Upwardly Mobile!
Thanks To Telework.
From The Chief Executive's Desk

We are grateful to our readers for the excellent feedback we have received on our second issue which dwelt primarily with solid waste management, a subject which touches the lives of millions of Mumbaikars every day. Various case studies have generated interest in the alternative approaches to waste management. Bombay First has brought together the various stakeholders, eg. Citizen groups, BMC, NGOs and industry in this massive effort of cleaning up Mumbai. This was demonstrated recently at an SWM workshop, held for five wards of South Mumbai, jointly with the BMC and several NGOs.

The third issue of “The City” focuses on the Telecom Sector which is one of the key infrastructure areas for the development of the Services Sector in Mumbai. Various international studies have shown that availability of high quality telecommunications is regarded as the key strength for the financial sector. All major financial centres in the world such as New York, London, Paris, Singapore and Hong Kong have developed their financial and other services around a sound telecommunication structure. This is a key component of the ability of financial firms to use technology for competitive advantage. In this issue, we have written about the proposal for a closed user pilot metropolitan data network, which will enable various organisations in the Financial Sector to be connected to one another through a high speed and secure optical fibre network.

Teleworking involves a combination of telecommunications and computing technology, which makes it possible for work involved with the processing of information to be carried out anytime, anywhere. This holds immense potential for shifting work out to remote call centres or to back offices which could be located in the extended suburbs of Mumbai or Navi Mumbai. Teleworking is properly promoted, coupled with improvements in the existing basic telecom services, could be the key to mitigate some of Mumbai’s traffic problems, and promote wider participation in the workforce. The planned improvement in the Telecom Infrastructure will enable us to transform working patterns and the environment, such that Mumbai can offer its citizens a more flexible and better quality of life.

W. J. N. Danait
Chief Executive, Bombay First

Our New Chairman, Mr. R.K. Pitamber

According to custom, for the first 5 years of Bombay First, the immediate Past President of the Bombay Chamber of Commerce & Industry takes over as Chairman of Bombay First Society. I have therefore just taken over this challenging assignment for one year. I have been associated with Bombay First for the last 3 years as Chairman of the Transport Committee which was formed to recommend and advocate what improvements could be made for the whole transport system in Mumbai.

Instead of reinventing the wheel, we believe that quick implementation of MUTP-II is the only efficient and economical way to improve the rail and road system. The reason for this is that a detailed study was made by eminent foreign consultants together with the State Government and the whole project was supported by the World Bank. Out of about Rs. 5,000 crores, approximately Rs. 3,500 crores was to be provided by the World Bank. The figures are now much higher.

Unfortunately, like so many excellent projects, this one has been delayed for many years due to differences between the Indian Railways and the Maharashtra Government. It seems that the dispute has been settled, but negotiations with the World Bank will have to start again.

One of the main reasons for establishing Bombay First was to make Mumbai into a leading international financial centre, thereby improving the living and working conditions in this great city. I do not share the view that Mumbai is dying, but I do agree that substantial efforts need to be made by all its inhabitants to improve living conditions. It is in this respect that Bombay First needs to build by public opinion, to enable teams of citizens to work together to make Mumbai a much better place in which to live and work.

R. K. Pitamber
Mumbai’s Telecom Infrastructure

Yamuna, Seine, Potomac and the Thames are all known for the cities they support. A great city is usually built on a great river. Where would we be, without the waters of Vaitharana? As technology marches on, we have come to need a new kind of river for the big city to feed on: the river of information, the Optical Fibre Cable (OFC). The OFC in use in India usually carries over 20,000 simultaneous telephone calls. When fully utilized, it means a business of a few thousand rupees per second (sic!) at the peak hour, for the telephone company. For the business user, it is more, a matter of life and death!

Thanks to the Department of Telecom and MTNL, Bombay is well endowed in this area. More than 10% of all the telephones in India are in Bombay. With nearly 19 lakh telephones, Mumbai has nearly ten times more telephones per thousand users than the Indian average. MTNL can support nearly 1800 simultaneous calls to Delhi, nearly 800 each to Madras and Calcutta, and over 1000 to Bangalore. MTNL can also support over two thousand simultaneous calls from Mumbai to locations abroad through VSNL. All this is made possible by 132 exchanges at present, spread over 60 or so exchange buildings. MTNL uses Optic Fibre Cables even to connect the exchange buildings to each other. The long distance OFC cables have bundles of 12 or 24 glass fibres inside a protective sheath. Each fibre is capable of carrying over 2000 simultaneous telephone calls. MTNL earns over Rs. 2600 crores per year from services rendered.

Video Conferencing

A very recent development is the throwing open of Integrated Services Digital Network (ISDN) services to the public, made possible by the fact that practically all exchanges in Mumbai are electronic exchanges. There are nearly a thousand ISDN subscribers in this city, putting Mumbai ahead of New Delhi in this dimension! Over the decades, inventors have played with videophones, which will show an image of the person at the other end. Now, ISDN brings us this capability at a very reasonable price. You can buy, for a lakh of rupees, one such unit to work with your PC. You can then dial up, over ISDN, anyone similarly equipped, for a video conference. The call will cost you just two times the normal STD cost. Those who wish to have a whole group of five or six executives at each end of the video conference can buy a more sophisticated video conferencing unit, which costs approximately Rs. seven lakhs. You can also use the same ISDN connection to call up foreign location for video conferencing, ordinary voice calls or for fax. Video calls will cost double the normal overseas calls. Phone calls will cost the standard rate, and fax will be cheaper! Another amazing feature of an ISDN connection is that it connects computers at 64 or 128 kilobits per second, as desired. If you wish to connect your PC to a Delhi computer, you would normally use a leased line costing Rs. 14 lakhs per year. Now, if you need this connection only for short periods, you can just use an ISDN connection. At 64 Kbps, the call will cost you the same as a normal STD call. Besides all this, you can use the ISDN connection to call up Delhi this minute, to call up Calcutta the next, and then Bangalore.

