



**MAKING A HOUSE FROM PEOPLE'S FUND:
IMPORTANCE OF COMMUNITY DEVELOPMENT
.FUNDS IN SLUM UPGRADATION
A CASE STUDY OF MIRPARA COLONY**

BY

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Summary: This paper describes the essence and importance of Community Development Funds as a toll of social and economic change in the lower income group. The paper centers on how community development funds can help slum dwellers build their own houses along with infrastructure. The paper also takes a very close look at a slum named Mirpara Colony in the Howrah district of West Bengal. Its social and economic conditions are amply explained, the issues of this slum discussed and solutions are provided for an in situ rejuvenation of the slum through the help of Community Development Fund. An attempt has been made to answer the eternal question as to why the government fails to reach the poor especially when it comes to funds.

1.1 Introduction

Once upon a time, a very hungry man wandered into the town square looking for something to eat. His pockets were empty, though, and when he asked if anyone could spare a crust of bread, all he got were scowls and curses. So, hungrier than ever, he wandered down to the river, and began tossing stones into the water. Suddenly an idea came to him, and with one stone in his hand he returned to the market, where he gathered a crowd of curious townspeople. "With only this magic stone I can make delicious soup", the young man announced "and if some kind person would just lend me a ladle and a big pot of water, I'll show you." A ladle and a pot full of water were produced, the young man placed the stone inside and began stirring. After cooking a while he tasted a spoonful of the soup and said "it's coming along nicely, but just a few onions and potatoes would make it so much better." So a shopkeeper dashed off to bring onions to contribute to this fantastic soup made from a stone! After adding these, the young man took another spoonful and said. "Its really very good , but much tastier it would be for a nice fat chicken," which an eager housewife produced from her basket and added to the pot. Calls for salt, pepper, herbs and barely were likewise eagerly

met, and finally, when savory aroma rose from the pot, there was enough marvelous "stone soup" to feed everyone!

Stone soup has a lot of parallel with the way poor communities manage money. The poor especially poor women tend to think that they have no assets, no ideas, no capacity to help them or anybody else. Yet when lots of people start putting very small amounts of money together in a common pot, it grows exponentially. Initially the monetary value of the pot may be small, but what it creates in the form of organization, cooperation and agreement to honor transactions is something the outside world sees as having greater value than the amount of money they have as assets.

In these ways modest savings grow into communal funds which can lend money to buy rice for the next meal, or medicines for a sick child, or vegetables to sell in the market. For those who save and borrow, it is a system that is easy, friendly and easily available. And nobody has to humiliate himself begging for loans in times of need. So because the system works for them, people invest more of their daily earnings into these saving schemes.

Community organizations are not empty vessels but serious creators of resources. The only reason they haven't been able to leverage the larger resources they need for their housing and infrastructure projects is that their informal system are still largely considered "illegal" and unacceptable to financial and government institutions. If these institutions can adapt their systems to include recognitions of how important as asset *"stone soup"* is, they will find it much easier to contribute the most valuable asset they have to offer – Capital. Without this recognition, we will get stuck in a kind of tug of war, with the financial muscles and stiff regulation of big resources on the one side and the increasingly organized demand of the urban poor on the other end.

2. Advantages of the Community Development fund approach....

Community funds are not the only way of getting capital to the poor, and not all funds are delivered to the poor in the same way. But as a mechanism for doing that the community fund approach offers several advantages:

- 2.1. With community funds, money is “pulled” through the system by people’s needs, rather than “pushed” through by external developments agendas.** A fund can only supply capital and one cannot do anything effective with that capital unless there is an “effective demand” coming from the community. If communities are stuck in the old system of patronage and are not organized, this demand gets skewed. So only a few people benefit or the money disappears. The need and the project are determined by the people. *They* do the work and *they manage the* money, not agencies, not professionals, not NGOs. The fund is just a tool that helps them do that.

