Rent Gaps, Revanchism and Regimes of Accumulation in Mumbai

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Abstract: This paper examines the spatial reshaping of Mumbai through the lens of rent gaps, showing how differences between actual and potential rents in central regions of the city influenced the decline of the textile industry and working-class neighbourhoods there. It discusses theories of urban rent, changing class relations in Central Mumbai, and situates recent slum clearances within a framework of the new revanchism in global cities. It concludes with a discussion of Mumbai's projected future as a property and finance-led "island" of accumulation, noting differences between it and Hong Kong and Singapore, cities that are often cited as models of Mumbai's future redevelopment.

Keywords: Mumbai, revanchism, rent gaps, class relations, textile industry, slum clearance

Résumé : Cet article examine la réorganisation spatiale de Mumbai sur la base de la disparité des prix du logement. Il démontre à quel point la différence réelle et potentielle entre les loyers dans les zones centrales de la ville a influencé le déclin de l'industrie du textile et des quartiers ouvriers. L'article traite des théories portant sur les loyers urbains, de la mouvance des relations entre les classes au centre de Mumbai et il resitue les récents aménagements des quartiers insalubres dans le cadre du nouveau revanchisme en cours dans les villes mondialisées. L'article se conclut par une discussion du futur prévisible de Mumbai, « îlot » d'accumulation propulsé par la finance et l'immobilier, en soulignant ce qui la différencie de Hong Kong et de Singapour, deux villes souvent citées comme modèles du futur développement de Mumbai.

Mots-clés : Mumbai, revanchisme, disparité des prix du logement, relations entre les classes, industrie du textile, aménagement des quartiers insalubres

Introduction

As a gateway city to an emerging economy, Mumbai is undergoing dramatic transformations similar to those of other globalizing cities around the world.[1] These include the increasing prominence of financial, producer, managerial and real estate services as compared to industry, enabling Mumbai to function as an important node in global financial networks (Sassen 2001). Mumbai is also undergoing spatial restructuring that reflects its changing economic profile (Bannerjee-Guha 1996, 2002; D'Monte 2001; Grant and Nijman 2006). Areas of Central Mumbai, once sites of an important textile industry, are giving way to office towers, shopping malls and entertainment complexes. The redevelopment and gentrification of Central Mumbai has led to an influx of middle-class professionals and business elites there and the exit of many former working class families to the suburbs.

These spatial transformations are occurring in a context in which the majority of Mumbai's residents cannot afford apartment or house ownership, unless they belong to a co-operative society that caters to caste, religious, or ethnic communities that jointly purchases apartment colonies (Falzon 2004:148). A recent statistic that average residential rent is 140%[2] of per capita income sheds some light on a housing market in which the contradiction between the use-value of housing and the exchange-value of real estate is severe. In the past decade, the percentage of the population living in dwellings officially described as slums has risen from 55% in 1995 to about 70% in 2006.

As the most important commercial city in India, Mumbai's recent spatial restructuring has already been analyzed in terms of its global rescaling into a network of gateway cities occupying significant nodes in the flows of international financial capital (Banerjee-Guha 2002). This has involved changes from a predominantly fordist city dominated by large-scale manufacturing to one that may be moving towards a property-based regime of accumulation (Boyer 2000; Smart and Lee 2003). Manufacturing has been relocated to the hinterlands, based on small-scale units with a flexible and cheaper labour force employed on temporary contracts. Financial and producer services, both high and low-end, real estate, commerce and entertainment have emerged as leading sectors of the economy on Mumbai island itself. Resulting changes in Mumbai's employment patterns were statistically captured in the Metropolitan Mumbai Regional Development Agency's (MMRDA) planning documents as early as 1996:

> The share of employment in manufacturing industries in Greater Mumbai reduced from 42% in 1980 to 23.5% in 1994, whereas trade, finance and service industries have increased their share of employment from 52.1% to 64.3% in the same period. Parallel to this shift in the employment base of the urban economy has been a decline in total employment in the older parts of the Island City, from 71.8% in 1971 to 55.7% in 1990, due to the flight of manufacturing to the hinterlands." [MMRDA 1996:5]

The shift in Mumbai's employment patterns has been accompanied by simultaneous spatial changes that have been quite massive. Yet no one so far has analyzed these in terms of ground rent, which, I would argue, forms the mechanism propelling institutional and policy changes enabling Mumbai's built environment to be re-imagined and reshaped. This paper offers a political economic analysis of housing policies in Mumbai that outlines the recent spatial changes in Central Mumbai and evaluates the extent to which Mumbai is shifting from a fordist regime towards a finance led regime of accumulation, in the context in which real estate is a major investment (Boyer 2000; Smart and Lee 2003).[3] It does so by evaluating the role of ground rent and real estate in Mumbai's changing spatial landscape. Although municipal officials and business organizations see the future of Mumbai in the finance-based Asian centres of Hong Kong, Singapore and Shanghai, the paper concludes by outlining the roadblocks to a finance-led accumulation regime in Mumbai.

Rent Gaps and Ground Rent

My analysis of Mumbai's changing spatial topography draws on Smith's (1996) notion of rent gaps, which has been used to explain the process of deindustrialization and disinvestment followed by gentrification (redevelopment) in global and gateway cities.

Ground rent is a claim made by landowners on users of the land; it represents a reduction from the surplus value created over and above the cost price by producers on the site. For Smith, actual, capitalized rent is the quantity of ground rent that is appropriated by the landowner, given present land use. In the case of tenancy, the landlord's ground rent returns mainly in the form of rent paid by the tenants. In the case of owner-occupancy, ground rent is capitalized when the building is sold and appears as part of the sale price. Potential rent is the amount that might be capitalized under the land's "highest and best use" or at least a "higher and better use" than the present one (Smith 1996:68). The rent gap is the disparity between actual and potential ground rent.

Smith's theory of rent gaps has been criticized for insufficient rigour and for its terminological departure from Marxist discussions of ground rent. Indeed, a critic has argued that the "the concept of rent that is relevant to changes in land use is land rent as an opportunity cost, which is a function of the potential use of a site rather than its actual or current use" (Bourassa 1993:34). Bourassa interprets rent gaps as a particular type of opportunity cost. However, the concept of opportunity cost does not capture the cyclical character of investment and disinvestment in urban spaces, and therefore seems less appropriate than rent gaps in discussing changes in the built environment over time.