Unrealistic Tariff

The tremendous strides taken by MTNL in the voice telephony area are, unfortunately, unmatched by progress in computer networking. The nationwide INET, operated by DOT, is made available to Bombay users by MTNL. Despite crores and crores of investment, and several years of operation, INET has only about 500 users in Mumbai. Its real problem is a totally unrealistic, high tariff. VSNL has stolen a march over INET, offering a far more realistically priced and imaginatively run Internet service. The number of Internet users in Mumbai is well over 40,000. However, the bulk of Internet users depend only on temporary connections, dialing up from their telephones. Companies which need to connect up their computers in different offices to each other need leased lines which are reliable and are reasonably priced. A high priority has to be given to this type of networking. There is no modern business or industry which can grow without this facility.

No Dark Fibres Please!

Planners have to recognize that failure to provide such facilities will make our business and industry lose out to their competition from abroad. The technical and business skills deployed to create and manage such networks has to be enhanced a lot. Otherwise, we will continue to see more of the sorry spectacle of companies using satellite communication to connect offices within 20 kilometres of each other! We have to recognize that making telecom users subsidize various other parts of the economy is suicidal in the long run. Indian business and industry cannot survive without realistic telecom tariffs. High cost to the consumer creates the so-called “dark fibres” or unused communication capacity. There is a lot of capacity under the ground, but adequate demand is not there to necessitate installation of terminating equipment and putting this capacity to work. Dark fibres cannot lead us to a bright future!

By S. Ramani, Convenor, Telecom Committee of Bombay First.
The Quiet Revolution

Over the past few years, a quiet revolution has been going on in the world's offices. Most people have become used to seeing an individual personal computer on almost every desk, and the increasing use of telecommunications for a huge variety of functions. However, few have realised that these technologies, when combined together, can transform the very nature of the office as we know it.

They do it by breaking down bureaucratic barriers. Dating back, in some cases almost unchanged, to the organisational form of the imperial armies from which they ultimately derive, most companies have a hierarchical structure in which instructions are issued from on high and each level is directly managed by the one above. The only way to make sure that workers are not shrinking, and that information is flowing easily from one department to another, is to have everyone under the same roof, under the eye of the supervisor.

The new technologies change all that. Digitalised information can be sent down a telephone wire to any point on the globe equipped with the right infrastructure, avoiding the need for slow paper-based communication. Digital workers can be supervised, not by standing at their shoulders but simply by monitoring their results.

This means that many forms of office work need no longer be tied to any particular location, but can be carried out wherever conditions are right. For instance, in the worker's home, in a remote Call Centre or in an office in another country.

Exciting Prospects

This development opens up some exciting prospects. Firstly, it offers the opportunity to attract new kinds of work from overseas — an opportunity which a number of software companies in India have already exploited. Secondly, it offers a potential solution to Mumbai's chronic traffic congestion problems. If a significant number of people could be persuaded to work from home or from an out-of-town or suburban back-office, this might reduce the number of commuters. Thirdly, it could offer a chance to create work for groups who have found it hard to obtain regular office work, such as disabled people, people tied to their homes by the need to care for sick or elderly dependents, or even rehabilitated prisoners.

But it also raises a number of questions: might it lead to the isolation and fragmentation of the workforce? Could it become a means of trapping women in homes from which they would like to escape periodically? And in Mumbai's costly housing market, how many people could afford the space to create a home office?

In the USA, six per cent of the population are already 'telecommuting' from their homes, while in the UK there are twice as many people working in call centres as there are car workers. A body of knowledge is building up on how teleworking can be managed effectively and what preconditions are necessary for it to thrive.

The first of these is the right skills and language abilities in the workforce. These, Mumbai has in abundance, giving it a key competitive advantage on the world market.

The second is good, affordable infrastructure. Here, India is somewhat behind the rest of the world, with high telecommunications costs and ageing network. However, it is making very rapid strides forward and the speed with which the public ISDN infrastructure has developed gives cause for optimism.

The third is the right management culture. Teleworking works best where hierarchies are flat, bureaucratic rules are minimised, job descriptions are flexible and workers are encouraged to work to targets which they have negotiated with their managers or team-mates. Above all, it depends crucially on trust. Firms which have developed such a culture are poised to reap the rewards of becoming a 'virtual organisation'.

By Ursula Hives

Ursula Hives is the Director of Analytics Social and Economic Research Ltd. and an Associate Fellow of the Institute for Employment Studies. She is an international consultant on the UNU/INTECH project, Telework and Teletrade in India, funded by the IDRC and based at NCST in Mumbai.

Pioneering Teleworking Research Project

The Telework Research Project. Ursula Hives is second from left.

Others in the picture are: Ms. Ng. Ms. Swasti Mitter, Ms. Alka Irani and Dr. S. Ramani.

