>
</tbody>
</table>

These data were also compared with a case study on plot transfers in one block in Ambedkar Nagar. This case study investigates one sample block of houses in Ambedkar Nagar that was randomly selected in order to find out whether the relocatees are still living in their allocated houses, as was the intention of the relocation project, or whether they have illegally sold them off or rented out. This case study was selected because it was expected that it would provide more qualitative in-depth information, as the number of respondents was lower than in the total sample of Ambedkar Nagar. Besides, as this case study covered a much smaller area, it would be easier to build rapport with the inhabitants and conduct in-depth interviews.

The sample block contains 86 plots. The number of allottees, tenants, and buyers in this block are listed below and compared with those in the whole of Ambedkar Nagar.

Table 4. Number of allottees, tenants, and buyers in the total sample of Ambedkar Nagar in the sample block and numbers interviewed in the sample block

<table>
<thead>
<tr>
<th></th>
<th>Ambedkar Nagar sample abs. numbers</th>
<th>%</th>
<th>Abs. numbers in sample block</th>
<th>%</th>
<th>Abs. numbers interviewed in sample block</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allottees</td>
<td>120</td>
<td>76</td>
<td>31</td>
<td>36</td>
<td>17</td>
<td>31</td>
</tr>
<tr>
<td>Tenants</td>
<td>8</td>
<td>5</td>
<td>23</td>
<td>27</td>
<td>16</td>
<td>29</td>
</tr>
<tr>
<td>Buyers</td>
<td>30</td>
<td>19</td>
<td>31</td>
<td>36</td>
<td>21</td>
<td>38</td>
</tr>
<tr>
<td>No answer</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>158</td>
<td>100</td>
<td>86</td>
<td>100</td>
<td>55</td>
<td>100</td>
</tr>
</tbody>
</table>

As can be seen in the above table the number of allottees in the sample block is 40 percent lower than the number of allottees in the sample of Ambedkar Nagar. The number of tenants is 22 percent higher, and the number of buyers is 17 percent higher. It is not clear where these differences come from but what was striking was the active involvement in the 'plot business’ of the local leaders of this particular area, which might explain part of the difference.
What is very remarkable in the total sample block of 86 plots is that even though it is illegal, many people have sold off: 36 percent of the households in the block are buyers. Also, 27 percent are tenants, which means that allottees rented out their plot; some of them had obtained two plots and rent out one, others never lived in Ambedkar Nagar or left after living there for a while and gave their plot for rent, and another 36 percent are allottees. Five percent of the houses, although it was traceable whether the owners were allottees, tenants or buyers and therefore included, were unoccupied.

So overall this study shows that about one fourth of the respondents has not been relocated, which means that many people have decided not to live in the relocation site and they have either sold off or rented out their plot to others. Most of the tenants were renting because at the time of the relocation they were unable to get an allotment order because they were tenants in their previous location and therefore not eligible to receive an allotment order. Many of the buyers came to Ambedkar Nagar because they foresaw that over time the area would improve and land prices would rise as Chennai would grow and the area would be part of the city. Some only bought a plot as an investment and rented it out to others. There was an active trade in plots in Ambedkar Nagar, often with mediation by the local leaders, which was a profitable business for them. They were involved in the reconstruction and selling off of houses, in the contractual arrangements between buyers and sellers for which they charged money, in the selling off of unoccupied houses and plots and the falsifying of NOC certificates whenever buyers wanted to apply for an electricity connection, for which they also charged considerable amounts of money.

**WATER PROVISION AND LOCAL INITIATIVES**

For washing and cleaning purposes, twenty wells were dug in the area. Some of them are now in a poor state, but they are still used, mainly for bathing, washing clothes, and house cleaning. Drinking water was provided through water lorries by the Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB).[^5]

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[^5]: CMWSSB is locally referred to as ‘metro water’. When Ambedkar Nagar was designed and built, arrangements were already made for the provision of piped water, and 23 public taps were installed throughout the area. A desalination plant was constructed in the area which was to provide water. It worked on and off from 1999 but when I returned to the area in 2007 I was told that for the last couple of years it was not operational any more and the water lorries were the only source of drinking water.
In the early years after the first groups had been relocated to Ambedkar Nagar there was no regularity in the water supply. The number of lorries coming to the area to provide water was not sufficient and varied from day to day. Fights would blaze up between the different relocation groups at the spots where water lorries did show up. During the monsoon, when the area was difficult to enter because of the poor condition of the roads in Ambedkar Nagar, some days no lorry came at all. In those cases the inhabitants had to go to the neighboring areas to get water.

