Public-Private Partnerships for Urban Poor in Ahmedabad

A Slum Project

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This article examines public-private partnerships for the development of the urban poor, based on our experience of the Slum Networking Project in Ahmedabad. We examine three issues. The first concerns the reasons that impede public-private partnerships. The second is the tardy progress that the central and state governments have made in providing housing and employment to the urban poor. Why should the corporate sector join hands with government organisations and NGOs for the development of the urban poor? This is the third issue we discuss in this article.

ON April 19, 1997, the infrastructure component of the pilot project of a unique, not-for-profit slum upgrading experiment, the first of its kind in the city of Ahmedabad, was completed in just under 10 months. After settling his accounts with the implementing agency (the Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust, promoted by Arvind Mills) the project contractor said to one of the trustees, "Now tell me. Why did Arvind really do this project?"

This comment and similar comments from others inspired us to write this article. Here we intend to examine the issue of public-private partnerships for the urban poor, through the case of the Slum Networking project[1] at Sanjay Nagar, Ahmedabad. Public-private partnerships are essential for solving major societal problems. In India, such partnerships are not very common because in the absence of a comprehensive institutional framework government/quasi-government and private organisations do not see the rationale for working together. The rationale is that there are far greater chances of success through co-operative activity than by going it alone. Our experience in this project shows the difficulties involved in working with the government and quasi-government organisations. We highlight these difficulties and analyse the reasons leading to them. We also attempt a thumb-nail sketch of the pre-conditions for a workable public-private partnership for carrying out projects for the urban poor.

I
Project Details

Inception of the Project: In December 1994, Himanshu Parikh, an environment and infrastructure professional met Sanjay Lalbhai, MD, Arvind Mills. Parikh showed the Arvind management team the remarkable urban improvements achieved through the slum networking strategy demonstrated in Indore through the British government-sponsored Indore Habitat Project. Lalbhai and his team saw the project as an excellent way to improve the quality of life in Ahmedabad. They pledged Arvind Mills' support for a similar initiative in Ahmedabad, on a smaller 'pilot' scale.

Initially, Arvind Mills and the slum community were to be the two main partners in the pilot project. Soon after securing Arvind's commitment, Parikh approached the Ahmedabad Municipal Corporation (AMC) with the objective of launching a citywide project. The AMC was then headed by Keshav Varma, one of the most dynamic municipal commissioners in the city's recent history. Varma not only initiated a citywide project covering all of the city's slums, he also pledged the AMC's support to the pilot project. The population to be covered under the Pilot Project was subsequently doubled. The standing committee of the AMC gave its formal approval to the project on September 28, 1995. The ruling party, the Bharatiya Janata Party (BJP), christened the project Pandit Deendayal Upadhyaya Antyodaya Slum Networking Project after one of its most revered ideologues.

Objectives and Components: The three objectives of the pilot project were: (a) to improve the basic physical and non-physical infrastructure facilities within the selected slum areas, (b) to facilitate the process of community development, and (c) to build up a city level organisation for slum networking and infrastructure development. A two-pronged strategy was employed to improve the quality of life of the slum-dwellers. The first step was to improve their physical environment (the 'hardware') through the physical development component. The second step was to upgrade their level of health, education and skills for income generation (the 'software') through the community development component.

(a) Physical development: Initially, seven basic infrastructure services were to be installed: (1) roads and pavings, (2) individual water supply, (3) house to house underground sewerage, (4) storm water drainage, (5) street lighting, (6) solid waste management, and (7) landscaping. The intention was that the slum communities would build individual toilets on their own through the AMC's Low-Cost Sanitation Scheme. Subsequently, the AMC announced that it would "throw in a free toilet for each household" as a part of the project.

(b) Community development: After improving the physical environment, the idea was to quickly focus attention on the other needs. A socio-economic survey of Sanjay Nagar's residents indicated that the levels of basic health, literacy and skills are very low. The community development programme aimed at addressing these deficiencies, through the following activities: (1) setting up neighbourhood groups, women's groups and youth activities, (2) mobilising community savings for undertaking physical works as well as for credit through savings and loans groups, (3) initiating educational activities for pre-primary age children, school drop-outs and illiterate adults, (4) organising community health education and other interventions related to mother and child care, and (5) supporting income generating activities by providing vocational training and job access to unemployed persons. Developing linkages for formal sector finance to help people start small businesses and trades.

SHARDA Trust did not have the requisite organisation for carrying out the community development programme. Therefore, the main responsibility for this was given to SAATH, an Ahmedabad-based NGO which has been working with slum communities since 1989. During the project, the trust and SAATH had an on-

202.2-99PU-15628

going dialogue regarding the strategy for carrying out the community development programme.

