



भारतीय प्रबंध संस्थान बेंगलूर
INDIAN INSTITUTE OF MANAGEMENT
BANGALORE

WORKING PAPER NO: 429

**The Challenge of Relocating Urban Slums
The Impact of Program Governance on its Acceptance**

Dinesh Kumar Masta

Doctoral Student,

Economics and Social Sciences

Indian Institute of Management Bangalore

Bannerghatta Road, Bangalore – 5600 76

dineshm07@iimb.ernet.in

Gopal Naik

Professor

Economics & Social Science

Indian Institute of Management Bangalore

Bannerghatta Road, Bangalore – 5600 76

Ph: 080-26993194

gopalan@iimb.ernet.in

Kanchan Mukherjee

Associate Professor,

Organisational Behaviour & Human Resources Management

Indian Institute of Management Bangalore

Bannerghatta Road, Bangalore – 5600 76

Ph: 080-26993332

kanchan.mukherjee@iimb.ernet.in

Year of Publication-November 2013

The Challenge of Relocating Urban Slums

The Impact of Program Governance on its Acceptance

Dinesh Kumar Masta, Gopal Naik, Kanchan Mukherjee

Indian Institute of Management Bangalore

1 Dissertation Summary

Slum- rehabilitation and checking growth of urban slums have been important policy targets in urban management. According to Millennium Development Goals (MDG) of United Nations, these targets are very important for environment sustainability. Before entering into this discussion, it is important to provide a contextual meaning for the term 'slum'. According to UN expert group on slums- "(It) is a contiguous settlement where the inhabitants are characterized as having inadequate housing and basic services. A slum is often not recognized and addressed by the public authorities as an integral or equal part of the city".

In its proposal documents towards MDG, 'Cities Alliance' defined slums as "high density, squalid central city tenements to spontaneous squatter settlements without legal recognition or rights, sprawling at the edge of cities". Our idea of urban slums is in line with these descriptions. Goal 7, under MDG focuses on 'ensuring

environment sustainability' and target 11 under this goal aims to make significant improvement in the lives of at least 100 million slum dwellers worldwide by year 2020; and to finally eradicate slums altogether from urban landscape leading to "cities without slums".

In operational terms, complete eradication of slums from urban landscape is a daunting task by any means. An attempt in that direction needs to focus on two complementary action-plans simultaneously. On one hand, urban policy makers have to find a way to stop creation of slums, possibly by making urban housing more affordable for poor people, with the help of urban land policy and other complementary policy tools. On the other hand, they also have to assist in improvement of housing conditions of existing slums through rehabilitation programs.

Such rehabilitation could either extend housing assistance on the same site which is inhabited by a slum (in-situ rehabilitation), or on some alternative site evicting the existing one (relocation and resettlement). Between both kinds of rehabilitation, in-situ rehabilitation gets higher acceptance rate. Under it, budgetary support is extended through some government agencies, to improve the dwelling conditions of slums on the same site. Such unconditional transfer payment obviously finds favor by slum-dwellers since they are not required to give away anything in exchange for such assistance.

Despite its apparent advantage in terms of acceptability, in-situ rehabilitation is not always feasible due to various reasons. In some cases, the specific geography of a slum location (e.g. tank-bed, mushy land, or drain-side location) is not suitable for housing, while in some other cases land requirement for some societal needs (railway expansion or infrastructure building etc.) might lead to stronger alternative

claims. In such situations, residents of the respective slum settlement are asked to move permanently to an alternative location, and resettle at that place, mostly with government assistance. Whatever be the reason, relocation of some slums in central cities is unavoidable in certain situations. The focus of current research is on such relocation and resettlement (R&R) of urban slums.

R&R of slum-dwellers has been a difficult challenge to urban management. An entire set of people living in a slum have to be uprooted and re-rooted in a place with different social ecology. The implications of such change of residential location are spread in multiple dimensions of their respective lives. They receive benefits in terms of subsidized houses with tenure security. At the same time, they also have to bear cost of relocation like loss/change of employment, longer commuting distance, and disruption of social ties and so on.

In order to make a R&R program acceptable to slum-dwellers, protection of their perceived welfare level is an important consideration. To ensure that, such program should take into account the intangible cost-benefit perceptions of slum-dwellers and design a R&R program in such a way that it addresses the priorities of people living in slums, during their relocation as well as resettlement period. Design and implementation of such a program would require information about relative priorities of slum-dwellers when they face a R&R offer. This issue has hardly been discussed in existing academic literature. Our study addresses this gap by attempting to understand the role and importance of various factors in the decision-making of slum-dwellers while considering a relocation offer.