In relation to Marx's terminology, the analysis of urban ground rent is complicated by the fact that Marx concentrated on ground rent in agriculture. Indeed, his discussion of absolute ground rent was based on the existence of a lower organic composition of capital in agriculture than in industry, with landlords capturing a portion of the surplus value created rather than it being redistributed through the equalization of rates of profit between agriculture and industry. It therefore represents a deduction of total surplus value and, like interest bearing capital, it is not created in production but arises through distribution (Harvey 1982:339). While some have interpreted absolute ground rent in terms of different technical compositions of capital, others have viewed class relations—in agriculture or elsewhere—as fundamental in creating sectors with different compositions of capital (Evans 1999:2112). If the latter interpretation is accepted, it is possible to see the amount of rent captured on the worst available land in Mumbai as representing absolute ground rent, with the comparison of agriculture and industry that Marx discusses being a special case of absolute ground rent typical of England in the 19th century.

Marx also discusses differential rent, broken into two subcategories of differential rent 1 and differential rent 2 (Bryan 1990:178). Differential rent 1 is the ground rent that represents the difference between the land of worst quality in production (the source of absolute ground rent) and that of better quality, either in terms of fertility or location. Differential rent 2 refers to the difference between the lowest level of capital investment on land and that in which greater capitals have been employed (Harvey 1982:340-343). In relation to ground rent in Mumbai, differential rent 1 would refer to the special spatial advantages of location in the central business district in south Mumbai as compared to other areas. Differential rent 2, involving different levels of investment in land, is very similar to the difference between actual and potential rents, understood as a process through time. Indeed, in many cases landowners have observed the effects of rising rents due either to changing spatial advantages or to the investment behaviour of landowners in their neighbourhood and have altered their investment behaviour in response to changing opportunities. Rent gaps can therefore be understood as a type of differential rent 2 in urban areas that have been observed to have changing levels of investment over time.

Another category of ground rent relevant to Mumbai is monopoly rent, which arises where competitive conditions in land markets do not prevail such as for example, where a small group of landowners control land of such special quality or location that they may be able to extract monopoly rents from those desiring to use that land (Harvey 1974; 1982:350). The land market in Mumbai is oligopsolistic, as supply is constricted by geographical and historical factors. First, major public bodies own large tracts of land, including the Bombay Port Trust (2,000 acres), the Airport Authority and the National Textile Corporation (NTC) (400 acres) (Singh 2003:10). Second, privately owned land is highly concentrated, due to land grants originating in the colonial period. In the 18th and 19th centuries, the British leased large tracts of land as a reward for political loyalty to them in their struggles against the Marathas. In this way, Parsi merchants and philanthropists came to control land trusts that were at first leased and then later sold to them. These cover most of Mumbai island (Times of India 2005:4). Over time, some trusts lost land to encroachments or to government acquisitions (for example, the Sanjay Gandhi National Park), while a few trusts sold some of their lands to developers. Today, about nine developers and trusts control all available private land on Mumbai island (Singh 2003:6). Land is only released into the market in small parcels when prices are high.

An oligopsolistic market encourages monopoly rent-seeking, on the one hand, and forceful encroachments on the other. The relative immobility of land has given rise to a fusion of economic and extra-economic elements in underworld involvement in real estate development, transactions and construction. The role of the underworld is crucial in lubricating the transition from manufacturing to a finance-dominated economy dominated by real estate and financial services. This is true both for disciplining worker resistance to moving and in mediating conflicts between real estate developers and tenants:

> Developers need to get 70% of the population of a site to agree to redevelopment in order for it to take place. People in an area who refuse to agree to redevelopment are met with muscle-power and sometimes, bribes. Gangs in the city are regularly used for extortion and for persuading people to move. Also, the builders take money from financiers, with the return being based on "respect"; however, very often gangs must be used to ensure the repayment of loans. [Interview, December 21, 2005]

Hence, public resistance to monopoly rent seeking has tended to be muted, as has the political will to reform the land market.[4] The role of the underworld in Central Mumbai is so pervasive that a major gangster, Arun Gawli, son of a retrenched mill worker, was elected to the state legislature in 2004 and floated his own political party, the Akhil Bharatiya Sena. Voters explained that he was the only person who could ensure efficient delivery of water and electricity to the slums. A police officer reported that he even paid for the repair of police headquarters in his constituency (Bunsha 2004:54).

Accepting that rent gaps represent a type of differential rent observed over time, Smith analyzes the gaps between actual and potential rents in inner city areas in global and gateway cities such as New York, London, Amsterdam and Budapest. He especially focuses on those areas that are located between the Central Business District (CBD) and the outer suburbs.[5] These areas experienced substantial disinvestment between 1950 and 1980 due to a "normal" cycle of depreciation. A long period of disinvestment followed that made gentrification profitable by the late 1980s. Such a cycle of disinvestment followed by reinvestment applied especially to first world cities where cycles of depreciation followed by reinvestment followed a classical fordist pattern. However, rent gaps can also emerge in other ways that are very applicable to countries experiencing economic liberalization. They follow rapid and sustained inflation, or where strict regulation of a housing market keeps potential ground rent low but is then repealed (Smith 1996:76), leading to a sharp rise in rental values.

Since all these conditions—"normal" disinvestment in the central zone, economic liberalization, and inflation—occurred either singly or in combination in Mumbai in the past two decades, it is not surprising that the city's rents and real estate prices in the southern zone, which contains the CBD, rose to become the highest in the world in the mid-1990s. Today, they are ranked among the top ten global real estate prices in a city in which the average income is US$2,235 (McKinsey 2003:20). Prices in the central zone, between the southern CBD and the northern suburbs, also rose substantially during the late 1980s and early 1990s. It is this central zone, comparable in many ways to Smith's central zones of New York, London, Amsterdam, and Budapest, that is the focus of my research.

Spatial and Economic History of Mumbai

Mumbai, known before 1995 as Bombay,[6] emerged as the major commercial centre in western India not only on the basis of its port facilities, but also due to its large-scale industry such as cotton textile mills, which started operation around 1850. Its industrial base was diversified in the post-Independence period, as pharmaceuticals, chemical production, consumer goods and engineering products emerged as important industrial sectors as well. However, the textile industry remained the major industry in terms of both output and labour force, employing about 250,000 workers in the late 1970s and comprising nearly 60 mills. Most of the mills were privately owned, although 13 were run by the National Textile Corporation, due to their declining profitability. The majority of the work force was made up of migrants from outlying districts of Maharashtra, including Satara, Sangli, Kolhapur and the Konkan coast, with a smaller number migrating from Uttar Pradesh and Bihar. Many of the intra-state migrants retained important ties to their extended families, sending them remittances, visiting for holidays and weddings, and finding jobs and accommodation for relatives who were migrating to Mumbai (Interviews, August 10-12, 2004).