Cost-Sharing Formula: With the inclusion of the AMC and SAATH, the pilot project underwent considerable modification. Each participant organisation would share a part of the cost of one or the other component. This ensured that the burden did not fall on any one organisation. Further, with each slum household making a financial contribution, the slum-dwellers ceased to be 'beneficiaries' of a 'welfare' programme. They became stakeholders in the project. The final cost-sharing formula is shown in Table 1.

The pilot project was to cover 3,300 households residing in slums and chawls in four pockets of the city as given in Table 2. Soon after the AMC's approval, however, the residents of Sankalchand Mukhi Ni Chali and Kachwadi Ni Chali/Santokbai Ni Chali decided, for various reasons, that they did not want to participate. The resource mobilisation for the other two slums was initiated immediately. At the time of preparing tenders, the Pravinnagar-Guptanagar residents had not mobilised the requisite financial resources, the community at Sanjay Nagar had. It was decided to go ahead only with Sanjay Nagar, to begin with. The ground-breaking ceremony was held on August 5, 1996. Construction began soon after.

Sanjay Nagar: It is located on a 1.75 hectare plot of land owned by the AMC. The population of Sanjay Nagar is approximately 1,200, comprising 181 households. Most of the residents belong to the 'Vaghri-Patni' community. The major occupation is retail vending of vegetables and fruits. The community is characterised by low levels of education, low skills and poor health. The average number of persons per household is 6.26, higher than the all-India average. Over 51 per cent of the community is illiterate. More than two-thirds of the deaths in Sanjay Nagar are in the age group 0 to 4 years. Only 37 per cent of the community is engaged in some occupation or the other, of which only 15 per cent have salaried jobs, while 51 per cent are vendors. Before the project, there was virtually no physical infrastructure, save for three public standposts and two blocks of public toilets. Without security of tenure, the community had not invested in permanent shelters. Their houses were constructed of temporary materials like mud and plastic sheets. The average amount of living space per person in Sanjay Nagar is 4.72 sq mt.

Rationale for Arvind Mill's Participation: There are two reasons for Arvind's participation in the slum networking

project. Enlightened self-interest is the first reason. Following the dictates of the organisational philosophy is the second.

Arvind's investment in Ahmedabad, as on March 31, 1997, was about 8.5 bn rupees. By December 1998, this investment will increase to approximately 15 bn rupees. Also, Arvind is getting the characteristics of a global company, and therefore must attrac. the most talented people in the world to work with it. To do so, the 'quality of life' in Ahmedabad, the company's headquarte. s. must be of international standards. This would not be possible when 40 per cent of the city's population resides in slums. Although Arvind alone cannot solve this gigantic problem, it can work with the AMC to establish the feasibility of upgrading slums. This was the enlightened self-interest that made Arvind commit itself to co-financing and implementing the pilot project. Arvind Mills has also proactively participated in other city improvement projects in Ahmedabad, viz, the Rs 4 crore C G Road Redevelopment Project and the Rs 1.25 crore beautification projects for the Sardarbaug and Airport Gardens.

Serving people, particularly the lesser fortunate, has been a dominant value in the Indian society, which in turn has influenced Arvind's philosophy. Since their very inception, the Lalbhai Group of Companies (of which Arvind is the flagship company) have been involved in a host of activities beyond mainstream business in the city of Ahmedabad. The city's first mayor, Chinubhai Chimanbhai, was from the Lalbhai family.

'Ground Rules' of the Project: There were no legal agreements between the partners of the project. The 'ground rules' were alluded to in the resolution passed by the AMC during project approval. Fine-tuning of these rules and the partners' roles was done as the project progressed. The lack of explicit definition of organi-

sational and individual roles caused many problems during implementation.

(A) Resolution passed by AMC: The AMC document[2] clearly stated that in the pilot project, the AMC was to take a 'backseat' role while the main responsibility was to be shouldered by Arvind Mills. It said "In the matter of seeking the Standing Committee's approval for the implementation of the slum networking project in a phased manner to provide civic amenities and improve the quality of life of people living in slums and chawls in Ahmedabad city, in collaboration with industrial houses and voluntary organisations, *and the Corporation playing the role of 'facilitator',...*" (emphasis ours). It goes on to say that "...Although over the years the Municipal Corporation has provided various basic amenities to slum dwellers, *it has not helped much in improving their conditions.* With increasing population the problems are getting serious. This has necessitated looking into their problems and working out an action plan to solve them" (emphasis ours).