In order to have a well-organised distribution system, in the mid 1990’s the local organization *Ambedkar Makkal Podhu Nala Sangam*, started auctioning the right to distribute the water from the lorries. The one person placing the highest bid was entitled to be in charge of the water distribution at one of the distribution points for a whole year. The auction money was paid to the local leaders who said that they would spend it on the different local temples.\(^6\) It was decided by the local leaders that only women would be entitled to apply for the distribution. The actual auctioning was only held once; afterwards, the people themselves decided amongst themselves who was allowed to distribute the water, and how much should be paid to the temple by the distributor. In some cases, the bidders paid the full amount directly, and this money was apparently given to the local leader and was meant to be spent on their local temple. In some parts of Ambedkar Nagar, the bidders did not pay the full amount immediately, but gave approximately Rs 10 to 15 daily to the local leader for the temple. The water distributor charged 25 paisa a pot, and each household was entitled to two pots a day. In order to motivate the driver and the cleaner of the lorry to come and bring water on a daily basis, the *water woman* paid them Rs 10 to 15 every few days. In cases when lorry drivers did not show up, particularly during the monsoon, it was the task of the *water woman* to phone Metro Water and request that they send a water lorry.

Approximately ten to fourteen lorries drove to Ambedkar Nagar almost every day to supply its inhabitants with drinking water. Each lorry contained 9,000 litres and approximately 200 to 300 households are supplied by one lorry. For the water distribution from each lorry one *water woman* was responsible. In the whole area six *water women* were involved in the daily distribution of water from the water lorries. The distribution took place at different spots throughout the relocation site the remaining water was stored in a water-tank from which it was distributed later in the day to those who were not able to get it at the truck itself.

**ACCESS TO CREDIT FACILITIES AND LOCAL INITIATIVES**

A major problem for many people, especially for self-employed women, is the lack of access to credit. Another serious problem is the lack of access to information about the possibilities to obtain loans. Others, who are aware of the existence of credit possibilities, explained that the application procedures for each scheme or a bank loan are so elaborate and time and money consuming that it is almost impossible to apply. A major problem in applying is that many certificates need to be submitted along with the application form, such as a community and income certificates, which in many cases are not easy to obtain. Often, people do not even know where to get them. Leaders are also not very helpful with these procedures. Some people said that they are not interested in helping the poor and needy, but only the ones from whom they can expect something in return. For them, the only sources of credit are the moneylenders and pawn brokers.\(^7\) In general, the operational features of

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\(^6\) Whether this actually happened is, in the least, very doubtful.

\(^7\) Smets (2002: 93) calls both types moneylenders and makes a distinction between different types by looking, amongst others, at the type of relation between the borrower and the lender and the type of collateral used. He states that a moneylender who takes physical possession of the collateral, a pawnbroker, has a more economic rather than personal relation with his client as compared to the moneylender who does not take
moneylenders are characterised by relative accessibility, convenient opening hours, quick processing, flexible collateral (in the case of pawnbrokers), high interest rates, excellent monitoring systems, and often good recovery records.

There are two types of moneylenders active in Ambedkar Nagar: ‘professional moneylenders’ who depend on moneylending as their main source of income, or spend most of their time lending it, and part-time moneylenders, shop-owners who supplement their income through moneylending. There are some professional moneylenders who come from the outside to Ambedkar Nagar daily to lend and collect money. The local leaders also operate as thandal.