The Telework and Teletrade project is based at the National Centre for Software Technology in Mumbai under the directorship of Dr. S. Ramani, the Director of NCST. The project coordinator is Dr. Alka Irani, a Research Scientist at NCST. This project is supported by IDRC Canada and sponsored by the Bombay First Initiative. It is being carried out under the auspices of the United Nations University's Institute for New Technologies (UNU/INTECH) under the directorship of Professor Swasti Mitter.
Two international consultants, Ursula Huws Director, Analytica and Dr. Jane Millar, Research Fellow at the Open University Business School, London are also working on the project to ensure that the result of the study can be compared against international benchmarks. In order to maximise comparability with other studies (e.g. in Europe, Japan and the USA) a common methodology and research instrument have been developed. This questionnaire has been used, with minor adaptations, in parallel surveys in Mumbai and in Malaysia. The survey of 500 employees in the Greater Mumbai area has been carried out for the project by IMRB to investigate the extent to which local employers are already involved in teleworking and teletrade, and find out their views of the advantages and disadvantages, the constraints which currently prevent them from adopting it and the new policies which might encourage its development.

**Case Studies**

Case studies are also being carried out by various consultants in order to investigate the existing nature and future potential for teletrade in software in Mumbai, Bangalore and Calcutta, and in the media and financial services sectors in Mumbai. Mr. P. Sadanandan, Associate Director of NGST and Dr. Jane Millar have already initiated case studies in Bangalore to establish factors that are critical to the successful establishment of teletrading relationships between software firms in Bangalore and other international firms. Another important aim of the project’s work is to explore the implications of these developments for women and other disadvantaged groups, and two other consultants are working to provide expertise in this area.

**Dr. Parvati Rajan** is a Reader at the Computer Centre in SNDT Women’s University. Her contribution to the project will focus on teleworking and training and education policy, including looking at the extent to which gender stereotyping is evident in educational curricula. The opinions of trainers and HR managers, and the extent to which gender shapes the career expectations of women students will also be looked at.

**Dr. Sujata Gothaskar** is currently attached to the Workers’ Solidarity Centre in Mumbai. She has also worked with women’s campaign groups and has been involved in research for unions and training for non-governmental organisations. Her contribution to the project will focus particularly on gender and social equity issues.

Although it is due to run until late 1999, some preliminary results from the project’s research should be available towards the end of this year. Watch this space!

By Ursula Huws

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Teleworking may well hold the key to India’s economic future. This was the opinion of a group of experts gathered together in Bombay’s National Centre for Software Technology (NCST) in a seminar hosted by the NCST and Bombay First entitled ‘Telework in India, implications for Employment, Trade and Social Equity’. The seminar funded by the International Development Research Council of Canada is part of a research project on Telework and Teletrade under the auspices of UNU/INTECH in India.

In July, 1997, the United Nations University’s Institute for Technology (UNU/INTECH) embarked on a major initiative to investigate the international trade in services teletrade and telecommuting in the Asian context. The project is directed by Professor Swasti Mitter, Deputy Director of UNU/INTECH. The project is based at the National Centre for Software Technology in Mumbai. Bombay First has actively supported the project since its inception. The project is primarily policy-oriented. It aims to identify the points of intervention by government policy-makers, employees’ organizations, training providers, non-governmental organization and the corporate sector that will make this new form of work a vehicle for improving the quantity, quality, geographical distribution and gender structure of employment in India.

**Telework**

The term telework as used in this project refers to work located at a distance from the main office site, which is performed with the help of telecommunication and computers. Teleworkers are employees who dial into networks to accomplish their tasks. The combination of telecommunications and computing technologies makes it possible for work involving the processing of information to be carried out anytime, anywhere. Once India’s telecommunications sector is fully liberalised, this could enable the country’s unique competitive advantages in the world economy to be translated into increased employment opportunities.

Already, according to UK-based teleworking expert Ursula Huws, one major US company in five is outsourcing its software development to India (known as teletrade). ‘The most interesting question to me’, she said in her seminar address, is why the other 80% haven’t yet joined them.

Prof. Swasti Mitter explained that India has a number of key advantages in telecommerce: a pool of highly skilled IT specialists, fluency in English, relatively low labour costs and a group of dynamic entrepreneurs who have learned how to market their services in the borderless economy. Drawbacks are a poor and expensive telecommunications infrastructure and, in some sectors, a bureaucratic culture which is hostile to networked forms of organisations.

Dr. S. Ramani, who is Director of the NCST which plays a key role in training the new generation of software engineers, describes them as ‘the advanced guard of the new global virtual workforce.’ Dr. Ramani emphasized the importance of using Information Technology to link the economies of Mumbai and Maharashtra satisfactorily. He says that this may be the best strategy to increase employment in Maharashtra.

In the words of Dr. F.C. Kohli, Deputy Chairman of Tata Consultancy Services, opening the seminar ‘We are now at crossroads in India’s economic development. Teleworking gives us a unique opportunity to enter the global networked economy as a world class player. It is an opportunity we must seize now. If we fail to create the right telecommunications environment and create the right business culture now it will pass us by.’

Mr. A.N. Desai, SICOM discussed the IT policy of the Government of Maharashtra which covers issues like decentralization of information processing work as a result of rapid spread of IT and upgrading telecommunication work located at a distance from the main office site performed with the help of telecomm and computers. The vision of the IT policy is “Anytime, Anywhere, Anyhow.” It aims at conceptualizing state information infrastructure by enabling any person from rural/urban area, anytime, to connect anywhere in India or abroad for storage, retrieval and processing of data. The implementation of IT policy of the Government of Maharashtra will definitely facilitate teleworking.