Most of the mills were built in the late 19th or early 20th century in what was then the northern edge of the city. As housing and commercial development expanded rapidly into the northern suburbs after Independence,[7] however, the mill areas, which included workers' *chawls* (one room apartments built in the colonial period) and rental spaces along with factories, came to occupy the central zone between the southern business and financial districts and the northern residential suburbs. These neighbourhoods included Worli, Parel, Dadar, Lalbaug, Prabhadevi, Byculla and Saat Rasta. They were the centres of a distinctive working-class culture that supported the first trade union in India (the Girni Kamgar Union), the first industrial strike in the 1920s, and regional historical dramas called *kamgar rangabhumi* (Chandarvarkar 1994). The Girni Kamgar Union (GKU) was later eclipsed by the Rashtraya Mill Mazdoor Sangh (RMMS) after Independence due to the GKU's lack of support for the Quit India Movement of 1942. However, since the RMMS was affiliated with the governing Congress Party, it reputedly became much more pro-management than the GKU throughout the 1950s and 1960s. During the movement to separate Maharashtra from Gujarat along linguistic lines, the Shiv Sena unions also became important in the mill areas due to the fact that they supported the demand that mill jobs be reserved for Maharashtrians alone (Bhowmik 1999:39).

According to housing activists with the Bombay Environmental Action Group, land prices in central and south Mumbai began rising in the early 1980s, which led many owners of textile mills and other industrial units to consider shifting their investments to commercial and residential real estate (P. Deshpandy, Interview, December 16, 2005). Informalization in the textile industry occurred simultaneously with rising real estate values, with owners opting to contract out portions of the production process to small-scale units in the urban hinterlands of Bhiwandi, Malegaon and Ichalkaranji. This was especially true of weaving, which was the easiest to contract out. These small-scale powerloom operations, where wages were less than a quarter of those paid in the mills, quickly overtook the mills in Central Mumbai as major textile producers.

Hence, rent gaps were beginning to grow in the central mill districts at the same time that informalization and decentralization of the textile industry was beginning to occur. The low rent from workers' chawls and non-existent rent from older factories in Central Mumbai contrasted with rising real estate values of both commercial real estate in the southern business districts and the pockets of commercial office space in Central Mumbai. Low rental values of workers' chawls and housing were supported by the Bombay Rent Act of 1948, which froze rents using 1940 as the base-line level, permitting only marginal annual increases per year, as well as ensuring the right to sublease the property to heirs of the original tenants (Mehta 2005:115). Housing activists believe that mill-owners, the Congress state government and the RMMS union planned, in the early 1980s, to begin dismantling the mills and redeveloping mill lands as commercial, residential and recreational real estate, thus linking the central business districts in Fort and Nariman Point with the northern suburbs (Interviews with MGKU [Maharashtra Girni Kamgar Union] activists, December 2005). They believe that the spatial reshaping of Mumbai that is now underway was already laid out in plans drawn up by government and industry as early as the 1980s (D'Monte 2001:4-5).

The Textile Strike and the Fate of the Mill Lands

The Bombay mills were already under pressure in the early 1980s as they suffered from a lack of reinvestment and competition from powerlooms and Bangladeshi mills. Although pay and bonuses were an issue, the introduction of *badli* (temporary) work for certain processes inside the mills caused widespread dissatisfaction. In addition, the docility of the RMMS in relation to the badli system provoked the longest strike in world history, the Bombay Textile Strike of 1982-84 (Lahta 1989). The strike was renowned for its militancy, its size—with over 250,000 workers involved—and its ultimate and dramatic collapse. The pressures of informalization inside the mills, the retrenchment of jobs and the emergence of the powerloom sector meant that mill owners were in an advantageous position. The National Textile Corporation, owners of 13 factories in Mumbai and others in Kanpur and Ahmedabad, was also concerned that rising wages in Mumbai would lead to wage demands in other state-owned enterprises. Armed with accumulated stocks, the use of the powerloom sector for weaving, and the support of state and central governments, the mill-owners were able to wear down the striking workers over an 18-month period and conceded, finally, to none of their demands. The end of the strike was marked by widespread retrenchment and the gradual closing of the 47 private and 13 government-owned mills. Within ten years after the strike ended, 42 of the 60 mills had been closed, while the number of workers in the industry had shrunk to one-fifth their number in the early 1980s (Bhowmik and More 2000). Today, the mills are almost completely closed.

The millowners' shift from manufacturing to redevelopment of mill lands began in earnest after the collapse of the strike. They accelerated the process of rendering their mills "sick" by not investing in new technologies and by closing them down piecemeal. However, since the mill lands had been leased to textile owners for industrial purposes only, there were a number of legal obstacles that had to be circumvented. First, the mills were rendered unprofitable by not upgrading or replacing machinery and subcontracting production, so that the mills appeared to be losing money. The management would typically then approach the Board for Industrial and Financial Reconstruction (BIFR) with a proposal to revitalize the industry, with some residential, commercial or leisure functions added to the application. The second phase, however, involved using monies sanctioned by the BIFR to proceed with the sale of some of the land for commercial or residential uses. This process produced even more reasons to lay off remaining workers (N. More, Interview, August 10, 2004).

The Phoenix Mills in Parel, now a posh shopping centre and apartment complex, was the first to follow this strategy (Krishnan 2000:4-5). In 1977-78, a fire, which many workers believe was set by management, allowed for a car dealership to be built where the former mill canteen stood. In 1984, a new proposal to "revive" the mill allotted an additional 23,000 square metres for commercial purposes, in order to provide rent to offset losses and modernize the mill. In 1995, a further submission to BIFR gave Phoenix Mills tax exemption on the basis of further "reviving" the mill. In 1998, in what became an infamous case after it was uncovered, the management applied to BIFR for additions to the mill including recreation facilities, indoor sports facilities (billiards, table tennis and "a number of bowling alleys") as well as a health club, spa and sauna for the staff of the mill (Krishnan 2003:10). The recreation facilities, however, were not meant for Phoenix Mills staff but became the famous Bowling Alley which opened to much fanfare in May 1999. The recreation facilities included a high-end discotheque, and numerous restaurants and shops, including the ubiquitous McDonald's, Marks and Spencer, the Gap, and Rita Kumar, an important Delhi-based fashion designer. The "integrity" of the mill structure was preserved by retaining one of the chimney stacks, painted over to resemble a bowling pin, and by renovating some of the mill sheds into offices. Meanwhile, areas for two major apartment complexes, Phoenix Towers A and B, were sold off and constructed by Mittal Towers and are now selling for approximately Rs14,000 per square foot (P. Deshpandey, Interview, December 18, 2006).[8]

Needless to say, retrenchments at Pheonix Mills occurred simultaneously with the transformation of the mill structure into one of Central Mumbai's poshest residential and entertainment complexes. After the strike, the mill retained only 1,200 of its 7,000 workforce. All were employed on a temporary basis, including those who had earlier been permanent workers. In 1988, the Processing Department was closed and its tasks—winding, framing, blowing, et cetera—were subcontracted to powerlooms in Bhiwandi. The cloth was returned to the mill only to be stamped with the Pheonix Mills logo. This process caused the retrenchment of 500 more of its employees (Krishnan 2000:12). Harrassment combined with Voluntary Retirement Scheme offers continued, so that by 1999, there were only 150 temporary contract workers remaining at Phoenix Mills, at the same time that it was claiming the need for recreational space for 1,000 workers and staff. By 2000, all remaining 150 workers had been let go, while some are still waiting for their Voluntary Retirement Scheme payments (Interview with MGKU activists, December 18, 2006).