As formal finance is very difficult for poor people to access, one alternative source of finance is chit funds. Twelve percent of the respondents in Ambedkar Nagar joined chit funds. The vast majority of chit funds in the area are organized and joined by women only. Those who joined stressed the easy accessibility of those chit funds. They used the money for household purposes like improving the construction of their house, applying for electricity connections, education of their children, festivals, weddings and burials. Chit funds however are only accessible to those with some financial backup and the poorest in the community are not allowed to join. Also only trustworthy and well-known women, belonging to the same community and relocation group were allowed to join. Depending on the managing capacities of the organiser (agent), organizing a chit fund could be a good source of income for those conducting them. In case of mismanagement and members are defaulting in their contribution however it could also lead to impoverishment because the agent has to supplement the contributions of those defaulting.

**ROLE OF LOCAL LEADERS**

Each relocation group had its own local leader; some had more than one leader. In the early years, there were many fights between local leaders of the different relocation groups for a variety of reasons including the illegal sale of arrack and drugs and over leadership in the new area.

There was one local organization active in Ambedkar Nagar: the *Ambedkar Makkal Podhu Nala Sangam*. It was founded by local leaders in Ambedkar Nagar in 1995 in order “to create unity in the area”. The *Sangam* was not linked to any political party as members with different political backgrounds joined it, but still the majority of the members of the board were DMK members. Before 1995, local leaders were in charge of their own local group and there was hardly any contact between the different groups, only conflicts. Therefore the organization was set up for the whole of Ambedkar Nagar. Elections were organised and a president and board were chosen. This organization was also meant to be a way of rallying the forces in order to negotiate with the TNSCB and the corporation to improve the facilities in Ambedkar Nagar. Furthermore, they organised the water distribution in the area.

The members of the board belonged to different groups in Ambedkar Nagar and they were influential men in the area. A number of them were local leaders, but no Muslims had joined. The *Sangam*, which also had a women’s wing, had 530 members. They do not pay physical possession of the collateral. This is also found to be the case in this study. Moneylenders provide their clientele with predominantly small loans for a short period, which can even be for a day or a week.

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8 At the time of the fieldwork in 1998-1999 the Dravida Munnetra Kazhagam (DMK) was the ruling party in the Tamil Nadu government and therefore the local leaders connected to that party were able to benefit from their political contacts. This did not, however, mean that local leaders who were connected to other political parties were without any influence and power in the area at that time. They were either powerful due to the respect they had obtained for the role they had played in the area earlier or due to the fact that they did not hesitate to use violence or their contacts in the criminal circuit.
contribution but are invited to join the monthly meetings where they had the right to vote. But in practice normally only a few would join these meetings, which take place in the Sangam hall in Ambedkar Nagar. The founder of the Sangam, decides which points will be discussed at those meetings, in consultation with the members who also approach him whenever they want something to be put on the agenda. Before every meeting the agenda is prepared by the founder. Officially elections are organised for the board of the Sangam once a year, but in practice not many changes have taken place since 1995. Some board members in minor positions have changed but the major positions are still occupied by the same persons. According to the founder of the Sangam everyone who wants to stand for elections can do so on paying Rs 101 to the Sangam. Then the elections will be held, but in practice people do not dare to challenge the influential local leaders in the Sangam. These local leaders are very powerful and maintain many contacts with outside politicians. Besides that many of them are intimidating personalities, and many people are afraid of them. One board member of the Sangam, a local leader, was even put in jail because he murdered an inhabitant who had challenged him as a moneylender, although this is something which was not discussed in the open. Another way the Sangam earns money is by approaching all the newcomers to pay “protection money”.

THE ROLE OF NGOs

There were a small number of NGOs active in the area. Some were approached by the TNSCB to assist in setting up projects during the early years of the project when there were many problems between the different relocation groups. Also TNSCB hoped that extra funds would be available through these NGOs. All the NGOs operated on a very limited scale, offering vocational training, education, day-care facilities and savings schemes for women. The success of these NGOs depends upon the enthusiasm of their local staff and their attitude towards their target group. Some NGOs has a professional local staff including inhabitants of the area itself; the other has had many staff changes over the years, and therefore less contact with their target group. Whenever they take up a project, it is developed and implemented in a top down manner, i.e., they impose their programmes on the target group. Consequently, these often fail, as they are not designed according to the perceptions and expectations of the local community. The other NGOs are more successful as they work in close cooperation with the inhabitants. Many inhabitants regret that they have a limited capacity and therefore work only with a small percentage of the community. Many more women for instance are interested in joining the savings group but the capacity is limited, and these NGOs only organise activities for particular relocation groups living close by their offices.