- 2.2. Community funds offer a lighter, more flexible and more effective way of channelising development resources directly to the poor.** Without the very heavy and expensive baggage that comes with the conventional development “projects” which eat up much money, and without all the bureaucracy of the state delivery mechanism, when the money gets stuck in red tape procedures and the bureaucracy or lost in corruption -when communities get involved in managing both the work and the money, it makes for a’ more efficient and balanced system of maximizing available skills and minimizing costs. Plus, revolving funds allow communities to use limited funds many times over, creating more assets with each revolution, and doing so in creative, dynamic ways which create lot of value.

2.3. Community funds help build transparency and accountability: A big stumbling block in community development process is that people do not know what money has come in and the community becomes a recipient rather than a participant. If everybody knows exactly how and where money is invested, the whole scenario changes. Participation is all about controlling money. If a community can raise funds, save funds and manage funds in a transparent and accountable way, it has been empowered.

2.4. Community funds are long term: Development is a long term process, not a short term project where the "outcome" has to meet "targets" in 3-5 years no matter what happens. *That's not how change really happens.* Change takes time and it almost never happens on schedule. Community funds are naturally long term propositions, and become resource for communities to do what they need to do even if it takes a long time. When a process is there for good, it can afford to wait for communities to come where they are ready.

3. All in the name of development:

Our cities are growing and so are our needs of infrastructure, housing, health care, and education. However, the city area does not grow which means the rich encroach upon the poor. And there is no one poorer than the slum dwellers. Also a lot of evictions / resettlement are taking place in the name of "***development***". Most of our cities are now in hot competition to host global investment. There is no question that cities need those improvements as they grow, but the way they are being planned, financed and carried out – and the way they are displacing people – has changed drastically.

Evictions are a major cause of poverty in our cities today- there is no beating around the bush about it. They are moving the poor from the city and pushing them into the

unserved peri-urban areas away from their place of work. They put additional burdens of time and transport expenses on the poor, making it difficult for mothers to work outside the home or settlement. They distance the poor from proper health care and educational institutions and increase the rich – poor divide. This creates alienation and hence conflict, which accompanied by poverty increases crime and violence. And above all, they produce new unserved or under-served settlements that government can ignore, since they are not in the city centers. And that is to say nothing of the violence and trauma that occurs during eviction, the lost investment in housing, the destruction of personal and household goods, the interruption of schooling and the fracturing of the delicate social support system in the old communities and neighborhoods.

Thus the only way available out of such a plethora of social and economic problems is in situ redevelopment of the existing slum/ squatter settlement.

4. MIRPARA COLONY - ONE BIG (HAPPY) FAMILY

Mirpara Colony is situated on the south-eastern end of liluah. The area, as can be guessed lacks the basic amenities of drinking water, drainage, solid waste disposal, street lights, and of course housing. The profession of the people can be mainly classified into household maids, rickshaw puller, mill workers, small business owners and masons. The average income of the household ranges anywhere between Rs 5,000 to Rs 8,000 per month; the family size is between 3 to 8 members per family. The slum has a population of about 100 people (approx.) with a density of 13 persons per sqr meter. Initially the area served as a dumping Ground of the Bally Municipalities solid waste. Very near to the dumping ground was a big pond. Into this pond drained the

overflow storm water of liluah. This pond was filled up, the land illegally occupied and the slum of Mirpara Colony grew up.

Mirpara Colony, the name is not new to me. I have known the place since I was a kid. The place doesn't hold a very good reputation and so, as a kid I was not allowed to venture into this part of my neighborhood. I also never really thought it as a place which could interest me. So the first time I visited it I was aware of the many curious onlookers. Luckily, I knew one family and I headed straight for the Das household. Meera Das, is a maid, (and she works in my house too) she has a son and a daughter of 19 and 16 respectively. She has been living in this slum for the past 12 years, since her husband abandoned her and she was left with two hungry mouths to feed. She lives in two rooms, which are not more than 7.5 sq meters each. A kitchen is a luxury under such conditions. They have a common toilet which serves about 40-50 people from the neighboring houses. She came to Mirpara Colony on the advice of her brother who works as a mill worker. Meera introduced me to some more households who had either come here because some distant relative lived or had been married to a family living here.

Thus, Mirpara Colony is one big family, who live together and when asked would not leave this place. This was because for some this place had given them their daily bread, their honor and a family immediate and extended whom they loved very dearly.