While Pheonix Mills pioneered the way, other mills, including Matulya Mills, the Kalpataru Heights in Mahalaxmi, the Belvedere Court and Reliance Group followed suit. They were encouraged in this transition by the stratospheric real estate market in South and Central Mumbai throughout the early 1990s. A stock market downturn in 1992, fuelled by a financial scam, led to a flood of domestic equity into real estate (Nijman 2000; Tiwari 2000). In addition, financial liberalization after 1991 led to an influx of multinationals interested in real estate speculation and commercial properties (Nijman 2000). These factors converged to push South Mumbai's real estate to the most expensive in the world in 1995-96. Prices in South Mumbai soared 700% between 1991-95. In Central Mumbai, the centre of the former mill areas, prices moved upwards by 450%. Only the northern suburbs did not experience a huge increase during this period (Nijman 2000). The speculative nature of the real estate market led to a collapse of 30% in the late 1990s, but prices subsequently began to climb again at the beginning of 2000.

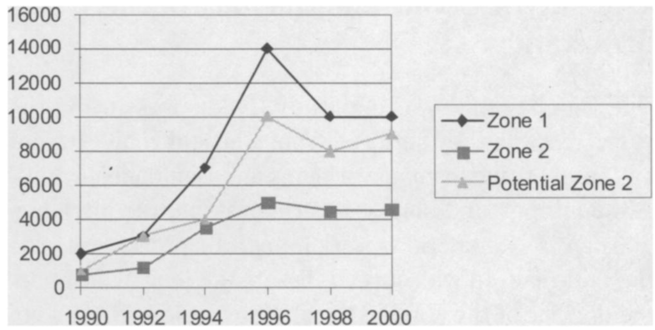

Figure 1: Rental Rates in South and Central Mumbai[9]

Rising Rent Gaps in Central Mumbai

Hence the gap between the potential rent to be acquired from "highest and best use" versus actual ground rent from textile production and rent on workers' chawls, widened sharply during the early 1990s. With some fluctuations, this gap has continued to widen. The assessed value of workers' chawls and apartments was also far lower than their market value, because the assessed value was only an upward revision from the 1948 Rent Act (Tiwari 2000:149). In addition, construction costs in Mumbai were quite low: in the 1980s, they were Rs400 per square foot of apartment construction, rising to between Rs900-1200 per square foot today (P. Deshpandey, Interview, December 14, 2005). By contrast, the average rental is Rs8,000-12,000 per square foot in Central Mumbai, with the cost increasing the further south one goes. With low costs of production, high potential ground rents, and extremely low or non-existent actual rents, the incentive to redevelop Central Mumbai was very great. Figure 1 outlines the actual rental rates in South Mumbai (Zone 1), and the potential and actual ground rent in Central Mumbai (Zone 2).

A major source of land for new housing has been the mill lands, which consist of over 500 acres in Central Mumbai. Recently, there has been a great deal of public debate over these lands (D'Monte 2001), as mill-owners wish to receive the ground rent from the "highest and best use," while housing activists want a substantial portion to be reserved for low-cost housing and public amenities. A major legal hurdle in the transformation to high-end commercial and residential real estate has been the Development Control Regulations, created in 1991 by the state government in negotiation with unions and housing activists. Rule 58 of the Development Control Regulations specified that one-third of mill lands should be reserved for low cost public housing to be administered by the Maharashtra Housing and Development Authority (MHADA), one-third was to be reserved for the Bombay Municipal Council to be used for public purposes, such as parks or other amenities, and only one-third was to be given over for real estate development (commercial, residential or recreational). The rationale of this formula was that most mill lands were not specifically owned by textile firms, but had been leased for extended periods provided they were used for industrial purposes. In addition, Mumbai already had a very high built-up area in relation to green space (.03 acres per 100 inhabitants), so that parks were needed, while retrenched workers should be accommodated in the one third of mill lands reserved for low-cost housing. In the 1990s, builders were encouraged to develop apartments *in situ* through increased allowances in the Floor Space Index (FSI[10]), provided that parts of the residential structures were constructed for slum-dwellers and ex-textile workers. Rising real estate prices throughout the 1990s made redevelopment *in situ* profitable, even with the added cost of 25% of structures devoted to low-cost housing (Mukhija 2003).

Nevertheless, the huge gaps that had emerged between potential and actual ground rent gave developers incentives to forego plans for affordable housing for former textile workers and push for changes in the Development Control Regulations. Table 1 gives an indication of the differential rates of rent to be acquired from redevelopment under Rule 58, and without it.

TABLE 1
An Example of the Rent Gap: India United Mills #6 at Worli (Zone 2)[11]

Under DC Rule #58		
Category	Area in Sq. Metres	Rate: Rs. Per Sq. Metre
Residential/ Commercial	7406	60,000
BMC Land	6110	20,000
MHADA Land: Low Cost Housing	4999	20,000
Total		666,360,000 Rs.
Without DC Rule #58	Area in Sq. Metres	Rate: Rs. Per Sq. Metre
Category	7406	60,000
Hotel	7406	60,000
Convention Centre	6110	60,000
Hospital	4999	
Total		1,109,000,000 Rs.

This example shows how changes in the development control regulations would increase the rental rate by over 66% for a textile mill in a seafront location in Worli. With a change in government to the Congress Party in the state elections of 2000, subtle changes in the wording of the DCR were instituted. Instead of one-third being allocated to low-cost housing, the new wording stated that only one-third of open land had to be so allocated. This was land that lay outside the perimeters of the mill buildings. This amounts to only 10-12% of the total land surface in mill areas, rather than 33.3%. This clarification also held only if the mill owners demolished the buildings. For those mills in which renovation into shopping malls took place, however, no land had to be parted with (for example, Phoenix Towers). This modification led a group of activists, the Bombay Environmental Action Group, to file a public interest lawsuit with the Mumbai High Court, charging that the change in phrasing subverted the purpose of DC Rule #58. While they won their case in the Mumbai High Court in October 2005, the National Textile Corporation (NTC), which owned 13 of the 60 mills, filed a counter petition with the Supreme Court in October 2005, on the basis that some of these lands had already been sold under the condition that only 10% of total area should be donated to the BMC and MHADA. In March 2006, the Supreme Court sided with the NTC and allowed the development of the lands already sold to continue. Most are apparently slated for shopping malls. Indeed, the sale of the 25 NTC mills between March and July 2005 covered an area of 50 acres at prices that surprised even those Mumbaikers already jaded by their stratospheric real estate market.[12] Although protests against this ruling were organized by the MGKU, an offshoot of the original GKU, 17 other organizations also participated, including the Trade Union Congress, the Centre of Indian Trade Unions, Documentation Research and Training Centre, the Communist Party of India, the Communist Party of India (Marxist), and others. There has not been massive resistance to this conversion of mill lands into zones of "residential, commercial and recreational excellence." The lack of overt resistance may be due to memories of the failed textile strike combined with pervasive underworld control over the real estate market and major real estate transactions.