The same letter contains two points for approval, alluding to the role of Arvind Mills and other interested business houses: "(1) To encourage private sector participation in the project by permitting

TABLE 2: PARTICIPANT SLUM COMMU: TIES
(AS PER PILOT PROJECT PROPOSAL)

Sr No	Name of Slum	Zone	Number of Households (approx)
1	Sanjay Nagar Na Chhapra (near Anil Starch	North	200
2	Sankalchand Mukhi Ni Chali (Behrampura)	Central	500
3	Pravinnagar-Guptanagar (Vasna)	West	1500
4	Kachwadi Ni Chali and Santokbai Ni Chali (Chamanpura)	North	1100
	Total number of households		3300

TABLE 1: COST-SHARED IN PILOT PROJECT

Cost Component	Cost Per Family (Rs)	Participating Organisations' Share (Per Cent)			
		AMC	Slum Communities	Arvind Mills	SAATH
Physical development	6000	33.33	33.33	33.33	0
Physical survey	30	100	0	0	0
Design and consultancy	120	100	0	0	0
Establishment	330	70	0	30	0
Community development	1000*	70	0	0	30
Community corpus	100	0	100	0	0
Total expenses per family (Rs)	7,580	3,081	2,100	2,099	300
Cost for 3300 families (Rs lakh)	250.14	101.67	69.30	69.27	9.90

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

interested industries to manage and implement the provision of services in groups of slums and chawls. (2) To implement the pilot project with The Arvind Mills Ltd, Himanshu Parikh, 'Saath' and the Ahmedabad Municipal Corporation, *under the supervision of the management of The Arvind Mills Ltd...*" (emphasis ours).

(B) Letters from the deputy municipal commissioner: SHARDA Trust desired that some operating procedures be clarified, so as to avoid difficulties in the future. Numerous letters issued by the deputy municipal commissioner in charge of the project, partly fulfilled this requirement. For example, since the trust would be making payments for the project on behalf of the AMC, a bill certification procedure had to be worked out. SHARDA Trust attempted, albeit unsuccessfully, to clarify these issues directly with the functionaries of the AMC's slum networking project (SNP) Cell. The deputy commissioner wrote to SHARDA Trust, and clarified the matter: "...As regards the certification of the bills it may be stated that *as the entire project is to be executed by the SHARDA Trust the bills may be certified by the Trust itself.* However, two engineers of the AMC (SNP Cell) will be with you who would verify the bills of the works carried out so as to make it easy for the AMC to satisfy the Audit Department in future. *All the bills may then be passed by the SHARDA Trust without any sanction of the AMC. We may only be informed about the bills sanctioned for our record*"[3] (emphasis ours).

II
Assessment
SUCCESSES OF THE PROJECT

The major successes the SHARDA Trust achieved in this project are three. First, it provided the basic infrastructure of good quality at low cost. Second, it stayed within the budget. Third, it caused all the changes in Sanjay Nagar through people's participation.

In a settlement devoid of any basic infrastructure, the project created infra-

TABLE 3: INFRASTRUCTURE CREATED IN
SANJAY NAGAR

Type of Infrastructure	Units	Quantity
Pathways	Kms	1,000
Electric poles	Number	18
Sewerage	Kms	1,184
Manholes	Number	9
Inspection chambers	Number	46
Gully traps	Number	181
Water supply lines		
Main pipe line	Metres	700
Connecting line	Metres	750

structure of good quality. Table 3 gives a clear picture about the infrastructure created in the area.

(A) Quality: By 'quality' of the installed infrastructure, we mean its performance standards. SHARDA Trust believes that quality must be defined from the user's point of view. We elaborate these quality standards, from the users' point of view, for water supply, sewerage and storm water drainage.

The water supply: design had to ensure (1) an adequate quantity of water to each household; (2) 70 per cent of the water supplied in the morning, and (3) water pressure equal in each household during supply time. The sewerage: design had to ensure that there would be no blockages in the main line within the slum. Blockages within individual gully traps should not disturb the flow of sewerage in the main lines. The storm water drainage: design had to ensure that the storm water would run off the site and into the city-level mains within the least possible time. No ponding should occur on any surface of the settlement.