EFFECTIVENESS AND APPROPRIATENESS

Next an overview will be presented on the aspects studied and their effectiveness and appropriateness.

Table 5. Overview of the project/aspects studied and their effectiveness and appropriateness

<table>
<thead>
<tr>
<th>Project/ aspects studied</th>
<th>Stakeholders/ actors involved</th>
<th>Activities</th>
<th>Effectiveness</th>
<th>Appropriateness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relocation</td>
<td>CMDA TNSCB Local community Local leaders</td>
<td>Relocation of slum and pavement dwellers to the relocation project</td>
<td>Considering the high numbers of relocatees who have sold off and left the</td>
<td>The relocatees were not happy being relocated nor with the isolated location and the lack of employment opportunities being reflected in the high</td>
</tr>
<tr>
<td>Housing</td>
<td>CMDA</td>
<td>TNSCB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>------</td>
<td>-------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CMDA</td>
<td>TNSCB</td>
<td>HUDCO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NGOs</td>
<td>Relocatees</td>
<td>Local leaders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project design</td>
<td>House design</td>
<td>Provision of loans for construction</td>
<td>Construction of houses</td>
<td></td>
</tr>
<tr>
<td>Design</td>
<td>CMDA/TNSCB</td>
<td>Plan was carried out the way it was planned</td>
<td>Provision of loans</td>
<td></td>
</tr>
<tr>
<td>TNSCB/NGOs:</td>
<td>Not effective</td>
<td>as loans were not used for the intended purpose</td>
<td>Design</td>
<td></td>
</tr>
<tr>
<td>The relocatees were at least happy that they could select their neighbours and remain amongst their group</td>
<td>Provision of loans</td>
<td>Very effective for the relocatees as loans were used for more urgent matters</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Water</th>
<th>CMWSSB</th>
<th>'Water women'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local community</td>
<td>Local leaders</td>
<td>Water provision through lorries</td>
</tr>
<tr>
<td>CMWSSB:</td>
<td>Expensive</td>
<td>'Water women': water distribution is a source of income and prestige</td>
</tr>
<tr>
<td>Local community: water is provided to the area and distributed evenly to everyone without fights</td>
<td>Local leaders: the auction system is a source of income for the Sangam, and water distribution is arranged for properly causing no more fights and unrest and gives them prestige</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Credit</th>
<th>NGOs</th>
<th>Chit funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional moneylenders</td>
<td>Local moneylenders (leaders and shopowners)</td>
<td></td>
</tr>
<tr>
<td>Providing access to credit</td>
<td>NGOs: savings groups were very popular by local women</td>
<td></td>
</tr>
<tr>
<td>Chit funds: source of income for the agents when it is properly managed</td>
<td>NGOs: very popular and but very limited capacity and only accessible by those living close by and therefore only belonging to particular relocation groups</td>
<td></td>
</tr>
</tbody>
</table>
| Chit funds: a source of easy accessible savings money but only accessible for those belonging to the same relocation group | Moneylenders: lenders:
STRENGTHS AND WEAKNESSES OF INITIATIVES OF THE POOR

Many forms of organization were found in Ambedkar Nagar. Some groups were already active right after the relocation, others started later. The activities that existed right after the relocation were chit funds and the construction of the temples. Almost all the local slum leaders that were active in the slum areas before they were moved stayed on as local leaders in the new area. These initiatives were based on caste and relocation background, indicating that this is the most basic form of collective organization. After a few years, when the community had had time to develop, and in the absence of suitable basic services, the different communities started to develop initiatives together to fight for better basic services. The local slum organization was founded, whereby the local slum leaders joined forces in order to strive for better basic services. Water distributors, who were responsible for a better functioning water distribution system, were selected through the party. These initiatives rose above kinship, caste, and relocation background, thereby confirming that whenever people within a community identify with strong common interests, collective action will emerge beyond local divisions.

