

UPDATE

Issue No. 6

December 28, 2000

THE ISSUE OF POLLUTING INDUSTRIES: & THE *POLITICS OF RELOCATION*

The recent turbulence in the Capital represented the success of the “neo-liberal” development path in affecting all the sections of the society. In fact, it encapsulated the multi-faceted processes going on in the whole of India. All the variables activated at the wake of globalising India seem to be jumbled up in the incidences. On the one hand, a determined neo-liberal ruling class thrives on the most anti-liberal coercive state machinery and means justified by the sanctified judiciary. The petty bourgeoisie, on the other, are struggling to bargain for their existence and to be accommodated as contractors and sub-contractors in the evolving corporate structure. And, always on the receiving end is the working class being pawned by its leadership (acting as labour contractors) in the process. Hence, we witnessed Jagmohan’s confidence and determination boosted by the bureaucracy and consecrated by the judicial pronouncements. The small-scale industrialists tuned their restlessness as to be able to bargain a position in the neo-liberal regime, by demonstrating their support base among workers. But, they never dare to cross the limits and chose to be led by the Congress and BJP, belying all the radical daydreaming by the “third forces”.

One can complain of “a lack of public participation”, of misconstruing of “the rights of citizens” in the formulation and implementation of policies, but these cannot be expected under the economic climate existing in the country. The policies and incidences occurring in Delhi are just moments or results of the wider politico-economic processes going on in the country at least since the independence. To trace an outline of these

processes would be the motive of the present analysis.

Reasoning the Haphazardness

Way back in 1957 when the Parliament constituted the Delhi Development Authority (DDA), the administrators recognised the need “to check the haphazard and unplanned growth of Delhi.” The traditional economy because of the sparseness of infrastructure had to flourish on a near total self-sufficiency. A geographical specialisation was incomprehensible. The urban settlements evolved as commercial centres for the surrounding rural economy and production centres for all kinds of manufacturing goods required to fulfil the local intermediate and final demands. This mixed-use urbanity had a typographic impact disallowing the separation of residence and workplace. This was the only mode of ensuring efficiency.

Delhi, too, developed in this manner, which was termed in the language of modernity as “haphazard”. The situation was made further grave by the partition when immigration took place and areas had to be allotted to settle the migrants and to provide them livelihood. This demographic boom had to be accommodated by diversifying economic activity, which eventually resulted into more ‘chaos’. Delhi being the seat of state power, the growing sections of white-collared labour force were already coming up in the region. All this resulted into a demand for extensive and intensive growth in land use for settlement purpose. This gave an impetus to a transformation of agricultural land for residential and other purposes, and, hence, a rise in land price. Thus rose a politically charged lobby of land mafia controlling the polity of the ‘city-state’.

Despite the DDA’s constitution for reducing the haphazardness, its programmes in this regard were more or less non-starter and it was reduced to being a public construction company. The foremost reason, which one can identify, is the economic exigencies to concentrate on the import-substitution policy that ensures a sufficient capital formation domestically, necessary for a self-reliant economy. At the time the DDA was being constituted, the second five year plan had already pronounced the need to emphasize rapid expansion in the domestic production of metals and machinery; and in order to

mitigate the adverse effects of this stress on capital intensive venture, it suggested a policy to provide special facilities and incentives to encourage labour-intensive techniques for producing mass-consumer goods. This perpetuated an expansion of the informal sector accommodating the so-called 'small-scale industries' engaging the massive majority of the growing urban labour force working under unregulated ('liberalised') work arrangements. The licensing process was loosely effectuated in order to cater the regular local intermediate and final demands.

The Fact File

According to a survey by the Delhi government, the city had only 8,000 industries in 1951, 18,500 in 1961, 26,000 in 1971, 46,000 in 1981, 93,000 in 1993 and 125,000 in 1996, of which 98,000 units (78.4%) were non-conforming, i.e., they were situated outside the 28 industrial areas. Evidently, these non-conforming units run in the residential areas (in 1988, 20% of these industries were concentrated in Karol Bagh, 18.5% in Shahadra and 12.1% in Paharganj, all these areas are residentially densely populated too). Some 2 million workers are estimated to be employed in these units. Large-scale migration and concentration of these industries in Delhi are correlated to the existing higher minimum wage rate and lower overhead costs in comparison to other regions in the country. Slums and unauthorised colonies evolved as corollaries to these developments.

