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## Regularizing Unauthorized Urban Industrial Areas<sup>1</sup>

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Informality and functionality are intricately interlinked in our cities, for ‘the informal city is very much the functioning city.’<sup>2</sup> Policymakers, urban local bodies and government agencies need to move beyond dichotomies such as formal and informal, planned and unplanned, and recognize the interconnections among these. The relationship between manufacturing and urban planning needs to be redefined. More attention to informal manufacturing in our cities – where women constitute a visible segment of the workforce – and facilitating its connections to the formal segment will bear rich dividends, not just in supporting manufacturing, but also in raising female labour force participation, another critical policy goal.

### **Beyond Slums and Vendors: Factories**

Two strands of discussion appear to dominate the discourse about cities and informality. First, the auto-constructed nature of most urban neighbourhoods,<sup>3</sup> and the need for regularization and in situ upgradation of informal settlements. Second, promoting and supporting informal livelihoods like street trading and hawking. There is, however, another form of informal activity that is central to our cities: informal manufacturing and informally employed workers in formal manufacturing. Even when regularization is initiated, the focus in cities across the country – whether in Delhi, Bengaluru or even the smaller towns of Maharashtra – has been on residential and commercial

activity, and rarely on industrial activity. Importantly, these enterprises constitute a significant source of urban employment, particularly for women, and as such, call for policy attention.

The question of informal manufacturing is not only a question of registration and tax status of an enterprise – indeed it may well be registered – it is also about the tenuous relationship between manufacturing and urban planning, and needs to be understood in this context.

### **Industry and the City: The Case of Delhi**

Delhi's industrial landscape is dotted with several small-scale industries, wherein garment and footwear manufacturers comprise the largest share, followed by electrical machinery production and repair services.<sup>4</sup> Industrialization in Delhi has been marked by contestations over space, and the relocation of 'hazardous and noxious industries', 'large and heavy industries', and 'non-conforming industries' to peripheral areas of the city. This relocation was upheld by the Supreme Court in 1996, and in its immediate aftermath, resulted in unemployment for the urban poor and migrant workers who had come to depend on these industries for their livelihoods.

Currently, Delhi has industrial activity spread over 28 planned estates, four flatted factory complexes, and 22 industrial areas 'notified for regularization'. The areas 'notified for regularization' or 'non-conforming' industrial areas, as they are otherwise known, are spaces of manufacturing activity that have emerged in residential areas, particularly around urban and rural villages in response to a range of market demands. Many of these unplanned industrial areas could be said to have emerged on village lands earmarked for residential (abadi) and/or agricultural use. While there are some planning exemptions within village boundaries – lal dora areas – these do not extend to industrial activity. Thus, these areas are unplanned, unauthorized and 'non-conforming' in the sense of being located in areas not zoned for industrial use.

The Master Plan for Delhi (MPD), 2021, states that unplanned industrial areas are eligible for regularization if more than 70% of the plots in the area are engaged in industrial activity and subject to fulfilment of other stipulated conditions. It lays down guidelines for the redevelopment of these areas, pertaining to aspects like road widening, provision of services, adherence to pollution control norms, and development of open spaces and parking facilities, among others. The redevelopment plan is required to be formulated by the local body or landowning agency in consultation with a society of landowners in the industrial area, which should be mandatorily formed.<sup>5</sup>

In practice, however, most non-conforming industries have been subject to sealing drives to close them down, and there has been no push for their redevelopment – from the owners of small-scale enterprises in these areas, local bodies or concerned government agencies. Industrial activity is seen as largely operating in violation of MPD provisions, as a source of pollution, and therefore, as an aberration to a larger vision of the city. When the Supreme Court first ordered industrial relocation, units in non-conforming areas were asked to apply for plots in the new industrial areas that were developed (mostly on the fringes): a little over 50% of the applications were found eligible and allotted plots. The approach to regularization has been entirely focused on relocation; units that were allotted plots but continue to function from the non-conforming areas (and did not shift for a variety of reasons), those that were found ineligible for an alternative plot, and those that function in violation of various industrial planning regulations are all subject to being closed down.<sup>6</sup>

In the push to create world-class, clean and green cities, the emphasis often seems to be on the knowledge economy – IT and IT-enabled services – with manufacturing activity relegated to the fringes of cities. The Delhi case starkly illustrates this. Further, in interviews, industrialists argued that Delhi is an unfriendly space for industrial growth,

and emphasized the gradual shift of manufacturing hubs to the neighbouring state of Haryana, alluding to agglomeration benefits and tax incentives, among other reasons.