Collective action of the poor in the relocation site was not mostly oriented to organising basic services, employment and security. There were many more types of collective action found that were oriented towards a much broader scale of activities. There were many forms of collective action on a smaller scale like chit funds (partly based on organising a form of security), and religious activities like the construction of temples and the organization of temple festivals. This suggests that local communities can prioritise different types of collective action, not necessarily limited to basic services, but also based on building up social capital. In contrast to what was observed by others, in Ambedkar Nagar local organizations were very flexible, and able to adapt quickly to outside changes, like changing environments and conditions.

Grassroots organizations in Ambedkar Nagar did not always represent the local community as a whole; local collective initiatives based on caste and relocation background only represent their own caste and relocation group. These initiatives include the chit funds. The local collective initiatives that emerged beyond local divisions in order to obtain basic services for the community as a whole were the water distribution groups and the local slum organization. In all cases, decisions were not made by consensus, but by the initiators. Most of the initiators of these organizations are the ‘stronger’ and relatively better off people from the community. The poorest from the community do not even have access to some of the local organizations. Furthermore, some of the organizations do not promote the interests of the poorest people within the community, who are actually the most needy ones. This means that local initiatives are not necessarily inclusive, in that they enhance social stratification, are not necessarily based on democratic principles and equity, and do not strive to provide for the poorest within the local community. Furthermore, local organizations can also be involved in illegal activities as is the case with the local slum organization in Ambedkar Nagar, which is involved in the illegal selling of plots, the charging of inhabitants when they mediate in obtaining government services like loans, and extortion practices.

PARTICIPATION OF THE POOR IN DEVELOPMENT PROGRAMMES

In Ambedkar Nagar it was found that the government is neutral with regard to local initiatives, does not stimulate and organise the community or parts of it, but also does not pose any
barrier for community initiatives to occur. In the relocation process, the government took all
the initiative, greatly limiting community involvement. In the provision of housing in Ambedkar
Nagar, a partnership between the government and an NGO came into being in the early
years but frictions between the two partners led to the dissolution of the cooperation.
Moreover, the government has been the only provider in terms of housing, sometimes
allowing for limited community involvement.

In the provision of basic services the government played a major role, and where
government provision was insufficient, local collective initiatives were developed. The local
slum organization mediated in obtaining some basic services in the area and the local
community organised the water provision and distribution. The role of the government was
neutral towards these local collective initiatives; they did not stimulate them as they did not
see their value, nor did they set any barriers. In the absence of access to services and credit,
the community took up collective initiatives like the organization of chit funds. Here, as in
other aspects, the government and the NGOs were neutral. The lack of knowledge,
appreciation, and estimation of the value of local initiatives is a major flaw in the work of both
the government and NGOs. Had they been more aware of the existence of these initiatives
and more open as to what was actually happening within the communities, they could have
adjusted their programmes to the real needs within those communities and could have built
on their knowledge and expertise.

Furthermore, active government support that reaches even the poorest within the
community, such as the creation of employment and the provision of basic services should
have been considered essential. Often the poorest have no access to local initiatives, and
they are not reached by NGOs.

The discussion on NGOs is more complex, and operates on different levels. A distinction has
to be made between NGOs operating locally and those operating at the national and
international levels. Though it is often suggested that mediation between the government and
the local community is a task one can expect NGOs will take on, it appeared that those in the
study area were not involved in such undertakings. Also, they did not operate as advisors to
the state on policy matters nor cooperate and link up with the poor and their local
organizations. The link found between NGOs and the government was a financial one: the
government provides NGOs with funds for their programmes. Through these funds, the
government can influence the NGOs and the type of programmes they provide. Though it is
often argued that NGOs could have a major role in empowering the local community, nothing
of the kind was found to take place in Ambedkar Nagar. The only link between NGOs and
local collective initiatives was a negative one in that the lack of NGO programmes that were
suitable from the perspective of the local community, led to an increase in local initiatives. On
the other hand, the success of local initiatives also had a negative influence on the success
of NGO programmes. When, for instance, there were a sufficient number of well-functioning
chit funds organised by the local community in the area, the need to join NGO savings
schemes diminished. Conversely, when these chit funds were not operating or not
functioning well, more people were interested in joining the savings schemes of NGOs.
Rather than mutually reinforcing one another, the activities of the NGOs in Ambedkar Nagar
and the initiatives of the community proved mutually exclusive.