Working-Class Politics in Central Mumbai

The massive retrenchments that characterized the decade after the failed textile strike led to increasing impoverishment for ex-textile workers and demoralization for the MGKU, the union that led the strike. This period also witnessed a steep decline of the communist and socialist political parties in Central Mumbai and the rise of a militant Marathi-nationalist party, the Shiv Sena.[13] Founded in 1966 by political cartoonist Bal Thackeray, Shiv Sena gained its first electoral success at the municipal level by promoting Marathi linguistic identity and campaigning for job reservations for Marathi speakers. South Indians were targetted as "outsiders" responsible for Mumbai's job losses and other civic problems. From 1970 to 1980, however, the predominantly working class areas of Central Mumbai remained largely aloof from the Shiv Sena (Bhowmik 1999:40) and the major base of Shiv Sena's support was among white collar workers. The Shiv Sena later broadened its electoral appeal by linking with the Hindu nationalism of the Bhartiya Janata Party, in which Muslims became the feared "other," targetted for their supposedly seditious, anti-national tendencies (Hanson 2001). This period coincided with the collapse of the textile industry and the rise of the informal sector in Mumbai. The Shiv Sena—or Shiv's Army—projected a militantly masculine image, symbolized by the warrior king Shivaji Bhonsale, who successfully fought the Mughals in the late 1600s, and established the Maratha Empire. It created gymnasiums and employment service centres for young men, ran ambulances and informal health centres. The Shiv Sena also created local-level recruiting organizations, known as shakas, of which there were 220 in Mumbai in 1990. One was located in Janata Colony in Worli, the site of my fieldwork (Katzenstein et al. 1997:383).[14] The Shiv Sena militias were also reputedly responsible for the murder of prominent left union activists, such as Krishna Desai (member of the legislative assembly) in 1970 (Bhowmik 1999:41). Its finances are rumoured to include donations from larger industrial houses, as well as *khandan* (gifts) taken from local shopkeepers and small businesses to "prevent" violence in their neighbourhoods or to protect them in areas in which violence—often instigated by the Shiv Sena itself—might occur (Katzenstein et al. 1997:379).[15] Winning municipal elections in 1985, one year after the failed textile strike, the Shiv Sena increased its financial clout through its administrative control over real estate transactions. Reliable sources, such as the Srikrishna Commission Report, have implicated the leaders and militias of the Shiv Sena in inciting and carrying out massacres of Muslims during the communal riots of 1992-93.

The psychological and discursive appeal of the Shiv Sena for working class youth in Central Mumbai is too complex to be attributed solely to economic factors. However, the fact that the Shiv Sena's appeal became significant in working-class neighbourhoods only after the failed textile strike and during a period of maximum retrenchment cannot be solely coincidence either. The psychological insecurities accompanying massive unemployment and the loss of a source of masculine identity and honour in a secure job,[16] undoubtedly played its part in making the Shiv Sena's totalizing organizational culture and hyper-masculine discourse and tactics appealing for young men.[17] As a number of interviewees explained, "the Communist Parties and Datta Samant blamed capitalism for the loss of jobs. The Shiv Sena promised to save jobs for Maharashtrians and to give us work when we had nothing." Bhowmik reports an example of a not untypical generational difference that emerged in ex-textile workers' families during the 1990s. A middle-aged retrenched worker and former activist in the MKGU, who now works as a street hawker, complained about his sons making fun of his politics, "What have you got from your support of the communists? A useless ideology and unemployment...at least the Shiv Sena gives us a steady income" (Bhowmik 1999:44).[18] Unfortunately, neither the MKGU nor left political parties were able to transcend economism and a "rational" analysis of unemployment to provide the organizational structure and psychological support that could respond to the trauma of massive retrenchments and match the appeal of the Shiv Sena. The collapse of left political forces and the memories of the failed textile strike form the historical backdrop for the relative lack of resistance to gentrification in Central Mumbai today.

Migration of Ex-Textile Workers

The general pattern in the past decade has been a large-scale, but unreported migration of ex-textile workers and slumdwellers from the central areas of Mumbai to north Mumbai and the outlying suburbs (P. Deshpandey, Interview, December 14, 2005). While 17 wards of the northern suburbs witnessed a population growth of 50% between 1981 and 1991, several wards of South Mumbai actually saw a population decline (Falzon 2004:147). South and Central Mumbai are increasingly the preserves of finance, real estate businesses and the residences and recreational spaces of the well-to-do.

With the northern suburbs dominated by the middle-class, the island city is increasingly inhospitable to the former working class and the working poor, employed, for the most part, in the informal sector. This intra-city migration is indicated in Bhowmik and More's study of ex-textile workers, who reported that they had difficulty at first finding ex-textile workers to interview because so many had moved either to Thane and Bhowindi, or returned to their home villages (Bhowmik and More 2000). The more fortunate of the ex-mill workers were offered relatively good prices to vacate their chawls. In combination with their Voluntary Retirement Schemes (VRS), some have managed to purchase apartments in outlying suburbs and towns, where rents and apartment prices are much lower. For example, Sharit Gowte lived in a one-room, 100 square foot chawl that he rented on a *pagdi* system (informal monies that change hands with most real estate transactions) in Worli from 1965 to 2000. He worked at Elphinstone Mills until the textile strike, after which his employment was terminated. His landlord had been pressuring the tenants to leave, but the tenants' chawls committee had resisted this pressure. In 2000, however, he heard about affordable one-bedroom apartments in Mira Road in Thane, and had the future of his two sons to think about. He pooled his VRS of Rs 450 lakh[19] with the price he received for his apartment, a figure of Rs8 lakhs, of which 1 lakh had to be given to the landlord to change the name to the new tenant. With the combined total of Rs1,150,000 he was able to buy two flats, one for himself and his wife and another for his sons to live in. Despite his relative good fortune, he feels he was pushed out of Central Mumbai as the landlord was in negotiations with a builder to develop the site. Even though the mills are a closed chapter, he feels that the mill lands should be used to build housing for workers at an affordable rate—"so that people like me who have given their whole life in the city don't have to move out just because we could not afford to buy a flat in Central Mumbai" (Interview, March 21, 2006).

