

# POLICY GUIDELINES WILL DEFINE SUCCESS OF CSR IN SLUMS

The realty sector has finally seen some hope with the announcement of including slum redevelopment as a part of CSR initiatives. If the sector wishes to change the way people perceive it, then it is essential to implement the right policies at the right time

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The real estate sector has welcomed the move to bring the slum redevelopment and rehabilitation projects under the ambit of Corporate Social Responsibility (CSR). It has been a wish that had been granted even before the sector could get vocal with the wish-list. However, the sector also reminds the past experience that suggests that many such proposed policy announcements could not make any tangible difference in this urban management and social cause. For example,

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when the UPA government had made a budget announcement that affordable housing can avail External Commercial Borrowing (ECB), it was proposed for the slum redevelopment as well but in the absence of policy guidelines thereafter, the very purpose was defeated. The developers active in this space are apprehensive

that if the policy guidelines are not defined soon, the proposal will meet the fate of the ECB.

Mumbai-based developers are of the opinion that the way new DCR brought clarity for them and created a level playing field, this proposed scheme also needs to do the same.

Abhay Kumar, CMD of Griha Pravesh Buildteck, categorically says that it is a double-edged sword and while it can change the urban landscape of metro cities like Mumbai, its misuse cannot be denied. "The moot point in the proposed scheme is that whether the CSR is applicable in the context of serving the social cause or is it granted across the board. The government needs to define whether any project done out of slum redevelopment, including the villas and super-luxury apartments, fall into CSR activity or is it just about catering to the slum dwellers and other needy people looking for affordable housing," says Kumar.

Critics also point to the fact that SRA, being a specialised segment of housing, the CSR provision will only get a section of developers benefitted. However, Diipesh Bhagtani, executive director, Jaycee Homes, disagrees with it. "I am positive about the move and with this new initiative, it will help companies

in the near future. The government should come forward and create a policy which will be sector-friendly and benefit the end-user too. In the context of Mumbai, a point to be taken note of is that major slum areas are in legal hurdles with the BMC, land owner issues, etc. The policy should cater to the solution by setting up fast-track courts to finish legal matters and simplify procedure," says Bhagtani.

However, it is not just Mumbai, but developers across the metro cities that are elated with the prospect and their only concern is that the proposal should be given more teeth by the guidelines that defines what can be done and what cannot be done.

Nikhil Hawelia, managing director, Hawelia Group, agrees that Mumbai would be a litmus test for the success of this scheme. "All the cities which are a magnet for livelihood are sitting on a potential time bomb and the urban management will be a chaos if it is not addressed now. Thankfully, this proposal of slum redevelopment falling into CSR, gives a window of opportunity," says Hawelia.

The analysts suggest that it would be a seamless process if the government authorities come out with the checklist to counter the misuse of CSR in SRA.

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More importantly, these check-lists and guidelines will be announced soon. Till then, the developers are busy with their own cost and benefit analysis. Some of them are even pondering over the feasibility to create a new eco-system of economic opportunities out of the slum redevelopment. CSR after all, is not just about giving something back to the society to the desirable extent; slum redevelopment falling into CSR is going to redefine a lot more than just urban infrastructure development.



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