5. Issues

There are some major issues concerning the people of the area, they are:

5.1 Land Issue:

The major and most important problem of the people of Mirpara is ownership of land. Some 100 years back the land of Mirpara colony and its neighboring areas belonged to the Magistrate who lived in Liluah Mr. Chatterjee. Now, also in this area was a big pond which in those days was used for fishing and other activities. The area around the pond was let out for rent. The tenants of this area were people majorly from East Bengal,

who settled in and around Howrah after partitions. With the death of Mr.Chatterjee the family sold out considerable portions the property and moved out of Liluah. They could not sell the Mirpara Colony area because of the tenants and thus to this date the land legally belongs to the family. However, the tenants thereafter filled up the pond and illegally occupied the area. Now, post 1990, filling up of any water body for residential purposes has become illegal. So that part of the land which was originally a pond can be claimed by the government. But the other part which still remains with the family can become problematic for the slum dwellers. Also the original tenants have all left the colony and moved to better areas of liluah, the people actually living in Mirpara are the ones who came in at a much later date and are actually tenants to the original tenants.

5.2 Housing

Housing is another major issue of the people. The houses are mainly semi *kuccha* i.e. brick walls with asbestos roofing and concrete flooring. Some houses are totally *kuccha* i.e. tin walls held together with wires and asbestos roofing and concrete flooring. There are no mud structures. Also ventilation is an area of concern. Usually there are sky lights but that provides the room only light - no ventilation, and since cooking is done in the same room, ventilation is of utmost importance. However, the only housing problem which the people seem to acknowledge is the lack of space. The rooms are suffocating, small, and dark and damp (during the monsoons). Some houses have roofs that leak during the monsoon. The only good thing about the housing is the presence of a veranda with nearly 60% of the rooms. This veranda is a multi functional area; it's used for cooking, by the children for studying and at night for sleeping. Also during the day the women of the family uses this space as their workshop and storage area.

5.3. Water supply

Mirpara Colony is a notified slum of the Bally Municipality. The area has five Municipal water collection centers which cater to the 150 plus population. The municipality discharges water three times a day between 6.30 to 7.30 in the morning, 12 to 1.30 in the afternoon and 5.30 to 6.30 in the evenings. These taps are supposed to provide

water for both household and personal use and drinking. Also a small well is dug near the toilet. The water consumption of the people is about 30- 50 lpcd. Though there is no complaint against the amount of water provided everyday, there are long queue everyday especially during the morning hours. However, a major problem is that during the monsoons two of these taps are nearly submerged in the water. Then it becomes difficult to collect adequate water for the daily needs. Also water contamination and waterborne diseases is nothing new. Also for some households the water points are near to their houses and they can collect water easily, while for the others, the collection points are far away, which makes it difficult to gather and store large quantity of water. This storage problem is the maximum during monsoons when a major portion of the colony remains water logged for days together.

5.4. Solid Waste Disposal

Mirpara Colony does not have any municipal garbage collection van or door to door collection system. Thus, they have to fend for themselves. Solid waste is thrown nearly all over the place. Once a week it becomes the task of three house-holds to clean up their respective areas. This cleaning job can be done either by hired workers or by the members of the house-hold themselves. However, this is not enough. With the monsoons, comes water logging and the whole place starts stinking. The matter is matter worse by poor drainage and sewerage systems. The drains get choked with the solid waste and thus cause even more water logging. This leads to water contamination as the drain sewer from these choked drain overflow on the streets and get mixed with potable water from the taps. This problem of pipes getting choked was absent till a few years back. Originally Mirpara had deep concrete open drains. Then the Municipality (in order to control malaria) came up with the bright idea of laying pipes and covering these drains. Now the major problem is that the drains are not wide enough to carry all the waste water. Also if there is a leakage in the pipe it becomes difficult to locate since the pipes are underground. Again the pipes get choked with all the waste produced by the house-hold. Thus, in the municipality's effort to reduced malaria they have actually aggravated the Solid Waste Disposal and Sewerage problems.