The newly constituted DDA came with the first Master Plan of Delhi (MPD) in 1962, which was framed with the help of Ford Foundation-sponsored international experts. It sought to identify and notify several industrial zones, but non-conforming units went on increasing in leaps and bounds along with many unauthorised colonies. As mentioned above, the land mafia had been nurtured in the process; having a tremendous political influence, it forced the regularisation of these colonies in contravention of the provisions of MPD. It raised the land price and rent. Interestingly, these property dealers constituted a major section running the SSI units, too. While the new master plan remained due, the old master plan

was continually flouted. During the Asian Games in 1982, complexes and flyovers were built in clear violation of the plan's provisions.

Delhi Master Plan - 2001

The Delhi Master Plan – 2001 (DMP) prepared by the Delhi Urban Arts Commission could come into effect only in 1991 and would be reviewed in March 2001. It studied the patterns of industrial growth in Delhi. It noted its increasing informalisation where 77% of the industrial units employed less than 10 workers and 16% accommodated 10-20 workers. DMP's study was based on 1981's data that showed a constant increase in the percentage share of the waged workers in the total labour force. A rapid growth was witnessed in the industries involving electrical and electronic goods, on the one hand, and those involving rubber, plastic and petroleum products on the other. Since most of these units were in the non-conforming areas, the DMP provisioned the extensive units to shift to the identified 'extensive industrial use zone' within three years of the allotment of plots. Even the non-conforming light and service units working with 20 or more workers were asked to do the same. Smaller units involving less workers were allowed to function in the in the existing locations but were to be subjected for review after five years. Non-polluting units with five workers or less and using 1kW of power would be able to operate in the same location under the category of "household industry". A category of hazardous industry was evolved to secure an environment-friendly industrial growth, and it was resolved to put it out of the precincts of Delhi.

The principle of "strict mono-functional zoning" is the underlying tenet of the Master Plan. It envisages a complete break from the core characteristic of Indian Metropolis that evolved through centuries in the process of accommodating multi-ethnic culture and diverse production systems.

The DMP-2001 blamed the 1962 plan for the unintended and unmonitored growth of unauthorised colonies and settlements with a vast informal sector, since it did not provision "a monitoring system to register the changing socio-economic profile of the community as well as the physical structure of the city." Interestingly, the Delhi Assembly has only

recently recognised the need to put the industries on record by making registration mandatory.

Judicial Activism and Industries in Delhi

The final decade of the last century had been a decade of judicial rejuvenation and activism. The judiciary became active, or rather, hyperactive in fulfilling the “public interest.” Though it took eleven years to come with a decision on M.C.Mehta’s public interest petition of 1985, which was delivered on April 19, 1996, it wanted a speedy response from the government. It held that the industries, which have not obtained permission to operate in the residential areas, should be closed down by January 1, 1997. It further chalked out the schedule for completion of the shifting out of the polluting industrial units. When informed about the 98,000 non-conforming units and impossibility of their immediate closure or relocation the court commended the seriousness of the state government and rescheduled the cleansing drive, but ordered it to submit quarterly reports. But the state government repeatedly extended the deadline and could not develop the relocation sites. The court on November 14, 2000 issued a contempt notice. Even the choice of the Union Urban Development Ministry as the nodal agency for the implementation of the court’s orders came to be a fiasco. The centre and the state alleged each other. The state government pleaded for the extension of the deadline to the year 2002. It proposed the conversion of a large number of residential colonies into industrial areas and asked the court to permit it to regularise the industrial units operating in the non-conforming areas. The centre vehemently contended all these proposals. In a peculiar fashion, the bench presumed that since the workers were mostly migrants they would not object to shifting. “It is only the industrialists who are not keen on shifting their industries. Their attitude has set at naught the whole concept of the NCR.”

With all these provisions in the DMP and the court orders, it was resolved to shift the water-polluting units to North Delhi in Narela, while Bawana, also in the same zone, would accommodate non-water polluting units. It is also true that these acquired areas do not fulfil the requisite amount. They

provide just 1800 acres of land while 4000 acres are needed.

Mis-formulation, mal-implementation of Plans & Consequences

Notably the mal-implementation of mono-functional zoning envisaged by the master plans in order to accommodate diverse politically powerful interest groups has further increased the ‘haphazardness’ of the city. In fact, it has led to the creation of a vast unregulated (under)world of informal sector. Buoyant money in the market needs areas for productive investment, which if not made legally available, would result into clandestine operations. This happened as a result of the non-implementation of the provision to create 30,000 industrial units available in the two Master Plans. The land mafia with its strong nexus in politics and bureaucracy made a full use of situations. They targeted the unauthorised settlements for their industrial operations. Then, numerous amendments (more than 220 times), too, were made in the plan to accommodate these unregulated interests.

Further, the non-provision of workers’ housing near the relocation sites would eventually lead to the rise of squatter settlements in the new areas to provide cheap residence for the workers. This much is for the plan to separate residence from workplace – strict zoning would itself perpetuate its violation on an increasing scale.