Janata Colony in Worli

Other ex-textile workers have not been so fortunate, either in their VRS remuneration or in their residential choices.

Janata Colony, an upgraded slum in Worli village near the seashore, is populated by former ex-mill workers, most of whom are now working in construction or machinery repair, or as rickshaw drivers or street hawkers. Most of the women in Worli village also work, mainly as domestic servants in the surrounding high-rises, a pattern that started after the textile strike. Indeed, for a decade, women were often the major breadwinners in their households and Janata Colony experienced the feminization of survival during this period of massive industrial retrenchment (Sasson 2001).

The majority of inhabitants of Janata Colony migrated to Mumbai from rural districts along the Konkan coast and also from some of the more drought-prone districts of southeastern Maharasthra. The caste composition in Janata Colony is mainly *agris, kunbis* and *Marathas,* all agricultural castes found in western India, and *bhandaris,* an ex-untouchable or Dalit caste. They came seeking work in the mills in the 1950s and continued coming until two decades ago. According to a local municipal councillor, prior to 1947, Worli village was solely a fisherman's colony inhabited by Kolis, a scheduled tribe considered indigenous to the region. The migrants (150,000) now far outnumber the original fishing families (25,000). There are also more recent migrants from Uttar Pradesh. Houses are generally two-storey structures that have been added onto and renovated extensively over the past decades. Some people said that they had invested about Rs1 lakh in house construction and renovation in the past thirty years, and would have done more if the BMC allowed higher structures. Most had lived in their homes for 30-40 years.

House construction was still going on in the summer of 2004. Despite the insecurity of legal status, contractors were able to charge Rs 50,000-70,000 for a two-storey "slum" house. Indeed, outright squatting in Janata Colony is impossible today, as smaller-scale contractors, with reputed links to politicians and the underworld, have commodified all available space.

Janata Colony is divided between those who built houses on land owned by the BMC or the Collectorate, and those who built on the land reclaimed by the Bombay Port Trust (BPT). After the BPT started reclaiming land from the sea in the 1970s, some constructed their houses on this land, after which the BPT constructed a huge wall to protect its land from further encroachments. Various enactments regularized the informal housing built on BMC land. According to the Slum Rehabilitation Authority, those structures that were built before 1995 have the right to be regularized. People in regularized slums acquire a photopass that enables them to vote and to avail themselves of some civic amenities such as water taps. They also have rights of compensation if they are displaced and resettled. However, only people on the land belonging to BMC or the Collectorate have been given a photopass. Despite having lived in Janata Colony for 30 to 40 years, those who built their houses on land belonging to the BPT have not received a photopass. Records I obtained from the Collector's office indicate that the status of these houses is, as yet, undecided. These people, constituting 30% of the 150,000 population of Janata Colony, are vulnerable to future demolitions. They are also subjected to rent-seeking by BMC officials, as their undecided status leaves ample room for officials to "negotiate" with them annually.

Janata Colony, whose original houses were built on reclaimed "free" land, is now situated on land that is amongst the most valuable in the world. Prices for the upper-middle class apartment buildings that have mushroomed along the Worli Sea Face were Rs9,000 per square foot in 2004, rising to Rs14,000 per square foot in late 2005, and that does not include the pagdi. Even in the "slum" of Janata Colony, rents are about Rs4,000 per square foot and conflicts between the Koli fisherfolk who rent out rooms and their tenants, many of them ex-textile workers, are not unusual (Interview, August 2004).

Revanchism in Central Mumbai

Fears of demolition and forced removal of slum dwellers were heightened in December-January 2004-05, when the state government, elected on a platform of regularizing and redeveloping slums authorized to 2000, began instead a policy of widespread demolitions of "slums" not authorized after 1995. At least 300,000 people had their houses demolished during this period, including about 40 households in Janata Colony living on land owned by the Bombay Port Trust. In July 2005, there were further demolitions in Worli Naka, and a further 100 people lost their houses with no compensation. Other areas where demolitions occurred included Ganesh Murti Nagar (Colaba), Mahakali Nagar (Worli), slums behind the Sasmira Polytechnical College (Worli), Wadala, Sion, Khar-Danda, Malad, Malwani, Dahisar, Chembur, Mankhurd, Deonar and Govandi. There were also demolitions on lands whose leases to the present "owners" had expired, including land leased by the India Oil Corporation, Shree Shakti Mills, the LIC and Simplex Mills. While most of the demolished slums are in Central Mumbai, there were some demolitions in the northern suburbs of Borivli and Andheri. This appears to contradict rent gap theory since the difference between existing and potential ground rent was not high in the northern suburbs at least until 2000 (Nijman 2000).

Yet these two suburbs are planned as secondary business districts to be linked with the Bandra-Kurla complex in the near future (McKinsey 2003:16). Hence, it appears that the "redevelopment frontier"[20] is being pushed northwards. While there were widespread protests against the demolitions, including one in which protesters dressed up as 19th-century Mahars (ex-untouchables), the state government remained adamant that non-regularized slums would be demolished, especially in Central Mumbai.

The state and municipal governments became more revanchist in their approach to slums and the poor in Mumbai in 2004,[21] a possible indication that Mumbai is moving towards a finance-led regime of accumulation. The slum policies of the state government have come full circle. In the 1950s, slum demolition was common but was criticized on humanitarian grounds. In response, the 1960s and 1970s witnessed a policy of in-situ upgrading. The slum policy of the 1990s emphasized the redevelopment of slums through commercial apartment construction in situ, when real estate prices were soaring. This was supplemented by relocation and redevelopment where necessary (Mukhija 2004; Contractor et al. 2003). In situ upgrading was accompanied by policies that encouraged developers to redevelop slum areas, most notably a policy that provided construction companies with free land if 25% of the apartments were built to house former slum-dwellers. The apartments are small (225 square feet) and have been plagued by problems of faulty construction, corruption, and exclusion (Contractor et al. 2003). However, they at least rhetorically recognized the housing rights of long-standing slum dwellers and support the principle that slum dwellers should be compensated in kind for their loss of previous dwellings.

In 2004, however, the state government returned to the policy of forced demolitions and evictions especially in Central Mumbai where rent gaps were highest. The changed policies of the state government, and the policies of both the state and central governments promoting the sale of mill lands, indicate that welfarist rhetoric has now been jettisoned and more coercive aspects of state policy towards the poor are surfacing. The disciplining and controlling of space through "class cleansing" means that Central Mumbai is to become a zone of "recreational, commercial, and residential excellence" through the removal of ex-textile workers from that region. It is a form of spatial governmentality that followed the emergence of rent gaps and did not precede them. State and municipal policies have been reshaped to enable, facilitate and promote international flows of financial and real estate capital.