5.5. Streets and Street Lighting

It does not take a lot of guessing that the condition of the roads and lanes of the Colony is bad. The width of the road range from 3 feet being the narrowest to the widest being about 10 feet. Sometimes the roads are encroached upon by the residents. These encroachments are made in terms of using the road to layout stuff that needs to be sun dried. Another problem is that the streets are not paved, which causes them to get muddy after every shower. Street Lighting is also a problem though the residents do not complain about it. However, women complain that it becomes difficult to move out of the house after sunset since the streets become very dark and vacant. But the children face the maximum problem because they have to come back home after attending the tuition classes. They said that it is difficult sometimes to distinguish the road from the drains in the dark. The problem is worse during the monsoons.

6. Talking to the Bad Guys

There is no two ways that the government has not been able to reach the poor, especially when it concerns finance. This is majorly because we still do not have a national government which is ready to give flexibility to the people. For the last 50 years, the government has seen itself as a major development player, and has set up very complex institutions, whose existence cannot be justified if you give the money to someone else! So, if there is a HUDCO in place, for instance, with all those people and those offices and infrastructure why would the government give money to any community development fund? This is a very intrinsic government belief which continues to dominate formal development. However much as we disagree, the government is going to deliver development.

The Bally Municipality has drawn up a Draft Development plan 2007-2012, which allocated a fund of 3.1 lacs to Mirpara colony. This money is to be used for access to

Safe Drinking Water, Sewerage, Storm Water Drainage, Solid Waste Management, Street Lights and Housing. This money is allocated under the Integrated Housing and Slum Development Programme (IHSDP). The money comes from the Ministry of Housing & Urban Poverty Alleviation to the municipality, which then decides what amount of the money will be spend on Infrastructure, Housing, Drinking Water and so on. Also it's on the discretion of the municipality who decides which slum gets what amount. So the slum dwellers hardly have a say in either the allocation of funds or in the sector on which the amount will be spent.

When I asked as to on what basis was Mirpara Colony chosen and 3.1 lacs allotted annually, nobody had an answer. The next question was, did the authority not realize that 3.1 is too small a sum and the work that needed to be done too big? The authority (Commissioner of Liluah), did agree that they too realized that the money allotted is too small and the project needed nearly 4 or 5 times the amount, but there is shortage of funds. He went to say that Mirpara should consider itself lucky that they have been allotted some money, because there are so many slums under the bally municipality which have not been allotted anything. There are still more slums which till date waiting to be notified. The municipality hires contractors to do the necessary work, who then get paid by the municipality directly. The slum dwellers do not have any contact with the money. Also more often then not, by the time even half of the work is done all the money is over, which means the work is left half done and works begins only the next year when more money arrives. The only participation of the slum dwellers is in the form of a signature which the municipality needs to get approved from the residents of any area which it develops. And since most of them do not understand the complex language of the no objection notice, all they do is, sign on it.

7. Solutions

Since the amount allocated for development to Mirpara Colony is so less, it is but necessary to generate funds from the slum itself. Also since the income disparity is not much, a consensus can be achieved as to how much each month each household has to

put in to the Community Development fund. With this available fund (which is a considerable amount), the community undertakes development of things it considers the most important. Now there are certain ways in which this can be undertaken.

7.1 Land purchase and re-blocking:

A greater part of the land on which the slum has developed is on the pond which was filled up. Now, according to the building rules, filling up any water body is considered illegal. Hence, the government can well claim the land. Once the government takes possession of that land, then the Community can negotiate with the government regarding a 99 or 33 year lease on the land with a minimal rent. The other half of the land (which is a small portion) which still belongs to the family can be negotiated with the family and bought at a rate lower than the market price. This money which will be needed to purchase land will be provided by the community development fund and no individual family will be responsible for it. Once the legal matters are settled, the members of the community development fund can either arrange for housing loans for its people at low interest rates, or provide loans to the people from the remaining community fund. With the available housing loan the households can repair, maintain or build a new home for themselves. The household usually builds their own homes which bring down the cost of building the houses. The families also use materials available from their old houses to save money.