Mr. Vithal Nadkarni, Asst. Editor, The Times of India, felt that the potential for teleworking in media is 100%. In his words, “teleworking facilitates qualitative jump in terms of articles. The connectivity tends to bring down the barriers between small and big newspapers. Teleworking gives us the opportunity to structure our life so as to schedule our activities more comfortably.”
Telecommuting & Mumbaikers Travel Problems

Teletrade is only one dimension of the new, virtual organization which IT is bringing into being. Telecommunications can also make it possible to shift work out of crowded city-centre offices into remote call centres of back offices nearer to where people live, or even enable you to avoid the daily commute altogether by working from home. Already in the UK one worker in 25 is a cyber-home worker, using a modem instead of wheels to get to work.

"Telecommuting could be the key to solving some of Bombay's traffic problems and could help to contain the escalating costs of employing people in city-centre offices, as well as improving productivity and efficiency," says Mr. W.J.N. Danait, Chief Executive of Bombay First, who adds that: "Our latest research shows that companies are leaving Mumbai and others are being deterred from locating here because of the high cost of real estate, poor housing and traffic congestion. Yet the city's greatest strengths are precisely those industries which rely most heavily on the new technologies, such as banking, media and software. Teleworking offers us an ideal opportunity to take a radical look at how we organize work in this city. Let's seize it before we grind completely to a halt."

Teleworking & Social Equity

Teleworking could also be the key to creating new employment opportunities for groups which have in the past been excluded from the labour market, such as the disabled and women with caring responsibilities, as well as people who live in inaccessible areas.

According to Dr. Ursula Huws, an International Expert who has 20 years of working experience in teleworking, teleworking can contribute to growth, employment and competitiveness. It can contribute to social equity by enabling workers to reach a wider range of potential employers and by allowing both men and women to work flexibly. In her words, "You have no sex, age, colour or disability on the Internet." She also discussed the social risks of teleworking such as breakdown of social life at workplace, social isolation, polarisation of workforce between secure/insecure occupations, male/female workers, central/peripheral regions, etc.

Ms. Sujata Gothoskar, journalist, addressed the social and economic implications of teleworking. In her words, "Polarisation in terms of employment opportunities and standard of living is a challenge to teleworking. We should not ignore jobs which will be made redundant due to teleworking."

The question of women's employment is crucial. With potential flexibility in the allocation and timing of work, telecommuting makes it easier for women to combine work with domestic and childcare commitments. As Dr. Alka Irani states, "From my own experience, I know that, at a certain stage, women face the dilemma to be or not to be a working mother." The challenges that even professional women face in structuring their lives have implications also for the management of knowledge-intensive service sector companies. Professor Mitter emphasized that "the implications of not taking the woman question seriously could have significant consequences for human resource management of companies in Mumbai."

Her concerns were confirmed by Dr. F.C. Kohli, "we invest a considerable amount on young women trainees at TCS. There is no discrimination at the recruitment level. However, after a period, women programmers, particularly at their child bearing stage, drop out or settle for less demanding tasks." Telecommuting, by eroding some of the problems faced by working mothers, as voiced by Dr. Alka Irani, may help the companies in Mumbai to retain the requisite and scarce skills of women employees.

Telecommuting, however, brings new management challenges in dealing with the quality control, skills upgrading and employees' loyalty and commitment. Professor Mitter, likewise, stressed the need for management to be cautious while trying to replicate in Mumbai the experience of the European countries. The culture, tradition and industrial history of Mumbai should be taken into account in deciding the ideal mode of distant and decentralized telework. The institution of communal telecentres or telecottages may be a more suitable mode than the individual home-based telework that is becoming prevalent in Europe and North America.

The seminar yielded fruitful discussions and resulted in the identification of the advantages as well as the disadvantages of teleworking, various policy issues and possible bottle necks. The seminar was widely attended by persons representing media, software, banking, telecommunications and disadvantaged populations. The outcome was the formation of a core group of persons who will attempt to steer the project forward through dissemination of research results and try to implement actual demonstration projects on teleworking in Mumbai.

VSATs — A WAN Solution For The City Of Mumbai

Someone out there is wondering what I could write on the VSAT (Very Small Aperture Terminal) technology for the city of Mumbai. VSAT as a technology is for creating your Closed User Group Data and Voice networks across the length and breadth of the country. For in-city communications, VSATs are thought to be expensive solutions.

You will not be surprised if I tell you that Mumbai has the maximum population of VSATs in the country. After all, it is the Commercial Capital of India. However, how would you react if I tell you that hundreds of these VSATs in Mumbai are being used to connect the two premier stock
exchanges of the country — The Bombay Stock Exchange and The National Stock Exchange, which are situated in the city itself. It may look quite silly to use a satellite (thousands of miles up in space) for data transfer to a site situated just 10-40 kms away. However, there are deeper issues involved here and definitely the bevy of expert people in these organizations are not oblivious to this felony. These two exchanges are the case in point. There are also many other corporates and banks who have to use VSATs within the city.