The actual performance of the installed infrastructure has been satisfactory. Sanjay Nagar receives about 120 lpcd of water supplied by the AMC's Asarwa housing tubewell station. Water is supplied from 6 am to 8 am. Effectively, water is received for about one hour and forty-five minutes. The pressure in the main line is about 1.25 psi. The main water tap in each house is at a height of two feet from the ground. It takes about 50 seconds to fill a bucket of 15 litres capacity. Thus, the requirements of quantity are fulfilled in about one hour. Till now, there have been no complaints regarding the quantity of water supplied. The water supplied by the AMC is chlorinated and tested for pH level, inorganic and particulate matter. For drinking purpose, the residents filter the water with a cloth or fine mesh. Till now, no blockage of sewerage main lines within Sanjay Nagar has been reported. The monsoon of 1997 in Ahmedabad was short but intense. While the areas in the immediate vicinity of Sanjay Nagar experienced water-logging, due to problems in the city-level mains, all areas within Sanjay Nagar remained dry. No ponding has been observed on any internal surfaces.

The infrastructure has been in operation since April 1997. The 'networking' strategy implies that the performance of on-site water supply and sewerage would largely be determined by the performance of the AMC's feeder infrastructure. Fortunately, for water supply, the performance of the feeder infrastructure is satisfactory. Otherwise, the trust would have 'topped

up' the on-site infrastructure so as to meet the requisite standards.

(B) Cost: With no compromise in quality or performance, the choice of materials and engineering techniques employed in slum networking brings down the cost of infrastructure considerably, in comparison to conventional materials and techniques used by most government/quasi-government bodies. Table 4 shows a comparison of the actual costs incurred in the Sanjay Nagar project versus the estimated costs of a conventional approach.

The project stayed within the budget estimate for on-site infrastructure. In the tender, the cost estimates for on-site infrastructure was Rs 6,110 per household. After completion, the actual cost worked out to be Rs 6,171 per household. This was despite considerable unanticipated extra work.

The Sanjay Nagar community was a party to every major decision related to the project. From the design of infrastructure to the payment of contractors' bills, community representatives were consulted at each step. This was the method used in changing Sanjay Nagar's physical surroundings. Consequently, the residents of Sanjay Nagar voluntarily realigned and readjusted their houses to widen the roads. The residents of Sanjay Nagar have also formed and registered the 'Sanjay Nagar Residents' Association', a non-trading corporation. One of the first activities of the Residents' Association was to mobilise and manage a community corpus of Rs 100 per household, for maintenance of the on-site infrastructure. Most households have upgraded their shelters by themselves and out of their own funds.

REASONS FOR SUCCESSES

Cost efficiency at Sanjay Nagar was due to three reasons. First was the design, which sought to limit the cost without compromising on quality. This was achieved through innovative techniques and use of unconventional material. For example, the use of *in-situ* cement concrete for roads instead of the conventional flagstone paving results in a saving of over Rs 1,000 per household.[4] (See Table 4). Also, gully traps and small inspection chambers were used instead of large manholes. Similarly, the roads were given slopes, causing storm water to run off through gravity. This altogether eliminated the need for an underground storm water drainage system.

Efficiency in execution and supervision was the second reason. The trust steadfastly adhered to the design once all the partners had approved it. Perfect rapport between

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the executing agency and the project contractor also helped to minimise costs. SHARDA Trust facilitated the contractor by providing him with working capital and helping him to acquire construction material. There were many occasions when the contractor could easily justify suspending the construction. But the Sanjay Nagar contractor continued to work, aiming at consistent quality and remaining within the estimates.

To avoid cost overruns resulting from delay, SHARDA Trust ensured that the work was not interrupted for lack of funds. To start the work on time, the Trust arranged for a loan of the required capital from the Arvind mills. Again, it persuaded SEWA Bank to grant loans to the residents to enable them to meet their financial obligations. To avoid delay, the Trust decided to temporarily underwrite the residents' contribution for individual power connection.

FAILURES OF THE PROJECT

Despite these efforts, there are three major failures of the project. The first is delay in completing the pilot project. Very little achievement in community development is the second. The third failure is the organisations' inability to seek industry's participation in the citywide slum networking project. Particularly distressing is this failure, considering the remarkable success of the Sanjay Nagar project.

SHARDA Trust had planned to upgrade 3,300 slum households by December 1997. Till date, the Trust has upgraded only 181 households. Because of this, the Trust's administrative cost appears very high, even though it kept the overheads to the bare minimum. If the Trust had upgraded more slums, then the project overheads would not have appeared high, as shown in Table 5. However, because of problems with the alliance, it was not possible to cover the 3,300 households as planned in the pilot project.

