

Master plan targets slums: Vancouver firm fights to be part of \$50B 'rehabilitation'

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It's one of India's largest and most affluent cities, but Mumbai is also home to the country's biggest slums, where millions of people live in poor, unhygienic conditions. An ambitious, \$50-billion "slum rehabilitation scheme" is now in the works, aimed at renewing the city's most derelict neighbourhoods and improving the lives of its residents.

And an unheralded building design company from Vancouver hopes to participate in the scheme. But as Minaean International Corp. has discovered, the rehabilitation effort is attracting controversy, and opposition. The National Post's Brian Hutchinson recently travelled to the city.

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MUMBAI - Naked from the waist down, a small boy teeters from a crumbling hovel -- his home -- and into a muddy lane, one of hundreds that wind through Dharavi, this city's largest slum and the biggest in Asia. He spies a large puddle, freshly formed after an unexpected downpour, and makes a dash for it.

The rain has cooled off this labyrinthine shantytown, offering Dharavi's one million residents some relief from the heat and dust that infiltrate every crack and corner. Grinning from ear to ear, the boy lands in the puddle with a splash. His mother soon arrives with a washcloth and soap, and begins to scrub him.

Mumbai (known as Bombay until an official name change in 1996) prides itself on being India's financial and industrial hub. Yet 40% of its estimated 12 million to 15 million inhabitants live in its many scattered slums.

Dharavi is the most notorious and most visible reminder of Mumbai's worst failure. It occupies a sullen 175-hectare patch of city-owned property that is bordered by highways and Mumbai's international and domestic airport. For many visitors arriving by air, this ramshackle hodgepodge of mud-and-brick huts offers a jarring first impression of the subcontinent's brashest, most confident city.

Remarkably, Dharavi is just a few kilometres from one of India's wealthiest neighbourhoods, where Bollywood celebrities mingle with stars of media and commerce. Penury and affluence, cheek by jowl: This is India at its most incongruous and its most familiar.

Some people see in places like Dharavi nothing but misery and waste.

Others, including a small Canadian company, see opportunity and dollars.

Earlier this year, Mumbai's municipal government gave its formal commitment to an amended, decades-old plan to restore the city to its former grandeur, real or imagined, in large part by "rehabilitating" its many slums, including Dharavi. The cost: a staggering \$50-billion.

It's a price local, regional and federal officials say must be paid if Mumbai is to retain its status as India's economic engine and help the country achieve its full potential as a global power. To compete for international trade, many Indian politicians insist, Mumbai needs to transform itself from "Slumbay" into a showpiece. To join the ranks of other Asian metropolises, it must, like Shanghai in China, be overhauled and refurbished.

Vancouver-based Minaean International Corp. wants to play a role in Mumbai's rebirth. The company designs and manufactures low-cost steel-frame and steel-wall systems and building kits, and aggressively markets them in developing countries through a number of wholly owned subsidiaries.

Until recently, Minaean has focused its sales efforts in areas plagued by natural disasters, offering durable and easy-to-build steel replacement housing to villagers left homeless by earthquakes and floods. But Mumbai's slum rehabilitation plan has set Minaean on a new and potentially more lucrative course. "We think we have the perfect solution to the slum housing problem in India," says Mervyn Pinto, one of Minaean's founders and chairman of Mumbai-based Minaean Habitat

(India) Pvt. Ltd. "Our building technologies rely on high-grade steel that is lightweight and easy to assemble, and extremely durable."

In India, steel building construction is in its infancy; most developers still use traditional bricks and mortar to erect houses, office buildings and even skyscrapers. Mr. Pinto aims to change that. A Canadian of Indian origin, he has spent the past four years building alliances with firms in major cities across the subcontinent and has recently bagged a giant: Tata Iron and Steel Co. Ltd., India's second-largest steel producer. "Tata provides the steel, and we design and market the building kits," says Mr. Pinto. Minaean has leveraged the new partnership to land a handful of small construction projects in India in the past year. It's building dormitories for several schools and religious shrines. The projects are modest, valued at well under \$1 million each. Small potatoes, when compared to Mumbai's proposed slum rehabilitation scheme -- and far less complicated to execute.