The National Stock Exchange was the first to embrace VSATs as their network media, followed by The Bombay Stock Exchange in 1997. Those of you who have some knowledge about setting up data networks, can easily understand the complexities of a nation-wide network connected to one central host, where live trading is transacted, with crores of rupees changing hands every day. The network needs to be reliable, uniform, predictable and manageable. VSATs helped them to achieve exactly all these. The reliability is 99.5%, central single point management, easy add-ons and consistent response time are all those features which were not available to us before the advent of VSATs.

So VSATs provide a reliable media for upcountry communications, but it would definitely be cost effective to connect the local users by any other media like lease lines, dial-up lines or Data Over Voice (DOV) lines. Apart from few complex issues of response time and manageability of heterogeneous network, the main issue is of inter-connectivity and reliability. DOT does not permit interconnection of VSATs with any other public or private network. Recently there has been a welcome change of permitting interconnection of Private Intra-city leased lines with VSATs. Hopefully they do the same for dial-up lines too in the near future.

A Complex Problem

Reliability presents a more complex problem. Imagine a situation where we have thousands of brokers across the country connected to the Stock Exchange Server on VSAT backbone, while there are a few hundred in Mumbai who are connected by leased, dial-up or DOV lines. To give all users same grade of service, the uptime for the VSATs and the local circuits should be same. DOT and MTNL have done well to bring up the availability of these circuits to 90% but it has to go a long way to reach 99.5% uptime guaranteed by VSATs. Remember each percentage point refers to 3.65 days of downtime. The buoyancy of an emerging economy like India makes this downtime difficult for any business to sustain. With the rapidly changing technologies in VSAT communications, it is a reality to have 24 Mbps download of internet/intranet as well as integration of TV and Data Broadcasts on the same VSAT. These are creating further advantages for the VSAT system.

Better communications provide for cost advantage and better management controls. Businesses in India have understood the potential of reliable communications, and are ever so hungry to adopt better and reliable methods, in order to prosper.

By Mr. Anil Modi, Regional Manager, Hughes Escort Communications Limited
(This article represents personal views of the author)

Bombay First Financial Services Committee

Government of Maharashtra Working Group

Mumbai is the financial capital of India. However, this position could be threatened by other centres such as New Delhi, Chennai or Panaji each of which has advantages as well as expressed ambitions. Further, being half way between Hong Kong and London, Mumbai could become the premier financial sector for South Asia if not also for Central Asia and West Asia.

To avert the threat and to grasp the opportunity, the city requires to improve several of its institutions including infrastructure for education, telecom, transportation, accommodation, etc. The potential advantage for the city and for the state of Maharashtra are many. The most important include:

- International stature leading to further opportunity creation.
- Generation of high quality employment directly in commercial banks, insurance companies, stock broking and investment banking, stock exchange, etc.
- Generation of employment in financial sector support firms covering software, accounting, stationery, catering, entertainment, etc.
- Creation of employment opportunities in the building and maintenance of the infrastructure.
- Revenue from taxation of each of the above three types of activities.

This is particularly important as Mumbai is rapidly losing manufacturing employment partly due to high costs and partly due to deliberate government policy. It is notable that an increasing
proportion of Indian GNP is from services and Mumbai is a leader in fields such as financial services, software, tourism, international logistics, etc.

Working Group

The Maharashtra Chief Secretary, Mr. P. Subrahmanyan, on December 9, 1997, constituted a Working Group consisting of two officials from Government of Maharashtra (Mr. R. S. Mopalwar, Deputy Secretary, General Administration and Mr. Dilip Dixit, Deputy Secretary, Finance) and three representatives of Bombay First (Mr. Rajendra Chitale, Mr. Nihal Kothari and Mr. Nandan Malustee) to study impediments to Mumbai's ascendance as a financial services centre created by stamp duty or sales tax. The Working Group met in Mumbai on January 17, 1998. The Bombay First representatives requested the following be considered by the Government of Maharashtra:

a) Transaction costs for securitisation, transfer of other financial assets need to be reduced to international levels through amendment of stamp duty law.

b) Transaction cost of mergers and demergers of going concerns should be reduced through exemptions under State Stamp Duty law.

c) Mergers, demergers and going concern takeovers should be made tax neutral under State Sales Tax.

d) There should be tax neutrality as between financing through loans and finance through leases. Hence

d) Financial lease of movable assets should be treated as a general agreement under article 15(n) of Schedule I, through Bombay Stamp Act. Article 36 of Schedule 1 should be deleted.

ii) Sales tax on leases should be at zero or very low rate.

The Government of Maharashtra officials agreed to most of the suggestions particularly where the revenue implications for the State Government were not adverse. The agreed changes were subsequently incorporated into the Maharashtra budget which was passed in March. In addition to the benefit of the specific changes made, this interaction between Bombay First and the Maharashtra Government establishes a precedent which augurs well for the future of this city.

Asia Pacific Cities Forum


Opening Remarks and Introduction

Sixty leaders representing government, business, civil society, academia and the media from nine countries attended the Second Regional Interchange, held at the Cebu Plaza Hotel in Cebu City, the Philippines. The Interchange was co-sponsored by the United States Agency for International Development (USAID) and the City of Cebu.

Mumbai was represented by Mr. W.J.N. Dania, Chief Executive of Bombay First, Mr. Rahul Mehta, Executive Director, Urban Design Research Institute and Mr. Anil Rao, MD, Pest Control (India) Ltd. Other prominent city leaders participating in the Conference from India included Dr. Rita Joshi, Mayor of Allahabad and Dr. A. Ravindra, Municipal Commissioner, Bangalore.