But relocations are disruptive processes: they adversely affect both factory and home-based work for those engaged in them (particularly disadvantaging women), disrupt local work networks, and increase search, time and distance costs for new jobs. In Chennai's Kannagi Nagar resettlement colony, located along the city's IT corridor, a study found that 'Industrial relocations increase the costs for workers to access their jobs, and depress real wages due to the fall in demand for certain kinds of work.'<sup>7</sup> As nearby factories shifted further away, they found it adversely limited work and livelihoods.

### Planned and Unplanned Industrial Areas: Co-located and Interlinked?

While the MPD 2021 and the Industrial Policy for Delhi, 2010-21, distinguish between planned and unplanned industrial areas, narratives from the field stress the linkages between these two typologies of areas. In both these areas, industries are engaged in a range of manufacturing activities spanning, inter alia, footwear, auto parts, garments, plastics, steel, etc. and are typically described as 'business-to-business' (B2B) enterprises that supply raw material and intermediate products to bigger firms in the vicinity. In interviews in an industrial area in northwest Delhi, factory owners in both the planned and surrounding unplanned areas spoke about interlinked activity chains: footwear straps manufactured in an unplanned area, for instance, supplied to factories manufacturing soles in the planned areas; sorting of residual cloth received from textile hubs like Jaipur and Gurgaon to be sold in a *kattar* (residual clothes) market. Owners in the planned areas also talked of a 'broken chain' due to ongoing action in the city to close down the unplanned factories, at the time of field research.

The two kinds of industrial areas are also linked in the sense of labour circulation. Being located close to each other, they draw upon the same pool of workers residing in nearby *bastis*, urban villages, resettlement colonies and unauthorized colonies.<sup>8</sup> Workers typically access work through local networks of contractors and neighbours, and move between planned and unplanned areas based on availability of work.

### Women's Work and Unplanned Industrial Areas

Unplanned industrial areas also provide relatively flexible work arrangements that some women may prefer. In earlier fieldwork in east Delhi, for instance, some women reported preference for work in workshops on the periphery of an urban village on account of spatial proximity and the ability to return home during breaks, particularly to attend to children.<sup>9</sup> Another study makes a similar observation in its distinction between large apparel firms and smaller workshops in Tiruppur in Tamil Nadu.<sup>10</sup> In more recent fieldwork in Delhi, a female worker, who works for daily wages in an unplanned area and looks for work every day, stated she preferred this arrangement over earning a meagre wage in the authorized industrial units, where they are often expected to work overtime.

Co-located planned and unplanned industrial areas also create home-based work opportunities for women, which are localized and driven by spatial networks of *jaan-pehchaan* (familiarity). Although home-based work can be low-paying and precarious, it may be preferred by women for reasons of flexibility and legitimacy. It enables women to manage housework and childcare responsibilities along with undertaking paid work from home. It is seen as a legitimate work choice for many women, for whom going out to work in factories is often accompanied by notions of stigma and shame.<sup>11</sup> In the areas studied, home-based workers were involved in a whole spectrum of work, including

putting threads into bookmarks, taping of speaker components, making decorative pieces, making buffs for machines, polishing steel, making bindis, fixing insoles and upper parts for footwear, etc. Most of this work is outsourced from factories in planned as well as unplanned industrial areas; many of these are small workshops operating within urban villages and unauthorized colonies. Women are remunerated at piece rates. In the absence of designated work spaces, work is carried out by groups using shared spaces, such as common courtyards of tenements or cots outside their homes in bastis. Contractors and sub-contractors (often female) who bring the work to the women are often embedded as residents, thereby leveraging their connections and building relationships of trust.

### Key Policy Takeaways

#### ***Regulate and regularize existing industrial areas***

Instead of pushing industries to city peripheries and industrial parks with poor transport connectivity, we need measures to regulate existing industrial areas in the city, while ensuring their conformity to environmental, safety and labour regulations. The latter two are particularly important in light of several cases of factory collapses and blatant violations of labour safety and welfare. But they should not be used as an excuse to drive away factories themselves. It should also be noted that when it comes to regularization/redevelopment of unplanned industrial areas, ‘unrealistic planning norms’ continue to hinder.<sup>12</sup> Industrial planning norms, thus, need to be modified to allow more flexibility in redevelopment of unplanned areas. In this, planners can draw upon instances of regularization of residential areas such as unauthorized colonies in Delhi and *gunthewaris* in Maharashtra.<sup>13</sup> Like residential and commercial areas, the regularization of industrial areas too needs to become a part of our urban planning discourse.