The company will have to persuade investors back home that it's worthy of their interest. Minaean's chairman, Hari Varshney, has a history of promoting highly speculative ventures, including two failed Internet gambling companies that were listed on the defunct Vancouver Stock Exchange.

Minaean, which trades on the TSX Venture Exchange, is less ephemeral.

Its recent deals in India and its relationship with Tata Steel lend it credibility. But its new challenge in Mumbai is monumental. To win a place at the table and reap large profits, Minaean will not only have to convince local stakeholders that lightweight, steel-frame housing is desirable, it must negotiate through layers of a sluggish and corrupt bureaucracy. It must rely on rehabilitation funding that's supposed to come from private sources and international relief agencies; little, if any, of the money has been secured.

What's more, Mumbai's slum redevelopment scheme has already attracted controversy. Critics here object to the plan's focus on dismantling existing shantytowns. Slums like Dharavi have been around for decades; those built before 1995 have full municipal status and are considered legitimate neighbourhoods.

While squalid and unhygienic, they at least provide room for the city's underclass and its vast pool of labourers -- the men and women who perform daily menial tasks for Mumbai's middle class and elite. "The slum dwellers are where they are because there is demand for them in the heart of Mumbai, and in and around all the suburbs," notes Indian journalist and editor Babychen Mathew, voicing a position that is rarely heard, but commonly held. "Face it: Mumbai will never be Shanghai."

Others insist that, far from solving the city's housing crisis, slum clearance will enable greedy developers to enrich themselves and their investors, simply by ignoring rehabilitation rules. This is not idle speculation; it has already happened where sections of "illegal" post-1995 slums have been removed from public lands in Mumbai.

In most cases, private developers were handed free title to the cleared land, but only after committing to build inexpensive replacement housing for slum dwellers on half of the property. To finance construction, developers were free to build and sell commercial and private residential units on the remaining half.

But according to a report tabled in March by local poverty activists, some developers involved in the first few phases of Mumbai's slum rehabilitation scheme brazenly flaunted the requirements, building only luxury-style apartments and shopping malls on razed slum lands. They allegedly got around the laws by bribing city officials with cash or by offering them their choice of new residential units.

The slum report's author, a former police officer, wrote that private builders "made it rich by grabbing land that was legally and specifically meant for low-cost housing for the poor.... There has been a criminal abuse of specific legal provisions ... to the extent that these laws have almost ceased to operate."

Medha Patkar, a well-known Indian social activist, is a vocal opponent of Mumbai's slum rehabilitation movement. She calls it "the scam of the century." Last month, Ms. Patkar led a group of displaced slum dwellers in a protest march. Promised new housing, they had instead been left homeless by rapacious developers.

The march turned ugly after an altercation with police. According to press reports, "many people, particularly women and children, sustained injuries in the stampede that followed." Ms. Patkar was arrested and carted off to jail.

Such is the volatile political environment into which tiny Minaean has wandered. If it is to grab a piece of the \$50-billion slum rehabilitation initiative, the company must somehow first placate and befriend those at its centre -- the slum dwellers themselves. The company may have found an important ally: Mumbai's Slum Rehabilitation Society. A front-line, non-profit organization that works on behalf of the city's slum dwellers, the society has supervised some small redevelopment initiatives, and without controversy.

But the number of new homes built in the past eight years -- about 30,000--is miniscule, considering the size of Mumbai's slum problem.

"It's completely inadequate," admits the society's director, Adolf Tragler.

Mr. Tragler, a native of Austria and a former Catholic priest, has spent the past three decades living and working inside Mumbai's slums. It shows. His eyes are ringed with dark circles. He speaks slowly and pauses often to sigh, exuding fatigue. "Nothing moves quickly in Mumbai," says Mr. Tragler, sipping chai inside his small office on the edge of another large slum, in a section of Mumbai known as Bandra.