Mayor Alvin Garcia of Cebu opened the meeting, welcoming the participants and telling them about Cebu's work toward increasing corporate citizenship. Priscilla Del Bosque, Deputy Director of the United States Agency for International Development's Manila office, also spoke at the opening of the meeting. She encouraged the participants to take a closer look at how Cebu City addresses urban problems such as housing shortages, displacement of farmers, lack of water supply, and inadequate education. William Gelman, of USAID's Jakarta office, said that innovation and networking are the keys to sustainable urban development.

According to Gelman: "We are entering a new age which stresses uniting resources, leveraging the strengths of various institutions, brokering deals and actions among communities, government, business and other institutions to produce the change that is and will continue to become necessary."

Perspectives

The first morning focused on "Perspectives on Corporate Citizenship," where four examples of business sector efforts in improving the quality of life in cities were presented. Eugene Caccam and Gina Velasco of the Philippine Business for Social Progress (PBSP) explained their organization's role in developing a vital business sector involvement in social issues in the Philippines.

Nicholas D. Snider of United Parcel Service and the National Museum of
Patriotism, talked about The Atlanta Project (TAP) in the United States, and showed that it is possible to involve the corporate sector in urban development activities and achieve significant change. He stated that Atlanta is a city of have and have-nots. To counter this, former President Jimmy Carter initiated TAP in 1991 by matching 20 “cluster” neighbourhoods in the city with corporate partners. He stated that “for real change corporations have to be involved in multi-faceted partnerships with the community by providing not only financial support but also managerial and technical support in urban revitalization efforts.”

Sharing Experiences

On the afternoon of the first day each participant spoke briefly about their own experiences and thoughts on corporate citizenship and urban development. It was clear from the presentation and following discussion that in almost all the cities represented, businesses were engaged in several urban projects in partnership with the local government, or the civil society organizations. Further, many participants stressed the importance of including all kinds of businesses in these partnerships, not only large multinationals but also small, locally owned businesses. The challenge was to break from the traditional role of the government and involve the other enlightened stakeholders in effectively contributing to improving the quality of life in cities.

Vision, Mission, Goals And Activities

The second day, after a site visit of two innovative projects in Cebu, the participants were broken up into smaller groups to discuss the establishment of APCF. Mr. Danait was a member of the Core Group which was formed to consolidate and reach a consensus on the Vision, Mission, Goals and Activities of the Forum as given below:

**Vision**

Better managed and more livable cities in Asia Pacific, where an enlightened business sector comes into partnerships with local governments and other urban stakeholders for sustainable development.

**Mission**

To foster the development of partnerships, focusing primarily on strengthening links between the entrepreneurial spirit of the business sector and urban leaders, thereby creating a synergy for better decision making practices and effective management of resources in cities in Asia.

**Goals**

Specifically, the charter will include the following goals:

**Alliance Building.** To strengthen APCF and ensure its continuity to foster an ongoing interaction among enlightened business and urban leaders.

**Catalyst for Action:** Increase commitment by business leaders to urban development and develop multi-stakeholder interest groups.

**Information Exchange.** Identify, document and disseminate examples of innovative and successful business/urban partnerships in improving the quality of life in cities.

**Activities**

Over the next three years between 1998 and 2001 APCF will undertake the following activities:

**Asia Pacific Cities Forum:** Establishing the Forum by identifying a committed core of diverse group of urban leaders in the Asia Pacific region to become part of the Forum.

**Regional Interchange:** Plan and organize two regional interchanges on well-defined themes bringing together enlightened business and urban leaders.

**Increase Business Involvement:** Promoting the formation of city specific business partnerships and developing indicative criteria for successful business citizenship and partnerships.

**City Specific Forums and Implementation Activities:** Over three years APCF will undertake targeted focus workshops and other activities by effectively engaging the enlightened business leadership to support sustainable urban activities and programmes in partnership with local government and civil society leaders.

**Information Exchange:** Identify, analyze, document and share innovative case studies on partnerships.

**Specific Outcomes**

The specific outcomes of the Interchange are as follows:

1. A consensus was reached that APCF can play a distinct and important role in supporting enlightened business leaders and other urban leaders to develop sustainable partnerships around urban projects. It was clear that there is a client group in Asia that is ready for new approaches and greater participation by the “people’s sector” in important decisions affecting the quality of urban and environmental management.

2. The Cebu Chapter of the Asia Pacific Cities Forum was established. Mayor Alvin Garcia has agreed to chair this group.

3. Each participant has agreed to survey in their own cities the level of business sector (both large companies and small) involvement in urban development activities (business citizenship) and produce short case studies on some of the most innovative initiatives.

4. Housing and Urban Development Corporation and the City of Bangalore have agreed to host the next Interchange in India to be held sometime in late 1998.

5. USAID RUDO offices in Asia are willing to recommend to USAID’s Global Environment Urban Programme to consider supporting specific aspects of the core activities to help establish APCF.

6. APCF will establish its regional offices in South Asia and South East Asia in the next 3 years.
Metropolitan Data Network For The Financial Sector

A Bombay First Proposal

Mumbai, the financial capital of the country, houses almost all the financial institutions — three stock exchanges, one depository and approximately 2000 bank branches including the Reserve Bank of India. A new stock exchange floated by 14 regional stock exchanges is also coming up in Mumbai. The city handles several thousand crores worth of financial transactions in a day, yet transactions between these institutions are largely paper-based which greatly slows down the velocity of the business creating massive floats which are un-productive.

