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Owner-Driven Slum Redevelopment in Bhuj, India

Submitted By: Homes In The City (HIC)



Organization Profile

Organization Name: Homes In The City (Hunnarshala Foundation & Kutch Mahila Vikas Sangathan)

Organization Type: Civil society

Website: https://homesinthecity.org/

Practice Details

Country(ies): India

City(ies): Bhuj, Gujarat

Start Year: 2012 **Ongoing:** No **End Year:** 2021

Main Adequate Housing Components:



Housing Thematic Areas:

- Housing Affordability & Financing
- Social Housing
- Communal & Self-Build Housing
- Housing & Informality

Relevant SDGs:



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Problem & Context

Bhuj, a small ancient city in Gujarat's Kutch district, was almost destroyed by the 2001 earthquake. Since then, it has rebuilt and grown from a dense walled town into a sprawling city of over 2,20,000 people.

About 33% of Bhuj's residents live in 77 slum settlements without a secure tenure. Most of them belong to lower-caste communities whose ancestors were allotted land by the former king of Kutch for their services to the city. Over time these settlements expanded but were never officially recognized after India's independence. These communities began to be classified as squatters on public land.

The Rajiv Awas Yojana (RAY), launched in 2009 for large cities, was extended to Bhuj in 2012 after sustained advocacy. Typically, such schemes are implemented by developers who use subsidies to construct multi-storey apartments either on the same land or at the outskirts, allotting units to slum dwellers by lottery. Residents become passive recipients, excluded from planning or ownership.

Solution Developed

This project demonstrated an owner-driven alternative to top-down housing schemes. The subsidies from the RAY scheme were transferred directly to 314 families across Bhimrao Nagar, Ramdev Nagar, and the GIDC settlements in Bhuj. The beneficiaries were lower-caste, long-term residents of informal settlements living in poverty and lacking tenure. With technical support from Hunnarshala and community mobilization by KMVS, and Sakhi Sangini, a women's savings federation, a participatory design process was followed with communities. Ultimately earthquake-resistant homes on 65 m² plots per family were built. Based on the community's feedback features like courtyards —central to their social and household life were retained. The objectives were to involve people, secure a land tenure, provide safe housing, and preserve community networks. Innovations included short-term bridge loans via SHGs, expandable courtyard-based house models, seismic-resistant features, sustainable technologies like rainwater harvesting and dual plumbing, and collective construction that reduced costs. The approach combined social empowerment with technical resilience, giving residents ownership and dignity.

Implementation

It began with a survey of all slums by Sakhi Sangini followed by a settlement study by CEPT University. A pilot proposal for 314 houses was prepared and approved in 2014. Slum committees were formed in each settlement to manage construction and maintain common facilities. Actions included surveys, participatory house design workshops, bulk procurement of materials, and collective or small-group construction, with unskilled labor provided by residents and skilled work by local artisans or small contractors.

Key actors: Bhuj Municipal Corporation (official implementing body, funds, land, infrastructure); Hunnarshala (technical coordination, designs, proposal, supervision); KMVS and Sakhi Sangini (social mobilization, savings groups, bridge financing, community training); ACT and Sahjeevan (water and waste systems); K-Link (data management); District Collector and Bhuj Development Authority. Homes In The City (HIC) ensured integration of collective efforts across actors.

Timeline: 2009 – RAY launched; 2010 – citywide slum survey; 2012 – advocacy brings Bhuj into RAY; 2014 – 314-house proposal approved; 2015 – construction begins; 2016 – half the houses complete; 2021 – all houses occupied by owners.

Resources: Each family received up to INR 4,00,000 subsidy (shared between central, state, and local governments), plus 10–12% community contribution. Bhuj municipality provided land at no cost. Sakhi Sangini savings groups offered bridge loans to address subsidy disbursement delays.

Enablers & Obstacles

Key enablers included strong community engagement through Sakhi Sangini and KMVS, political buy-in from the municipality and state, and the technical expertise of Hunnarshala. Women's self-help groups played a vital role in mobilizing residents, sustaining trust, and even providing bridge loans when government disbursements were delayed. The legal transfer of land on a 99-year lease and direct transfer of subsidies to families gave security and ownership, while participatory design workshops took people's needs into consideration while building.

Obstacles included land related conflicts (as in Bhimrao Nagar), bureaucratic delays in subsidy release, and resistance within communities over plot sizes and relocation. These were overcome through collective protest, negotiation with officials, pressure from civil society and media, and patient facilitation by NGOs. Delays in municipal infrastructure were partly addressed through constant follow-up and coordination with local authorities.

Results & Impact

The project delivered 314 houses on secure 65 m² plots with full infrastructure, benefiting long-marginalized families across 3 settlements. All households received individual tenure on a 99-year lease, moving from "squatters" to formal residents. A density of 320 people/ha was achieved without high-rise buildings, with the potential to rise to 600/ha in livable conditions as families expand.

For low-income households, impacts included reliable access to water, sanitation, electricity, education, childcare, and government schemes. Employment opportunities for women improved once children had safe schools and daycare. People became eligible for bank loans for education or marriage. Women's leadership was strengthened, especially among the Devipoojak community, whose elected housing committees brought credibility and recognition.

The project fostered governance through resident welfare associations and slum committees, enabling collective management of infrastructure and accountability. It also built social dignity, shifting perceptions of slum residents to that as citizens. Broader impacts included a citywide precedent showing that subsidies can support people-driven housing and inspiring replication elsewhere. The project was recognized by the Government of India as one of the country's 15 best housing initiatives. Environmentally, it integrated rainwater harvesting, dual plumbing, and waste segregation, strengthening resilience in Bhuj's drought- and disaster-prone context.

Replication & Scale Up

Policies changed at the central government, which restricted the beneficiary-led housing approach to individuals with formal land ownership. However, some states, such as Odisha and Punjab, have enabled this model by enacting land rights legislation and linking landholders to the central government housing program.Policies should take into account the land situation in small and medium-sized cities. They must recognize the land rights of the urban poor to ensure long-term housing security, which can be tied to a broader set of rights that improve living conditions and enhance family stability.

A study has been conducted to examine the limitations of existing housing programs in the context of small and medium-sized cities, along with good practices and policy recommendations.

Pradhan Mantri Awas Yojana (PMAY) 2.0, which considers applications from landless families, still has certain limitations. Currently, negotiations and policy advocacy efforts are underway with the state government to include select informal settlements in Bhuj under a beneficiary-led or owner-driven housing approach.

Policy Uptake

This housing practice is a new or innovative practice that is not yet adequately or fully integrated into formal policy frameworks.

Policy should adapt the Odisha (another state in India) model for Gujarat, ensuring land rights are heritable, mortgageable, and transferable after a set period. Slums must be surveyed with ground-truthing, and layouts prepared for irregular settlements. Land up to 35 m² should be free, with Jantri rates beyond. Rights should be individual, followed by cooperative societies. A facilitation agency must ensure participation. The government can test viability through a pilot in one district (without a municipal corporation), implemented via a General Resolution (GR).

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Lessons & Takeaways

Informal dwelling communities are being organized and informed about policy gaps, best practices, and supported in representing their cases before public authorities and elected representatives.

A toolkit on collective housing development was developed by the Hunnarshala Foundation, and housing projects were implemented in Bhuj with support from the Asian Coalition for Housing Rights (ACHR).