Low level of achievement in community development was a major failure of the project. In SAATH's plan for community development, community health received the maximum attention followed by non-formal education related activities. In the area of skill formation and income generation, the NGO was not quite clear about what in practical terms it intended to do. Towards creating community organisations the NGO planned to move rather cautiously. Although the classes for preschool children started functioning as early as October 1996, nothing could be done to impart education to non-school

going children, school dropouts and adults. Also, the number of preschool children attending the classes remained confined to 20 against the target of 30 fixed for the first year. Another significant shortfall in the target related to the number of teachers receiving training for activities in the component-two against four planned.

Achievement in the realm of skill development and income generation was even less impressive 'Work started without clear thinking in this regard and little clarity seems to have developed even after over a year and a half. The picture about community organisation was no better. While the Sanjay Nagar Residents Association was formed in January 1997 to facilitate the physical upgrading work, the women and youth fora are still nowhere in sight.

Arvind Mills gave strong support to this project. However, even Arvind's management is not keen to participate in this

project on a wider scale. The cost Arvind incurs in upgrading slums is a charge on its profit before tax. The company is not able to complete the pilot project because of the AMC's bureaucratic hurdles. Therefore, the chances of other Ahmedabad industries' participation in this project are now slim. To date, only the Lions'

TABLE 6: AHMEDABAD MUNICIPAL CORPORATION'S RESPONSE TIME

SHARDA Trust's Request for	Response Time in Days
Issuing of drawing showing final plot boundary of Sanjay Nagar	150
Verification of surveyor's second bill	71
Removal of public toilet	60
Removal of encroachments	60
Issuing policy letter on slum dwellers' contribution	70
Certifying accounts (engineering work) that SHARDA Trust submitted, the first submission being in November 1996	425

TABLE 4: COMPARISON OF COST OF INFRASTRUCTURE INSTALLED UNDER SLUM NETWORKING VS CONVENTIONAL METHOD

Component	Conventional Method		Slum Networking		Difference	Savings
	Features	Cost per HH (Rs)	Features	Cost per HH (Rs)	in cost (Rs per HH)	(Per Cent)
Roads, pavings and pathways	Flagstone roads with curbing	2716	Concrete roads with curbing	1669	1047	38.55
Sewerage (within slum)	No topography management; extensive use of manholes	2760	Topo mngt shallow sewers; GTs/ICs instead of MHs	1597	1163	42.14
Water supply	Cast iron pipes	1687	Combination of CI/GI/AC pressure pipes	1945	−258	−15.29
Storm water drain	Underground storm drains	365	Roads act as drains	0	365	100
Total		7528		5211	2317	30.78

Note: The figures for costs under slum networking are from the actual costs incurred in the Sanjay Nagar project. The costs under Conventional Method are estimated, assuming that this method were to be used for the same project.

Source: Himanshu H Parikh, Consulting Engineers, Ahmedabad.

TABLE 5: TOTAL EXPENSES OF SLUM NETWORKING PROJECT, JULY 1, 1995-JUNE 30, 1997

Expense Category	Amount (Rs)	Per Cent of Total
Administrative cost	881,344.50	35.07
All other project related cost	1,631,717.41	64.93
Total	2,513,061.91	100.00
Administrative cost per household when project covered 181 households	4,869	
Administrative cost per household if project covered 3,300 households	267.07	

Notes: The administrative cost included assistant manager's salary, project consultant's fees, travelling expenses, books and miscellaneous expenses. The expenses incurred for administering the project do not include expenses for office space, expenses for computer and stationary. These Administrative costs would have increased only marginally if the Trust had covered 3,300 households. Other projects-related costs include: (1) cost of on-site infrastructure installed at Sanjay Nagar; (2) cost of carrying out physical surveys of Sanjay Nagar (181 households) and Pravinnagar-Guptanagar area (3,000 households); (3) cost of constructing 10 sample toilets at Sanjay Nagar; (4) newspaper advertisements for survey and construction tenders; (5) supervision fees; and (6) documentation charges.

'Club has come forward to participate in the AMC's slum networking project.

REASONS FOR FAILURES

This experiment shows the pitfalls in managing any alliance, and particularly the alliance between quasi-government organisations, NGOs and the private corporations. It also sheds some light on the reasons for the city government's failures in providing relief to distressed areas. The latter experience strengthens the case for an alliance between the quasi-government organisations, NGOs and the private corporations.

Since delay in completion is the most striking failure of this project, we outline the major reasons for the delay. For successful completion, the Trust required active co-operation of other departments in the AMC. The purpose of setting up the SNP cell was to ensure smooth co-ordination with the other departments. However, at every step, the SHARDA Trust had to deal directly with each department, which behaved as a separate empire. None of these departments had any knowledge regarding the importance and details of this project. Most of the functionaries had a very negative, un-cooperative attitude towards the project. For example, when we requested the town development office to mark the proposed town planning scheme roads on the Trust's survey map, the departmental functionary replied "Why should the AMC do this?" There were many such instances.