Political Economy of Relocation

But the question remains, despite all irregularities and contradictions (apparent and real) in the process, why this sudden active concern regarding informal industrial concentration? Is it simply an environmental awareness and concern that have inspired all the hands of the state machinery – executive, judiciary and bureaucracy? But, they are simply shifting or relocating the environmental muck, not eliminating it altogether. There is no serious demand for cleaner technology and industrial organisation. An important question is obviously that the ‘de-polluted re-greened’ city would be for what purpose and for whom? Despite DMP’s sincerity to separate industry and residence, the highest moral authority in the State, the Supreme Court has already resolved that the relocation of the

largest mass of citizenry with the industries is natural and unobjectionable. It takes the compulsions and insecurity of the working populace as their will. Does not this sufficiently indicate the class bias of these policies, even judicial pronouncements?

It was during the later half of the eighties that the switchover from an inward looking, closed or import-substituting development strategy to outward-looking, open or trade-linked strategy started. The industrial sector in India is today responding to every minute shuffle in the market. The professed motive of the ongoing liberal reforms is to build an investor friendly industrial ambience and instil competitiveness in the market, that is supposed to perpetuate the economic growth of the country. It is a part of this process that the so-called protectionist measures of the earlier days are being dismantled. All hurdles subverting the capital flow need to be removed – this is the logic behind all sorts of legal and institutional changes being carried forward.

The activism of the state machinery to implement the master plan needs to be understood in this background. The ‘haphazard’ industrialisation, which was the product of the age of national reconstruction, became ‘outdated’ in the age of global integration. Capital, consumer and even labour markets became localised clogging the information flows of different markets. As a result, diverse price structures became operational, thus impeding a smooth expansion of capital. Demand patterns, too, remain hidden. They fail to respond to the overall production and supply of goods in the market, and vice versa. In short, ‘protected’ and informally existing small-scale industries (SSIs) and household industries thwart the integration of local markets. Through their ability to survive on low capital investment and cheap labour, they pose a grave threat for the profitability of the capital-intensive industries by providing substitute goods at a lower price. But, most of the time, SSIs reduce the costs of production for these big ventures by making intermediate and complementary goods cheaply available. Further, consumption subsidised by the SSIs and household units help in reducing the labour costs, too (i.e., in

a more technical terms, it reduces the value of labour-power). Hence, liberalisation provides means, essentially, not to eliminate them but to harness them. In other words, they should be made subservient to the process of capital expansion, expunging their autonomous nature, which slacken the said process. The informal sector would exist but only in periphery, so that its activities are properly supervised and do not clog the mobility of capital.

Systematic urbanisation and zoning would allow big capital (national or transnational) to systematically exploit the resources and market opportunities. It would allow the investors to identify and target the prime and profitable areas. Delhi, under the liberalised economic regime, needs to be developed as the financial, commercial and service centre surrounded by dispersed and decentralised production units.

Ensuing Politics – an overview

Recent political upheavals in Delhi were interplay of diverse interest groups responding to the evolving socio-economic structure. We found the centre and judiciary actively enabling structural changes to provide for the politico-economic exigencies explained above. They did not spare any means, consensual or coercive, to systematise the market opportunities available in Delhi. We find forced eviction of slum-dwellers and trampling of their livelihood. Reducing pollution and environment protection act as consent-building ‘ideologies’. The actual consequence of the policy-implementation would be, in fact, a relocation of pollution. Even the rights of citizens hailed regularly in the English media are myths serving the same purpose.

On the other hand, the mainstream local political groups represent the interests of indigenous entrepreneurs, “small-scale” industrialists, land mafia and traders. They are resorting to delaying tactics, in order to have a say in the ongoing restructuring of the city. They do not question the process itself, but rather are struggling for their proper accommodation in it. They want to demonstrate their refusal to become a mere passive receptor of the policies. Their aim is to acquire a good bargaining position. In the whole scenario these entities, represented in the same political formations that are nationally competing for being

more worthy agents of liberalisation, become also the local assessors of the impact of the processes and check the irregularities.

The “third forces” comprising of social activists, communists and marginal political formations claiming to represent the downtrodden have become the strongest defenders of the informality of small and polluting units, where even the workers’ minimum rights were regularly trampled. Effectively, they become crowd gatherers in support of the above-mentioned local entrepreneurs’ bid to obtain a bargaining position, and the working class simply a crowd to be pulled and pushed forth. The need is to rise above the reformist politics, to analyse the policies in a wider politico- economic context and mobilise the working masses against their very essence.

Update Collective

F-10/12, Malviya Nagar, New Delhi – 110017
Phone : 011-6680883, Telefax : 011-6237724
Email : delforum@vsnl.com