The cost of building a 25 sqr feet house will cost anywhere between Rs 25000 to Rs 35000. This includes Rs 500 for infrastructure and the rest for building and lease rent. Labour cost is excluded because the people of Mirpara would like to build their own houses. But if labour cost is included, it will raise the cost by another 35%. This amount of Rs 25000 is partly paid by the family and the rest paid by soft loans. The interest of the soft loan comes to around Rs. 1218 per year-which is a little more than Rs 100 a month. Thus, in this way, the community fund can help build infrastructure and housing for the people of Mirpara.

7.2. Land Sharing

The main idea of land sharing is that of the total area of land on which the settlement is based a portion of it will be handed over to a developer. Now as pointed out earlier, a major portion being illegally filled can actually be claimed as government land. The other half of it will be bought by the slum dwellers from the family at a rate lower than the market price. Once the land legally belongs to the slum dwellers, they can sell it at either the same price or at a higher price to the developer. Now it becomes the developer's duty to provide the area with the entire infrastructure. The developer runs from one place to the other to get things together. Then the developer can build apartment catering to the High Income and Middle Income Group on one half (or as agreed by the people of Mirpara and the developer) while on the other half he has to provide housing for the people.

This is a win win situation for both parties. With the introduction of infrastructure, the land prices of the area escalate. But the developer has already bought the land for a very low price. So when he sells of the apartments at a high price he is at a profit while the people of Mirpara get their houses build at a very low cost. Also the people get their much needed infrastructure for which they will have to pay only for the maintenance while the developer pays for its installation. It is a known fact that a developer has better contacts with higher officials than any one from a slum. So the developer uses his/her contacts to get the infrastructure quickly which otherwise would take a lot of time and persuasion of the people of Mirpara.

The 35 households of Mirpara Colony lives in 0.3 hectares of land. The land prices of the area (according to the West Bengal Valuation Board), is Rs 200 per sqr feet. But this price is not the real land price of the area. The real price of the area ranges anywhere between Rs 575 to Rs 750 per sqr feet. With the addition of infrastructure and removal of the so called slums, this price will further go up to Rs 1200 to Rs 1500 per sqr feet. So even if the developer builds about 0.175 hectares of land at an escalated price he stands a good chance of making a huge to decent profit. As for the

people of Mirpara, they can either get built homes from the developer, or they can hire labourers or they can themselves build the houses. The only problem arising out of this will be that now all the 35 households will have to live in less than half the area they previously occupied. For this they will need to consult a professional architect. This architect will listen to their specific requirements and design homes accordingly. The fees of the architect will be taken care of by the Community Development Fund.

Another very important task of the Community Development fund will be the maintenance of the infrastructure provided. Some people may want loans for their housing. The Fund can provide some money as credit to them. The people get to decide on how much each household will get and who will head the Community Development Fund. The 3.1 lac which the municipality allocates to Mirpara every year can come directly to the fund, which then decides what exactly needs to be repaired and use the money in the best possible way. The Community Development Fund can also be used to build a community hall which will be multi purpose hall. This space can be used for different purposes, e.g. marriages, spiritual gatherings, meetings and get together. Also the hall can be used as production centers of small handy crafts which the women can produce at leisure. E.g. in Liluah, there are lots of safety pin factories. Now the body of the safety pin does not need a lot of heavy machinery to be used. They can be made by the use of very simple tools at home. The Community Development group can work together to get such contracts from the mill owners and the women can do this work which will become an extra income for the family. Thus, the community development group will not only be an economic group but will actually work as a community development group.

8. Conclusion

Most citizens still think that the municipality should manage the city – but the municipal authority does not have much power. Governance systems need to be established so that citizens feel that it is their city and that they are part of the development. This can

be possible only if many communities with their development funds come together and join hands. Different aspects of city/ area management can be decentralized to communities – for instance, for public parks and markets, maintenance of public water bodies, solid waste collection and recycling and community development programmes. Opening up more rooms to become involved in such tasks is the new frontier for real decentralization. When low-income households and their community organizations do the upgrading, and their work is accepted by other city actors, it will enhance their status within the city as key partners in solving citywide problems.