He may not seem like a powerbroker, but as director of the city's biggest slum advocacy group, Mr. Tragler wields tremendous clout. A foreign company hoping to participate in the main rehabilitation project will need backing from his society. This is something that Minaean's Mr. Pinto seems to understand; he has visited with Mr. Tragler three times in the past year, each time impressing upon him the claim that the company's steel-frame building technique, while unfamiliar to Indians and perhaps 10% more expensive than ordinary bricks and mortar, is designed for speed.

And speed is one commodity still lacking in India today. "I like Minaean's technology," says Mr. Tragler. "I know they could come in here and build homes quickly with their steel frames and steel interior finishing."

Density is not an issue, either. Mumbai's rehabilitation proposal calls for six- and seven-storey buildings to replace the hodge-podge of unstable brick dwellings that clog Mumbai's slums.

Minaean's steel-frame buildings can reach up to 10 storeys. "Minaean wants to come in and do a deal now, and start work tomorrow," smiles Mr. Tragler. "I like its enthusiasm. But this is not like China or Canada, where things just happen. In our rehabilitation scheme, 70% of slum dwellers must agree to the plan before it can proceed. This is difficult to organize. That's our headache. The other 30% can be forced into the scheme or else removed. But that leads to court cases, which can take decades to resolve." In India, he adds dryly, "courtrooms are places to avoid."

Still, some progress is being made. Mumbai's municipal leaders have sweetened an older redevelopment plan, adding amendments aimed at appeasing slum dwellers. The rehabilitation of established, legal slums such as Dharavi will exclude private speculators and local real estate developers. Each householder will be entitled to a new 70-square-metre apartment, with plumbing and a kitchen raised a few feet from the floor, in a multistorey building boasting its own community centre. Schools and health clinics will be provided. All free of charge.

It may sound too good to be true, but it may not be enough. According to Mr. Tragler, "people are now coming forward and demanding more benefits," things like extra services and larger apartments.

Even if the Slum Rehabilitation Society is on its side, Minaean has to address questions about the quality of its steel-frame construction. To help convince government officials and local builders that its steel-house technology is not only sound, but also suitable for the Indian lifestyle and climate, Minaean has dispatched an experienced Canadian house builder to Mumbai. Terry Rule moved here late last year and has crisscrossed the country, helping direct Minaean's small dormitory projects while pitching other initiatives, including the slum rehabilitation scheme.

It hasn't been easy. "A common perception here seems to be that steel-frame construction is flimsy," says Mr. Rule, an affable Vancouver native in his early fifties. "Part of the problem is that some earlier steel projects used light-gauge material. They were cheap and nasty. They fell apart."

Buildings made with bricks and mortar may appear to be solid, at least when new, but in India, quality controls are lacking, he adds. "The abundant moisture levels that you find everywhere causes brick and concrete to deteriorate much more quickly than steel," says Mr. Rule. "And bricks and cement act as a heat sink. They hold the heat very well, which is a problem in cities where 30 C is the norm." The problem is exacerbated in such dense areas as Dharavi, especially where most buildings lack air conditioning or even proper air circulation.

Mr. Rule thinks Minaean's greatest opportunity may actually rest with India's growing middle class. "People here are starving for anything Western, including detached homes," he says. Still, he admits that slum rehabilitation is the country's most pressing issue.

The need for better housing is obvious; one only has to witness a child being scrubbed on a muddy Dharavi lane to recognize that. The question is not if Minaean can help improve lives here. The real question is when. "This is India," says Mervyn Pinto. "Things move at a slow pace. But we will be here tomorrow, and the next day."

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Photo: Bill Keay, CanWest News Service / Hari Varsheny, chairman of Minaean International, must persuade Canadian investors his firm's steel-frame building technology will work in India.

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