Delay and friction was also caused by lack of clearly defined role of the AMC functionaries. At the Sanjay Nagar construction site, the AMC engineer began to play a proactive supervisory role, despite the fact that SHARDA Trust had employed the contractor and was supervising him. There was tremendous confusion on site. Finally, the deputy commissioner advised his engineer to 'step back' in a letter addressed to him: "You have been placed in charge of Sanjay Nagar site which is the first slum taken up under the pilot project by SHARDA Trust constituted by the Arvind mills. The principal idea of placing you there was to see how the project is being handled by the professional agency... As the project is being handled by the Trust we are not required to directly deal with the contractors or the people at the site. We have to get involved in the process as mentioned earlier and interact with the management of the Trust for any improvement/corrections which are required to be made."[5]

Such problems with the AMC have caused enormous delays in carrying out

the project. For granting approvals, giving information or carrying out a project task, the AMC takes an unusually long time. In spite of our vigorous follow-up, the AMC's average response time to such requests is around two months, as shown in Table 6. The delays caused by AMC result in financial losses to SHARDA Trust. Such losses are not reimbursed.

Although SHARDA Trust was prepared for bureaucratic delays, the experiences outlined above came as a big surprise to the Trust officials. The Trust was not only a co-financier of the project, but an important partner carrying out a prestigious project with the AMC. The AMC officials too were unhappy. In an interview during the project documentation,[6] the deputy city engineer in charge of the AMC's SNP cell averred that on several occasions they felt that they were not being treated as partners. Their well meaning interventions about the engineering aspects of the physical works were regarded as improper interference. They consequently felt sidelined and ignored. The administrative machinery of the AMC functions in a particular manner, he conceded, which may not conform to the corporate world standards; one might be compared with the metre gauge while the other with the broad gauge. But this did not justify the AMC being treated as if it had no *locus standi* in the project.

III
Public-Private Partnerships

Our experiences with the AMC represent the problems in forming partnerships with the government and

quasi-government sector. There are two reasons for the difficulties in making such alliances work. The first reason is the same as the reason why any alliance is difficult to carry out. However, the second reason is more specific to the nature of the government and the quasi-government organisations. It has to do with the shared values in these organisations. We present the pre-conditions necessary for workable alliances between government, corporate and non-governmental organisations for urban poverty alleviation.

DEFINITION OF ALLIANCE ROLES

The very purpose of an alliance is to ensure a greater chance of success through co-operative activity than from going it alone. The key is to build on the unique strengths of each partner organisation, by assigning roles based on these unique organisational strengths. These roles must be explicitly defined in a common project document, a "Bible" for project implementation.

In our judgment, the unique strength of the government is its mandate from civil society and a large infrastructure already in place. In such projects, the government should play the role of a 'facilitator'. This means, besides co-financing the project, giving all necessary approvals, information and other support to the lead agency. The unique strength of NGOs is their ability to communicate effectively with the poor. Their role should be basically to work with the community to facilitate the physical upgrading work, as well as manage the community-based health and education components. The unique strength of the corporate sector is its managerial capability and *its com-*

petence in mapping out competitive business strategies. Therefore, the corporate sector should play the role of project manager and co-financier. It should also focus on the skill upgrading and income generation component of the project.

An alliance is meaningless unless each functionary understands his/her respective role in the alliance. Frequently the top brass conceives and negotiates alliances and delegates their day-to-day management to lower level supervisors, 'the troops in the trenches'. It is these troops in the trenches that are usually responsible for the failure of alliances. The onus of educating lower-level functionaries about their alliance roles rests on the shoulders of the top management of each partner organisation. Second, 'getting the job done' in an alliance involves close attention to a myriad of details. That the success of an alliance relies on attention to these details is a truth many managers literally learn on the job. In the slum networking project, we observed that process and politics received far more executive attention from the local government and the NGO than the 'real work'[7] of installing the infrastructure or other tangible steps towards improving the quality of life of the slum community.