In terms of their design and functioning, slum relocation programs (particularly in India) are very different, in multiple ways, from the usual residential relocation

involving individual households. The first major difference is that slum-relocation (in India and some other developing countries) is executed in totality, i.e. it involves the movement of the entire neighborhood from one location to another. Such a group might be constituted of a very diverse set of households and therefore theoretical models that focus on household level demographic information does not suit our research context. The second point of difference is that individual households in a relocating group might be in different stages of their respective life cycles. They might differ widely in terms of their age, marital status and, age of kids etc. Due to simultaneous residential movement of people, life-cycle models do not fit the contextual requirement of our research. The third difference is that unlike traditional discrete choice models, slum-dwellers who are facing a relocation offer, do not generally have multiple destination options. Their destination site is generally determined by urban authorities based on land availability, in different parts of the city, and they are rarely in a position to make a choice about it. Due to the lack of location choice during such residential movement, discrete choice models are also ruled out from our research context. The fourth difference is that process of R&R is implemented out of market and therefore pricing of house does not play any role in it. Since price is crucial information in most housing selection model, they could not be used to analyze relocation of slums.

Due to these peculiarities, the research context required a theoretical framework that could disaggregate collective decision-making of slum-dwellers and examine the outcome of such decision-making as a function of prevailing socio-political-economic variables in slums. In an attempt to do that, we focused on specific factors that influence behavioral response outcome when urban slum-dwellers face a R&R offer.

We examined the problem using theory of planned behavior (TPB) framework since this theory allowed us to study the household level decision-making process and examine the impact of different behavioral beliefs on their decisions.

Through a series of interaction with residents of different slums in Bangalore, those living in relocation home, junior and senior level officials, and other stakeholders, we identified different set of variables that were seemingly important for our research context. We classified these variables based on their conceptual or functional similarities and afterwards grouped them into TPB (Theory of Planned Behavior) framework. According to the TPB model that we have used, intentions to accept R&R are determined by three independent constructs i.e. attitude, subjective norms and perceived behavioral control (PBC). PBC itself constitutes two sub-constructs namely self-efficacy and controllability as its components. All these constructs are moderated by their respective belief-sets.

After grouping all the variables into their respective constructs or associated beliefs, we found that the existing is insufficient in one aspect. In India, slums are relocated as a whole and therefore the residential movement, as well as the response to R&R offer includes some element of collectivity in it. The anticipation about the dynamics of one's own group during resettlement period, is found to be important, in facing the possible adversities. Since TPB framework has not been used to examine collective or team behavior in existing studies, we proposed an extension of theoretical model, by including an additional construct i.e. collective efficacy perceptions determining the intentions. These perceptions themselves are determined by their respective beliefs about group's ability to act collectively with a common objective.

Survey instrument has been prepared in line with existing scales and guidelines related to TPB and then translated into local language, which is spoken and understood by most slum-dwellers in Bangalore. Field survey was conducted in four slums located in different parts of the city covering a total number of 266 respondents.

As mentioned earlier, our research attempted to examine the relationship between many belief-based variables from different aspects of socio-political and economic environment in slums and the decision-making in response to R&R offer. These relationships are mediated by different constructs in the model. In order to examine the causation path coming from different belief sets, we chose Partial Least Square Path Modeling (PLSPM) method of analyzing the data.

As our first step in data analysis, the inner structural model has been examined to check the suitability of TPB framework for our research context. The results show that most of the inner model coefficients are good predictors of intentions and thus validate our choice of TPB as our theoretical framework. In our next step, we examined our next set of hypothesized relationship between an inner model construct, and its respective set of beliefs. All, but one, hypothesized relationships showed results in the expected lines. We would discuss them here one by one.

Presence of amenities like schools, hospitals, and shopping facilities as well as suitability of proposed house, at the destination site are hypothesized to moderate the attitude towards R&R. A higher score on these belief-based variables is supposed to be positively correlated to higher attitude towards R&R. In addition to that, emotional attachment to existing house is also supposed to moderate attitude in opposite direction, which means that higher level of attachment to existing house would lead to lower score on attitude towards relocation acceptance. Our study

found that amenities present (or absent) at the destination site do not have any role in the decision-making of slum-dwellers when they contemplate about R&R, but the assessment of the house in terms of construction-quality and design suitability impacts their decision towards it. As expected, people showing higher emotional attachment with their respective slum houses are found to have lower attitude score towards R&R; and, such attachment gets stronger with increases in duration of stay in a slum settlement.

There had been a commonly held belief in many stakeholders that political leaders and relatives of slum-dwellers play a very important role in their decision-making. Our model shows that this might be true, but there are not very strong statistical evidences to support this hypothesis. The hypothesis that subjective norms towards it, positively affect intentions towards R&R found limited statistical support (5%ip value;10%).

Perceived behavioral control (PBC) is the next important construct in our model and its two sub-constructs i.e. self-efficacy and controllability are hypothesized to have positive influence on intentions towards R&R, which is validated in our data analysis. In the next step, we examined the impact of efficacy beliefs (including bus facilities, employment availability, and safety perception around destination site) on their intentions to accept relocation. This relationship is mediated first by self-efficacy and then by PBC. Our study found that efficacy beliefs do have a role in determining intentions towards R&R, which means that better perceptions about employment prospects, conveyance facility, and physical safety at the destination location contribute towards higher PBC, and subsequently raise the acceptability of the program.