Apart from the National Stock Exchange (NSE), none of these institutions use data communication with any significant operational effectiveness. India has no metropolitan area network catering to the high concentration of financial institutions in metros such as Mumbai. The nationwide data network (INET) established in 1991 by the Department of Telecommunications (DOT) is unable to meet the capacities and qualitative needs of such institutions. The tariffs are also too high to support intra-city communications.

The employment in the service sector in Mumbai has been growing at approximately 5% per year between 1981 to 1991. Almost 3,00,000 persons work in the area of financial services and they contribute approximately Rs. 2,00,000 each to the gross national product as against Rs. 10,000 per capita contributed by the average Indian.

A Bombay First Working Group consisting of Dr. S. Ramani of NCST, Mr. V. Babuji of IL&FS and Mr. M.C. Venkatram of Neutron recently conducted a feasibility study on the setting up of a pilot metropolitan data network (MDN) for the financial services sector of Mumbai. The study proposed that the network can be set up and operated by analogy with agencies such as Society for Worldwide Interbank Financial Transactions (SWIFT) and Societe Internationale Telecommunications Aeronautique (SITA). While SWIFT is heavily used by the banks and caters to the needs of international electronic banking transactions, SITA serves airlines, hotels and travel agencies. The first phase of the Project is estimated to cost Rs. 30 crores.

Typical applications and services provided by such a network would be electronic transfers, on line clearing through inter-branches reconciliation, on line terminals at customer premises to provide banking information and instantaneous transactions, ATMs, on line authorisation of credit card transactions, etc.

Major Advantages Of Such A Network

1. High level of security in terms of use and access. This means very tight access controls, through use of high technology such as encryption and digital signatures.
2. The network will be transparent and accommodate all transmission protocols and applications.
3. Investments in existing hardware and systems by the users will not be redundant.
4. Availability will be in excess of 99.995%.
5. Existing MTNL resources will continue to be used wherever available.

The project forecasts that approximately 1,00,000 employees in the financial sector will use computer terminals and will be connected to the network. It provides for Network Access Points (NAPs) to serve existing concentration of financial entities in the city. Each NAP will act as a local terminating point of the banks from user buildings and will be well connected to other NAPs using high speed backbone connections.

The study proposes an initial distribution of seven NAPs in South Mumbai, two for Bandra-Kurla Complex and one for Vashi. The network will be based on optical fibre to ensure very high capacity and bandwidth to meet growth needs. It is proposed to use copper twisted pairs, radio modems or fibre optic cables for the end links to connect users to NAPs.

Tariffs

The tariffs proposed have been kept low to ensure high level of utilisation of network for e.g. for a 64 Kbps subscriber, the annual charge is expected to be Rs. 60,000 and for a 2 Mpps subscriber, Rs. 4 lakhs. In addition to the above, there will be a one time charge to cover the cost of the end link at each customer site. There will be no volume based charge for intra-city applications.

Regulatory Issues

The study, while addressing regulatory issues pertaining to operating such a network says that permission and licence to operate would be required from the Telecom Commission and the Ministry of Telecom, besides the clearance of frequency for the NAPs to provide radio access. It welcomes the participation of MTNL in the project. It is proposed that the ownership, operation and control of the network should be by the users as the network is to carry financial transactions which require a high level of security.

Department of Electronics (DOE), Government of India plays a major promotional role in regard to national projects in the information technology sector. It is hoped that the DOE will provide support in launching this pilot project of great significance to the national economy. Once the concept is accepted and popularised, it can be replicated in other metros and smaller towns with appropriate scaling. Access to such a network from outside the metros can also be provided by medium to long distance links. It is also important that the metro network should be connected to the RBI inter-city network being established on a national scale.

The proposal has attracted considerable interest and support from various organisations in the financial sector such as State Bank of India, Infrastructure Leasing & Financial Services, Bombay Stock Exchange, Government of Maharashtra through SICOM, the TATAS,
Mayor In Council

The New System Of Municipal Governance In Mumbai

An amending legislation was passed in the last Budget Session of the Maharashtra State Legislature to usher in the new system of municipal governance in the Municipal Corporation of Greater Mumbai, popularly known as the Mayor-in-Council (MIC) system. The salient features of this new system and in what respects it is significantly different from the system in vogue so far may be briefly stated as follows:

1. The executive authority and the administrative powers of ultimate decision making now vest in the Corporation, the Mayor-in-Council, and the Departmental Standing Committees. Previously, the executive authority vested in the Corporation, the Standing Committee, the Improvements Committee, the BEST Committee, the Education Committee, the Municipal Commissioner and the General Manager, BEST.

2. Under the new system, the Mayor will be elected by the elected Councillors in the Corporation, as before. The office of the Mayor will, however, be reserved by rotation for the members belonging to the Scheduled Castes, Scheduled Tribes, Women and Backward Class of citizens, in the prescribed manner. The normal term of the Mayor will henceforth be of two and a half years and not just one year. As a year had, however, already elapsed by the time, the new MIC system was introduced after the last municipal general elections, there will be, for the residual period of four years of the existing elected general body, two Mayors, each having a term of only two years. After the next municipal general elections, the normal term of two and a half years for the Mayor will come into force.