SHARED VALUES

The problems we have described are not 'teething problems' of working the alliance. These problems are endemic and inherent between government and quasi-government organisations. Lack of shared values in the organisation is the root cause of the problems. Gandhiji had perceived the councillors as the servants of the people[8] and said that citizens have the right to ask them to resign if they fail to discharge their responsibilities properly. The contemporary councillors[9] do not share these values. Consequently, the employees of the organisation also do not share these values. Among the employees of the Municipal Corporation, two sets of values are dominant: colonial values and the values regarding job security and enhancement in one's career. These values coupled with the Corporation's structure, and combined with the skills of the people cause the many problems discussed above.

The 'new rigour and order' introduced in the AMC by the municipal commissioner, Keshav Varma was, according to us, limited to only the 'creamy layer' of the AMC, and that, too, only in certain departments. The AMC's organisation

structure, as experienced by SHARDA Trust over 30 months of the project duration, remained extremely functional and hierarchical. The hierarchical character of the corporation destroys all the employees' initiative. This, coupled with the value of concern only for one's career enhancement and job security, create systems in the organisation that are not conducive for ensuring quick response. The employees will use systems that will ensure that they cannot be blamed for any wrong decisions. In short the municipal corporation not working as a responsible partner in the alliance is inherent in the character of that organisation.

We are not pessimistic about the possibility of the councillors' values changing. However, this will only be possible when ordinary citizens stop being apathetic and demand accountability from their elected representatives. Only the citizens' 'pull factor' can change the values of today's government functionaries. The slum networking project at Sanjay Nagar is a small step towards mobilising this 'pull-factor' among low income communities in Ahmedabad.

EXPERIENCE WITH NGO SAATH

Low level of achievement in community development was an issue on which there was considerable disagreement between SHARDA Trust and SAATH. The Trust was concerned that SAATH was not able to meet its own targets. SAATH's philosophy, akin to that of most NGOs, is that initiating and consolidating the process of change is more important than somehow meeting the targets. And, according to the NGO, its activities were already showing some impact on the pattern of living in Sanjay Nagar. Also, the two organisations disagreed on the skill upgrading component. SHARDA Trust believed that work on it should get underway soon. Skill upgrading was not a priority item for SAATH. During a visit to Sanjay Nagar by the MD of Arvind Mills and the deputy municipal commissioner, SAATH was asked to jointly prepare a plan for the community to avail of existing income generation schemes. SAATH felt that it was being 'pushed' and did not prepare any plan. The NGO was from the very beginning, wary of the alliance with the corporate partner, fearing the 'big brother' syndrome. In its 7th Annual Report, SAATH expressed its dissatisfaction, saying that "both the organisations have a different perspective and stand regarding development issues affecting the slum residents in the Slum Networking Project".

IV
Corporate Participation

PHILANTHROPY TO ENLIGHTENED SELF-INTEREST

In spite of these experiences, we believe that the corporate sector should participate in urban poverty alleviation. It posseses certain strengths vis-a-vis the government and NGO sector. But if corporates are to participate meaningfully, the rationale for their participation must change from the philanthropy mode to that of an enlightened self-interest.

The role of industry, prima facie, is to create wealth through the production of goods and services. This production is to be carried out within a legal framework. The industry is expected to obey labour laws, pay taxes to the government and to respect the environment. Industries working within this framework are, according to us, fulfilling their 'social responsibility'. Anything beyond this is an additional burden. Investment in social development is a charge on profit before tax. In other words, social development is not the business or responsibility of the corporate sector. Nevertheless, certain corporates have, since their inception, made special efforts to go beyond their normal idea of business. Traditionally, the driving force behind such efforts has been philanthropy.

However, the philanthropy approach will not work effectively any more. Corporates can donate funds and be done with it. It is easy to give out doles. But this is not very meaningful. Most business houses do not formulate strategies for philanthropic activities. Sustained activities in this area is not a priority for the top management. Companies do not generally employ highly skilled persons for activities which run on a not-for-profit basis. A lax approach towards social development results in sporadic, ad hoc projects having little impact or long-term significance.

To make a mark in this field, corporates will necessarily require three basic attributes. First, a vision. A vision of a desirable society and the role of the company in that society. Second, the desire to be more than a donor or financier of development. Third and most importantly, the rationale for participation should be an enlightened self-interest. Unless the company has this kind of a stake in social development, it will not make a whole-hearted effort to bring about that development.

CORPORATE STRENGTHS

Corporates can add considerable value to projects such as the Sanjay Nagar project through their direct participation. They

can bring in the requisite skills to manage the project and bring it to fruition within the stipulated time and budget. Their systems and structures are flexible enough to effectively respond to contingencies and unplanned events, without compromising the project objectives. Quality is an important corporate watchword. Most importantly, the relationship with the slum community has been like that of a business partner, rather than that of a donor and beneficiary, or a ruler and subject.