Control beliefs modify the other sub-construct of PBC, i.e. controllability. They are related to the perceptions that government machinery would help them resettle, by providing assistance on specific issues related to their relocation. These beliefs reflect the perception of slum-dwellers about the overall governance of the program and a low score on them leads to lower PBC and consequently lower intentions to accept R&R. Our study validates this hypothesis and reaffirms that lower intentions to accept R&R might be caused by poor perception of overall governance of the program.

The final set of belief-based variable is related to collectivity beliefs and it shows a moderate, but very distinct effect on their intention to accept such offers. We have not conducted any specific study to examine the reasons behind it and this could possibly be a direction for future research. However, our understanding of the context helps us suggest one possible explanation behind it. In urban slums, it is a commonly held perception that government machinery would try to abscond the slum-dwellers as soon as they leave the central city land and move to a relocation site. Like a game theory situation, once they relocate, slum-dwellers lose control over their lives and over the land parcel, previously occupied by them, and they do not have any mechanism to ensure the compliance of the agreement by the other side, i.e. government machinery. In case government officials and political leaders do not fulfill their part of the commitment, there is little that slum-dwellers could do about it. For example, if they are given assurance about some specific bus service to facilitate their commuting, and such service is not provided after their relocation, they could land up in a difficult situation. In case when it really happens, the only power through which slum-dwellers could pressurize government machinery comes

through their collectivity. They could help each other, hold agitations, and align themselves with some political entity in order to get some control over the situation. Collective efficacy could thus serve as an insurance against any unforeseen adversity during resettlement period.

In a litigation by the residents of a specific slum, opposing slum-relocation in Bangalore (India) the respective court commented that slum-dwellers are not clear why they oppose it and what they want in terms of housing. We saw this observation as a challenge for public policy and as a motivation for our research.

The popular perceptions generally cite poor amenities in relocation site as one major reason for poor acceptance of R&R programs. However, the specific amenities, which are important to slum-dwellers, have hardly been discussed during assessment of such programs. In order to address this issue, we examined different urban amenities and their relative importance for slum-dwellers. Our study found that schools, hospitals, and shopping facilities are not considered important by them at the time when they face R&R offer. One possible reason for their indifference is that they assume such amenities would follow them to relocation site, either by government initiative or due to responsiveness of the market. Another possibility is that they do not care about education and health due to various reasons. In any case, decision to establish schools and hospitals in their vicinity in relocation site does not find justification in terms of better acceptance, though there might be more valid reasons for State to do so.

In terms of amenities, public transport is found to be important as it enhances the choice of workplace and thus raises self-efficacy of slum-dwellers. Better public transport near proposed relocation site might bring down vulnerability of relocating

people, as they could commute to longer distance for jobs and other reasons.

Job availability and safety perceptions are some other important beliefs that moderate self-efficacy of relocating people. From a policy perspective, we could say that those corners of city periphery, which have been witnessing development activities, could be seen as potential employment centers while choosing a relocation site. Safety perceptions are generally governed by type of neighborhood and overall attitude of general administration towards these people. Ensuring their participation in site selection and in the political processes at the destination site could help them on these aspects. Focusing on these aspects of program governance could probably make the process of R&R more acceptable.

The act of R&R affects the lives of slum-dwellers in several different dimensions and therefore better governance could be implemented through multiple aspects of the program. House quality is one such dimension that relates to governance perception among slum-dwellers. Those who perceived the design and the construction quality as poor showed lower intentions to accept R&R offer. A participatory system of designing and monitoring construction quality could probably help in that direction. According to a policy document (BSUP Primer) from Government of India, people in minority community, under a slum-rehabilitation program in Maharashtra, refused to use the toilet built inside their houses as the geographical direction of the units was seen as against their religious practices. This incidence highlights the case for participatory governance on such issues.

Control beliefs represent another dimension of governance of R&R programs. A lower score in beliefs about responsiveness of government machinery leads to lower intention score towards relocation acceptance. Conversely, it implies that

by improving the perception of slum-dwellers about the promptness of procedural governance like Public Distribution System (PDS) account transfer and grievance redressal mechanism, the acceptance of slum-relocation program could be improved.

Our research has attempted to address a policy challenge in urban management. However, many loose threads have to be left that way in order to keep focus on current research. For example, we found that people with poor perceptions about house design and construction quality are less likely to accept relocation. This hypothesis is based on the assumption that perceptions about house design and construction quality determine the intentions to accept relocation. We have not examined the reverse direction of the causality i.e. whether lower intentions towards relocation cause poor perceptions about house design and construction quality. The causal direction of many such paths could be questioned and validity of such assumptions could be tested in future research. Our research concludes that acceptance of Relocation and Resettlement (R&R) offer for urban slums could be enhanced by increasing participation of slum-dwellers in the process and by improving governance of such programs.