This study shows that in the end the government, while not playing an empowering role,
remains the most important provider of basic services, and social security. The lack of
provision of suitable services, employment opportunities, and social security, is likely to lead
to the development of collective initiatives, even without outside assistance from the private
sector or NGOs.

This discussion leads to several conclusions. First, effective government provision of housing
and basic services remains an important channel to carry out relocation in such a way that
inhabitants can build up physical and social capital in the new area, and obtain higher levels of tenure security than before. Collective action by households is a second important - independent - corollary in effective relocation. It is important in building up financial capital among households, although it tends to exclude the poorest. Local NGOs ignore the collective action undertaken by communities themselves, and remain more accountable to their financiers and their own perspectives than to local inhabitants.

MATCHING SUGGESTIONS

The question remains as to how matching can be improved. In order to identify the best approaches for this, first the major drawbacks and advantages of the three major actors in this study have to be identified. The major drawbacks of local collective initiatives are that they normally are small and limited to class, kinship and caste, but they emerge beyond the primary (relocation) groups whenever people identify strong common interests like the lack of basic services. It was also found that the impact of local organizations was not always positive; they do not always assist in the reduction of poverty, do not allow the poorest people of the community to join, and they do not always promote the interest of the poorest within the community. Furthermore, they do not make decisions according to consensus. Moreover, the initiators are often the ‘stronger’ and relatively better off people from the community. In contrast, the specific advantages of local initiatives are that, in addition to trying to achieve improved access to government facilities, they are also centred on building social capital. They are flexible, relatively easy to access, have clear targets, are rooted in local culture, and empower people.

According to the local community the major drawbacks of the government and government policies involve corruption: in order to get things done, people often have to pay. Service provision and maintenance is poor. It is difficult for the poor to get access to the government, due to the bureaucracy. Another important issue is the lack of information provision, which leaves people depending on those who do have the access like the slum leaders. People have high expectations of the government as they feel the government should provide them with all the necessities, but they are also cynical and negative regarding its functioning. Furthermore, local perceptions and expectations are not taken into account by the government.

This study covered only a small number of NGOs so major conclusions and generalisations cannot be made, but what can be mentioned about the NGOs active in this particular study area is that their major drawbacks were that their success depended on their local staff and not on their policy, which lead some to do well, others not. Overall, the NGOs in the area did not take the local perceptions and expectation into account, nor did they link up with local skills and abilities. Furthermore, they were too small, and a major problem in the area was that they did not cooperate amongst each other, and sometimes they had preconceived negative ideas about their target group. Also, they failed to transform the local political power structure, but this is perhaps impossible to achieve.

In line with what Dia (1996) and many others have already stressed is that empowering the local communities is found to be very important, and improving access and inclusiveness to policies, programmes, financial institutions. This includes, for instance, the access of local groups to formal institutions like banks. Chit funds can benefit by having access to bank accounts, and then specifically to flexible banks that are situated near their location and do not require elaborate procedures to access them. The same goes for other savings groups and temple festivals. These local initiatives are now very vulnerable and can become less so when they have access to formal institutions.

Improved communication is also very important. Lack of awareness of government facilities is widespread, which leaves people depending on those who do have the information and the
access to the government, namely the local leaders. To improve their independence and their access to government schemes, and so to empower them, communication should be improved. What the best methods might be for the urban Indian context should be studied; possibilities might include using local television channels, radio, local newspapers, by setting up local offices of the corporation and/or local government from where people are informed about schemes for which they are eligible, through text messages or a combination of methods. Furthermore, local community networks should be used to inform target groups.

On the other hand, the community should have easier access to the government. Bureaucratic procedures should be limited, and government schemes or names of schemes should not be changed each time another government comes into power. Target groups should be consulted before starting the design of another government or NGO programme. They should be actively involved in the formulation and implementation of new schemes.

REFERENCES