Conclusion

Analyzing the spatial changes in Mumbai through the lens of rent gaps offers a clear mapping of capital flows; the points of potential resistance or blockage to them; and, the channels that facilitate them. Not surprisingly, government policies have clearly followed the rising curve of rent gaps. This analysis supports what many housing activists in Mumbai have long suspected: that the deindustrialization of Central Mumbai and the removal of the working class from those neighbourhoods were probably being planned as early as the mid-1980s (D'Monte 2001). Both state and central governments have facilitated this flow of financial and real estate investment, transforming themselves into instruments that attract foreign and domestic investment through developing off-shore financial facilities (Banerjee-Guha 2002; Jessop 2000; Smith 2002). Needless to say, the disempowered trade unions (after the failed textile strike) have been able to offer only sporadic and limited resistance to the dismantling of their work and residential spaces.

If both the real estate markets and National Stock Exchange investments continue their stratospheric rise, it is possible that Mumbai's policy makers may increasingly promote a property-based regime of accumulation in which there is a greater emphasis on investment income than on wages for generating demand (Boyer 2000; Smart and Lee 2003). Indeed, following the Hong Kong and Singapore models, the McKinsey Report envisages the relocation of space-extensive, low-wage manufacturing to Mumbai's hinterlands, while concentrating financial and producer services and entertainment and real estate businesses in the island city (McKinsey 2003:9). A finance or property-based regime of accumulation means that investments rather than wages drive consumption so that a downward pressure on wages can be consistent with stable growth since investment returns are the driving force of demand (Boyer 2000:127). A finance regime of accumulation involves great income polarization, since it privileges social groups able to benefit from asset price increases, whereas less privileged groups have access only to unstable jobs and poor wages in the informal sector (Boyer 2000:141). In Boyer's estimation, only the U.S., Britain and Canada qualified as capable of supporting a finance-led regime of accumulation during the 1990s. Smart and Lee (2003), however, have critically amended Boyer's theory to include real estate investments in a theory of financialization. Hong Kong during the 1990s was a prime example of a city-state in which income from real estate investments formed a large proportion of overall investments, while real estate companies were major contributors to Hong Kong's GDP, its taxation base, and major contributors to overall demand (Smart and Lee 2003). Hong Kong's property developers are also the largest and most globalized companies on its stock market. A similar economic portrait is true of Singapore (Haila 2000).

Recurring pronouncements from municipal and state governments in Maharashtra and the Bombay First Foundation indicate that Hong Kong and Singapore's role as financial hubs for manufacturing "hinterlands" are considered ideal models for overall future planning for Mumbai. However, the extent to which Mumbai will emerge as a property-based "island" of accumulation is limited by several factors. The first relates to the nature of monopoly rents and the land market in Mumbai. In both Hong Kong and Singapore, the government owns all or most of the land, with land sales being confined to leaseholds (Haila 2000). This enabled the state to subsidize certain types of land use, to capture increased value from undeveloped land, and to prevent land banks emerging that hoard land and act as monopolies (Haila 2000:2245-2246). Regular auctions have also increased the mobility of land as a factor of production in those two cities. As shown in this paper, however, the colonial state in Mumbai followed a different policy regarding land ownership. It granted most of the island to a small group of prominent loyal supporters that created a historical legacy of oligsopsoly. The historical pattern favouring monopoly rents in Mumbai has made home ownership in the island city impossible for all but a narrow stratum of the population, unless people use co-operative forms of ownership (Falzon 2004). Indeed, it is estimated that only 30% of the population can afford even rental housing at present. A reform of the land grants, with the imposition of overarching state ownership and management of them, would be a priori necessary for real estate to become the basis for a successful property-based regime of accumulation drawing in larger segments of the middle class. It would also be necessary for larger segments of the population to be able to afford home ownership. In addition, due in part to the relative immobility of land as a factor of production, Mumbai has much higher levels of informal housing (slums) than existed in either Singapore of Hong Kong in previous decades. Often referred to in Asia as "Slumbai," current estimates of the numbers of slum-dwellers in Mumbai are close to 70% of its 15 million population. At present, the policy of slum removal and relocation has displaced a small fraction of this population, and at the cost of considerable distress. In the immediate future, heightened conflict over slum removal and relocation is a possible feature of Mumbai's urban policies and politics, and its outcome is still uncertain.

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Notes

1 I would like to thank Alan Smart and two anonymous reviewers for helpful comments on this paper. The usual disclaimers apply.

2 This statistic comes from the McKinsey Report (2003:9).

3 This paper resulted from fieldwork carried out in Mumbai in partnership with the Sociology Department of the University of Mumbai during the summers of 2004 and 2005, and in December 2005 and was funded by a Shastri-CIDA grant under the SHARP (Shastri Applied Research Partnerhip) program from 2003-05. The research occurred in association with an NGO, LEARN, (Labour Education and Research Network) and focused on the legal, spatial, health and nutritional needs of slum-dwellers. LEARN created an umbrella network of NGOs in Mumbai that petitioned the state for legal changes and access to basic urban infrastructure. Research in the summer of 2005 was cut short by the Mumbai flood of July 26 and its aftermath. Fieldwork involved participant-observation in Worli and Parel, two of the major neighbourhoods in Central Mumbai currently being redeveloped. It also involved formal and informal interviews with selected residents in these neighbourhoods, as well as with housing activists, municipal government employees, members of co-operative housing societies, NGOs working in these neighbourhoods, housing developers, and real estate agents. Focus groups were held with residents in Worli and Parel concerning the legal status of their residences and land use. Quantitative information used in the study was obtained from government reports, real estate bulletins, real estate advertisements in major newspapers and secondary literature.

4 For obvious reasons, more intensive research on this aspect of the land market was impossible. D'Monte discusses the land and development "mafia" at greater length in terms of their affiliations with textile and real estate companies, sometimes different companies with the same backers and personel. He also documents the role of gangs in the murder of trade union leader Datta Samant in January 1997. While three assassins connected with the Chhota Rajan and Guru Satam gangs were convicted of the murder in July 2000, speculation still exists as to the extent of involvement of sections of corporate Mumbai in his killing. After the failed textile strike, Datta Samant, the leader of the MGKU continued to oppose retrenchment and closing of the mills (D'Monte 2001:164-167).

5 The theory of rent gaps leading to exclusion of the urban poor from gentrified and redeveloped areas has been applied to a number of cities. See the special issue of *Antipode* 34(3) for a useful collection.

6 Bombay was changed to Mumbai by the Shiv Sena dominated municipal government in 1995, on the basis that it represented the original Marathi language term for the city. Marathi is the dominant local language of Maharashtra, the state of which Mumbai is the capital.