#### ***Redevelop and redesign neighbourhood amenities to encourage female labour force participation***

A key benefit of regularizing these industrial clusters is the retention of a number of female jobs. Redevelopment of industrial areas must thus be accompanied by interventions in the nearby residential settlements in a manner that encourages more women to participate in the labour market. In the case of home-based workers, workspaces are intertwined with living spaces, creating constraints on space. Women make do with whatever little community spaces they manage to access. It is essential for cities to recognize that urban neighbourhoods are not just residential ones, and develop amenities from the perspective of both work and living. This would involve redesigning neighbourhood amenities like community halls for multiple uses, including common workspaces for home-based workers with amenities like toilets, lighting and ventilation (in the manner of the co-working spaces that have emerged to support modern start-up and innovation ecosystems).<sup>14</sup> Urban local bodies should be sensitized and empowered to do this.

### Conclusion

In line with unauthorized residential and commercial areas, the regularization of unauthorized industrial areas needs policy attention, not only because they are deeply imbricated with authorized industry and are essential to the growth of manufacturing, but also because they provide flexible work options to many women, who would otherwise not be in the workforce. This can be done, in many instances, without harming the environment. Indeed, the planning philosophies that underpin the guidelines that render them illegal may no longer be appropriate, given technical progress and the imperatives of compact, mixed-use cities. This entire approach of excluding industry, particularly the informal sector, from our cities needs to be discarded.

## END NOTES

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1. We draw upon Eesha Kunduri's research engagements in Delhi's industrial areas to illustrate issues in this note. Some of the examples here draw upon field interactions over August 2018 to January 2019, conducted with Ritika Gupta, as part of the IWWAGE-IFMR initiative at ISI, Delhi, led by Farzana Afridi.
2. P. Mukhopadhyay, 'Formality and Functionality in Indian Cities', *Seminar* 617 (2011): 2-8.
3. Auto construction refers to the process by which residents access resources, materials and 'permissions', and lay out settlements and construct houses on their own. It is not necessarily 'self-built', in that it may involve the use of masons and contractors for the construction of houses as well as common infrastructure, such as drains, etc.
4. GNCTD, *Industrial Policy for Delhi: 2010–2021* (New Delhi: Department of Industries, Government of National Capital Territory of Delhi, 2010).
5. DDA, *Master Plan for Delhi 2021*. Reprint (New Delhi: Delhi Development Authority, 2010), <https://dda.org.in/ddanew/pdf/Planning/reprint%20mpd2021.pdf>.
6. Interactions with officials at the Municipal Corporation of Delhi (Civic Centre Office) and Delhi State Industrial and Infrastructure Development Corporation Ltd. (DSIIDC), as part of the IWWAGE-IFMR study (at ISI, Delhi) referred to earlier.
7. K. Coelho, T. Venkat and R. Chandrika, 'Housing, Homes and Domestic Work: A Study of Paid Domestic Workers from a Resettlement Colony in Chennai', *Economic and Political Weekly* 48(43) (2013), 39–46.
8. S. Sharma and E. Kunduri, "'Working from Home is Better than Going Out to the Factories" (?): Spatial Embeddedness, Agency and Labour-Market Decisions of Women in the City of Delhi', *South Asia Multidisciplinary Academic Journal (SAMA)* (2015), <https://journals.openedition.org/samaj/3977>.
9. Sharma and Kunduri, "'Working from Home is Better than Going Out to the Factories" (?)'
10. G. De Neve, 'Fordism, Flexible Specialisation and CSR: How Indian Garment Workers Critique Neoliberal Labour Regimes', *Ethnography* (2012): 1–24.
11. Sharma and Kunduri, "'Working from Home is Better than Going Out to the Factories" (?)'
12. For instance, the MPD 2021 guidelines for redevelopment of unplanned areas stipulate a minimum reservation of space: 10 % for 'circulation / roads / service lanes', 'parking and loading / unloading areas', infrastructure such as pump house, fire station and police post; and 8% for 'parks / green buffer'. Given the density of most unplanned industrial areas, such norms render redevelopment infeasible.
13. A. Bhide, 'The Regularising State', *Economic and Political Weekly* 49(22) (2014): 92-100.
14. Discussions with Shalini Sinha of WIEGO and Firoza Mehrotra of HomeNet South Asia.