The Indian corporate sector possesses a unique strength *vis-a-vis* NGOs, especially the ones dependent on foreign funding. This is the ability to set its own agenda and work in a professional manner. It has the ability to take risks and test out new ideas. Self-funding and local accountability gives Indian corporates tremendous flexibility in day-to-day functioning, solid credibility and sound monitoring. Whether they admit it or not, NGOs are bound to work in sectors for which foreign funding is forthcoming. Very often, the Indian NGOs' development agenda is influenced by funding agencies on the other side of the globe. NGOs claim that they are 'accountable' to the poor in their constituencies, but the reality is quite different.

. Corporates' Role in Skill Upgrading

In the long term, the urban poor can empower themselves only through economic empowerment. Economic empowerment can be achieved by upgrading their skills. As the Indian economy globalises itself, low-skilled people will be very badly hit. Therefore, development efforts should focus on helping the poor to upgrade their skills. Also, they will need to move into value added products and services if they are to significantly enhance their incomes. This is the role of the corporates. After all, who would be better equipped to help low-income communities in mapping out competitive strategies for their businesses? Day in and day out, companies identify viable businesses and train people to run them and compete worldwide. The corporates that go beyond being mere donors or financiers of development and involve themselves in economic empowerment will make a mark in the field of development.

V
Conclusion

The government of India and the state governments are concerned about providing housing to the weaker sections and creating employment. The

Maharashtra state under the Shiv Sena-BJP government[10] launched its ambitious Slum Redevelopment Scheme (SRD) more than two years ago. Only one building containing 128 tenements has been constructed so far. The tardy progress made by the government raises doubts about its promise of building ten lakh free houses for slum-dwellers in Mumbai over the next five years. Similarly, the Jawahar Rojgar Yojana and employment generating schemes like the Employment Guarantee Schemes have failed to make an impact on the unemployment scenario.

The experiment in Sanjay Nagar throws light on the reasons why such good intentions of the government do not yield results. It also shows that we need a newer approach to solve the unemployment problem. We must upgrade the skills of the unskilled so that the unskilled can create for themselves well paying employment opportunities. To achieve this we strongly believe that the government, the NGOs and the corporate sector must work in partnership, with the government playing the facilitator's role.

Note

[The views expressed in this article are the authors' personal views. We would like to record our sincere thanks to V L Mote for the many suggestions and comments he made on this article. We would also like to thank Dwijendra Tripathi for permitting us to draw upon observations made in his forthcoming book *Alliance for Change: Slum Upgrading Experiment* in Ahmedabad.]

1 Slum networking is an integrated urban development strategy which attempts to tackle the infrastructure and environmental problems of slums in such a manner that the city as a whole benefits. By upgrading city slums,

not as isolated islands, but as an urban net, it attempts to strengthen the city level infrastructure through networks. Actually, the networking strategy could not be demonstrated in the pilot project because geographically contiguous slums were not ready to participate in the project. Therefore, the Sanjay Nagar project is not an example of slum networking in the true sense of the term.

2 Letter of municipal commissioner to Municipal secretary, dated September 18, 1995, reference no 1, slum upgradation department, Ahmedabad municipal corporation (translated from the original in Gujarati).

3 From the letter written by P U Asnani, deputy municipal commissioner (health and corporate planning), AMC, to V L Mote, trustee, SHARDA Trust, on March 4, 1996.

4 Flagstone paving has other disadvantages, including vulnerability to pilferage, inability to take heavy loads and higher long-term maintenance cost. Despite these facts, the AMC continues to use stone paving in its own sites under the slum networking project.

5 Letter from deputy commissioner to assistant city engineer, op cit.

6 This documentation, carried out by Dwijendra Tripathi, appears in a forthcoming book titled *Alliance for Change*, published by Tata McGraw Hill Publishing, New Delhi.

7 See Zaleznik, Abraham: 'Real Work' in *Harvard Business Review*, November-December 1997.

8 Pathak, Devavrat N and Pravin N Sheth: *Sardar Vallabhbhai Patel: From Civic to National Leadership*, Navajivan Publishing House Ahmedabad 380014, March 1980, p 50, para 4. See also footnote numbered 13 on p 51.

9 'Keshav Varma has no time to discuss issues with me' an interview with the erstwhile mayor of Ahmedabad Bhavna Dave published in the June 20, 1996 in the *Times of India*, Ahmedabad edition.

10 'After two years, SRD is a non-starter' by Dionne Bunisha, *The Sunday Times of India*, December 21, 1997.