7 Falzon (2004) notes that 17 wards of the northern suburbs witnessed a population growth of 50% between 1981 and 1991.
8 In 2006, the exchange rate was about Rs33.5 to CAN$1.
9 Prices are in rupees per square foot; in 2006, there were 33.5 Rupees to the Canadian dollar.
10 FSI represents the ratio of built area in relation to the total plot area enclosed by the perimeter of the building. The usual allowed FSI is 1.5, but in some recent constructions, it has gone up to 5 or 6 due to concessions (P. Deshpandey, Interview, December 18, 2005).
11 These numbers are taken from Prabhu quoted in D. D'Monte (2001:192).
12 Apollo Mills covering 8 acres was sold to Lodha Builders for Rs180 crore, Mumbai Textile Mills covering 18 acres to DLF for Rs702 crore, Elphinstone Mills covering eight acres to India Bulls for Rs441 crore, Kohinoor Mills No. 3 spanning five acres to Matoshree Realtors and Kohinoor Group for Rs421 crore and Jupiter Mills covering 11 acres was sold to India Bulls for Rs276 crore. One crore is equal to ten million.
13 Marathi is the major indigenous language of Maharashtra, the state in which Mumbai is located.
14 According to one report, the number of job seekers in Mumbai-Thane increased from 160,000 in 1961 to 3.5 million in 1990. This figure gives some idea of the extent of retrenchment in Mumbai's various industries during this period.
15 Members of the Shiv Sena reject the idea that they are involved in extortion, and that the money they receive from local businesses constitutes a bribe. Rather, they see themselves as following in the tradition of Shivaji, the Maratha king, collecting tithes to promote their social service work and "disciplinary" tactics.
16 A number of older ex-textile workers explained that having a job in the mills, although not highly paid, was a major bonus in marriage negotiations. The stability of the job and its pension benefits were such that many families in surrounding regions would seek to have their daughters marry textile workers.
17 I was only able to conduct 4 interviews relating to masculinity and politics in Worli. Unfortunately, the July 26 flood interrupted this work, which I hope to continue at a later date.
18 The steady income they are referring to is their share of "collections," or khandan.
19 One lakh equals one hundred thousand.
20 Smith refers to the spatial expansion of redevelopment as "the gentrification frontier" (Smith 1996). While this may apply to New York, London and Amsterdam where construction costs are high and renovation of existing structures is the most profitable alternative, Mumbai has been characterized more by redevelopment of inner-city areas, due perhaps to lower construction costs. Therefore, in Mumbai, the "gentrification frontier" is more aptly referred to as the "redevelopment frontier."
21 *Revanchist* in France means revenge, and is a term that derives from fin-de-siècle French politics in which right-wing nationalism sought to rid Paris of the working class after the fall of the Paris Commune (Smith 1996:45).

Glossary

Agri: A farming caste of Maharashtra that formed a large section of the migrant population of Janata Colony.

Badli: Temporary, contract work introduced into the textile mills in the early 1980s. This created the dissatisfaction that produced the Bombay Textile Strike of 1984-86.

Bhandari: An ex-untouchable, or Dalit caste that formed a section of the migrant population in Janata Colony.

BMC: Briha Mumbai Municipal Corporation. The elected governing council of Mumbai.

BPT: Bombay Port Trust. The organization that owns and runs the ports of Mumbai and owns large sections of seafront land, including 1/3 of the land in Janata Colony.

Chawls: One-room apartments, with shared bathrooms, that were built during the early 20th century to house mill workers.

CPI: Communist Party of India. The original Communist Party of India, formed in 1927.

CPI (M): Communist Party of India (Marxist). A break-away party of the CPI that left it in 1964 due to the latter's support of the Congress Party. The CPI (M) is now the largest Communist Party in India.

Crore: 10 million.

FSI: Floor-Space Index.

GKU: Girni Kamgar Union. The original trade union representing mill workers, formed in the early 20th century. It led the Bombay Textile Strike of 1926-28. It was eclipsed by the RMMS in the 1940s. This was primarily due to the popularity of the 1942 Quit India movement, which the GKU and the CPI opposed, due to their support of an anti-fascist front, and hence their tactical support of Great Britain during WWII.

Khandan: Can be literally translated as "gift." It was a tithe established during the reign of Shivaji Bhonsale, a famous warrior-king of Maharashtra. Currently in Mumbai, Shiv Sena members collect khandan from small businesses as protection money.

Koli: The original, or aboriginal fishing caste of the Mumbai islands. They are currently designated a Scheduled Tribe and form a major part of the population of Worli Village.

Lakh: One hundred thousand.

Marathi: The regional language of Maharashtra, the state that contains Mumbai.

Maratha: The dominant, warrior caste of Maharashtra.

MGKU: Maharashtra Girni Kamgar Union. An offshoot of the original GKU that formed in the late 1970s under the leadership of Datta Samant, a physician and independent unionist who led the textile workers in the 1984-1986 strike.

MHADA: Maharashtra Housing and Development Authority. The government department that establishes housing policies in Maharashtra and regulates housing development.

MMRDA: Mumbai Metropolitan Regional Development Authority. The government department that has overall authority over regional planning for Mumbai. Critics charge that overlapping jurisdictions of the BMC, MMRDA and MHADA have allowed developers to circumvent important environmental and planning regulations.

Pagdi: An informal sum that is often part of real-estate transactions in Mumbai.

RMMS: Rashtriya Mill Mazdoor Sabha. The mill-workers union that became dominant in the Mumbai mills after Independence. It was affiliated with the then-ruling Congress Party, and was seen by many mill workers to be pro-management by the 1970s.

Shakas: Local-level cells run by the Shiv Sena that provide educational, social service work, and political outreach. There are about 220 currently in Mumbai.

Shiv Sena: A militant Marathi-nationalist political party, formed by the political cartoonist, Bal Thackery, in 1966. It initially championed the Marathi language, but then targeted various outsiders, e.g., Tamil and north Indian migrants, as well as Muslims, as "outsiders" who were stealing jobs from Maharashtrians. It became politically influential among ex-textile workers only after the collapse of the Bombay Textile Strike of 1984-86 and the resulting retrenchment and mill closures.

Shivaji: A famous Maratha warrior king of the late 17th century who successfully fought the Mughal Empire and established a Maratha Empire covering much of western India. He is an important symbol of the Shiv Sena, or Shiv's Army.

SRA: Slum Rehabilitation Authority. The government department that determines policies towards slums, e.g., upgrading, electricity and water supply, and the "regularization" of slums.

VRS: Voluntary Retirement Scheme. This is the monetary settlement paid out to retrenched mill-workers after the closure of the mills.

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