

A Profitable Partnership

Adarsh is symptomatic of the ongoing loot of Mumbai for the rich and powerful.

The Adarsh Housing Society scandal is not about Ashok Chavan or any of his illustrious predecessors using the office of the chief minister of Maharashtra for private (family) benefit. It is about the loot of Mumbai's resources to fill political coffers and providing housing/commercial space to only those who can afford it.

An alliance between the real estate lobby and political parties in Maharashtra has always exploited common land for private benefit in the land-scarce island-city. This enterprise, which has captured the State and draws on occasional help from the underworld, has reached new heights in "booming" India in which the returns from state capture have correspondingly grown. The only thing unique about Adarsh is that the agents have happened to have fallen under the public spotlight.

A symbiotic relationship was formed between Mumbai's builders and its underworld in the 1970s, converging in the following decades with the interests of the politician-bureaucrat nexus. Since the controversial de-reservation in 1989 of 285 plots in the city by the then Chief Minister Sharad Pawar, the real estate industry has developed a vice-like grip on the city's economy. Rules have been systematically changed or bent to make land available or reclaim natural resources (even creeks and the coastline) for real estate – entirely for the benefit of private interests.

The Adarsh Housing Society scam, which cost Ashok Chavan the job of chief minister of Maharashtra, is a textbook example of how many interests collude to grab valuable real estate in Mumbai. The 31-storeyed Adarsh that was meant for Kargil war veterans and widows has only three members of the building society who are connected with the 1999 war. The rest of the membership is connected to the families of retired top army brass, powerful politicians and senior serving/retired bureaucrats.

Chavan's tenure was marked by a high degree of friction with the Nationalist Congress Party (NCP) members of his coalition government over infrastructure projects. The two quarrelled over almost all major infrastructure projects – the Mantralaya redevelopment (estimated at Rs 4,000 crore and later scrapped), the Bandra colony redevelopment and the Mumbai Trans Harbour Link. Speculation was rife about a squabble between infrastructure lobbies over a slice of this large pie and there are insinuations that Chavan became a victim of this rivalry. Chavan had approved of giving a new incentive to building firms: additional

floor space index (FSI) in exchange for provision of public parking – 50% additional FSI to developers for creating public parking. Media estimates say that 87 lakh sq ft of land in south and central Mumbai has gone to private real estate under this provision. Is it surprising then that the important urban development portfolio is routinely retained by the chief minister of Maharashtra?

Between the avowed intention of turning Mumbai into a "world class city" and keeping the profiteers happy, no attention has been paid to the nearly 70% population that lives in abysmal conditions (an estimated 48.5% in slums or on the pavement). In 2001, a loophole in the Maharashtra Town Planning Act 1966 was manipulated and a rule amended to ensure that the real estate developers could grab the lands of the closed mills, leaving hardly anything for public housing. A further blow fell when the Supreme Court upheld the sale of nearly 285 acres of mill land for commercial development.

Much of this land is now being used to construct high-end commercial complexes or luxury apartments, pushing the Mumbai without wealth farther and farther away from even the suburbs. The Vasai-Virar belt in the outer suburbs – once largely peopled by adivasis and completely agricultural/forest land – is now in the hands of builders. In south and central Mumbai, the scramble among builders to redevelop old, middle class residential colonies in prime locations has led to complaints of underhand dealings and arm-twisting. Up to 2007, 170 Slum Rehabilitation Authority (SRA) projects were awaiting investigation by the Anti-Corruption Bureau.

Mumbaikars believe that no matter which party is in power, it is the builders' lobby that is all powerful. While the Congress Party has been at the helm for the longest duration, the Shiv Sena-Bharatiya Janata Party (SS-BJP) government did little for the predominantly jobless mill workers whose interests it claimed to espouse and whose homes were being taken over by the developers. In fact, the then Chief Minister Manohar Joshi has since morphed into a major player in the real estate market. Members of Joshi's family along with a firm of Raj Thackeray (now head of the Maharashtra Navnirman Sena) had in 2005 bought a prime site of 4.8 acres from a nationalised textile mill for Rs 421 crore. (Media reports suggest that after the formation of the MNS, Thackeray has sold his stake in the enterprise.) The SS-BJP's long tenure in the city's municipal corporation has hardly proved to be less builder friendly than the Congress-NCP state government. As