3. There will be a Mayor-in-Council for the Corporation, consisting of the Mayor, the Deputy Mayor and such number of elected Councillors (including the Deputy Mayor) as determined by the State Government from time to time, appointed by the Mayor to be Members of the Mayor-in-Council. (The existing strength of the Mayor-in-Council, inclusive of the Mayor and the Deputy Mayor, is twelve). The MIC will be collectively responsible to the Corporation. The full time MIC, with the Mayor as its head, elected by and from amongst the Councillors for a term of two and half years and charged with the day-to-day administration of municipal affairs, has a close resemblance to the Cabinet system of government in the parliamentary democracy.

4. Instead of the Mayor presiding over the meetings of the Corporation, the Corporation will have a separate Chairperson, elected by the elected Councillors from among themselves. There will also be a Deputy Chairperson similarly elected. The Chairperson and Deputy Chairperson will have each a term of one year only. The office of the Chairperson will be reserved by rotation for the members of the Scheduled Castes, Scheduled Tribes, Women and Backward Class of citizens.

5. The Corporation will, after the election of the Mayor, appoint as many number of Departmental Standing Committees as there are members of the MIC (including the Mayor and the Deputy Mayor). Each such Departmental Standing Committee will, besides the...
member-in-charge who will be the ex-officio Chairperson of the Committee, consist of sixteen Councillors to be elected by the elected Councillors of the Corporation from among themselves, by following the system of proportional representation. Each Departmental Standing Committee shall meet at least once in a month and such meetings will be open to the members of the public and representatives of newspapers. Each Departmental Standing Committee will approve contracts relating to the departments within its purview, involving an expenditure exceeding Rs.10 lakhs but less than Rs.2 crores. Each Committee will also consider and make recommendations on the proposals relating to policy of such departments, ensure speedy redressal of citizens’ problems related to the departments and make recommendations on the proposals regarding estimates of income and expenditure of such departments.

6. The erstwhile Standing Committee and other statutory committees, all of which functioned independently, have been abolished. The Municipal Commissioner as well as the General Manager REST will no longer be independent “Municipal Authorities”. The executive power of the Corporation will be exercised instead, by the Mayor-in-Council and the Municipal Commissioner will function under its supervision and control. The Municipal Commissioner will also function as the Secretary of the MIC and may attend and take part, alongside the heads of department concerned, in the deliberations of the meetings of the Council. He may also at any time, move any proposal before the MIC for its consideration. He will be responsible for implementing the decisions of the Corporation, the MIC and the Departmental Standing Committees. The Commissioner will have powers to approve contracts involving expenditure of not more than Rs.10 lakhs. He will continue to have, as before powers to remove unauthorised constructions and encroachments, take appropriate action on his own in an emergency and to transfer, promote or take disciplinary action against the municipal staff subordinate to him.

7. There will be, besides the Departmental Standing Committees, an independent Municipal Accounts Committee, of which the Leader of Opposition in the Corporation will be the ex-officio Chairperson. The Chairperson will enjoy the same status as that of a member of Mayor-in-Council. The Municipal Accounts Committee will consist of eleven members (including the Chairperson). The Chairperson will appoint the remaining ten members from amongst the elected Councillors by holding an election, by following the system of proportional representation. Members of the MIC are not eligible to be members of the Municipal Accounts Committee. The Committee would examine the accounts of the Corporation, examine and scrutinize the report on the accounts of the Corporation made by the Auditor appointed for the purpose, with a view to satisfying that the expenditure was incurred in accordance with the authority governing the same and that the monies shown in the accounts as having been disbursed were available for and applicable to, the services and purposes to which they were applied or charged. The Committee would report to the Corporation every year (and from time to time), on such examination and scrutiny.

8. The power hitherto unknown in the governance of the Mumbai Municipal Corporation administration has been conferred on the State Government to dissolve, after giving it a reasonable opportunity of being heard, the Corporation for being incompetent, or for making persistent default in performing its duties, or for non-compliance with the lawful directions or orders of the State Government, or for abuse of powers, etc., or for loss of financial credibility.

9. A special responsibility has been cast on the Municipal Commissioner to submit a monthly confidential report to the State Government about the functioning of the Mayor-in-Council. There was no such provision in the past.

Democratic System

Very few who have abiding faith in the democratic system of Governance will question the basic philosophy underlying the decision to transfer the executive authority and administrative powers from the Municipal Commissioner, who is after all a bureaucrat appointed by the State Government, to the Mayor-in-Council, comprising persons democratically elected by the citizens of Mumbai. Several comments and doubts have, however, been expressed criticising the hurried manner in which the new MIC system was installed and whether the new system will really bring about a discernible improvement in the functioning of the Corporation in terms of a more efficient delivery of various civic services on which the day-to-day life of citizens of Mumbai heavily depends. The thick veil of secrecy shrouding the deliberations of the Mayor-in-Council in its meetings which are not open to the members of the public as well as of the Press has already created serious doubts about the transparency of the new system. Will the new system be really more responsive to the needs and aspirations of the Citizens of the Mumbai; will there be greater public accountability of the municipal administration, particularly that at the cutting edge level; will the new system really bring about a transfer of power to the people and result in a decentralized, easily accessible, impartial and non-partisan system of municipal governance — these are all questions to which only the coming few years will provide the answers.

By D.M. Sukhbankar
Workshop On Solid Waste Management

In keeping with its role of helping solid waste management problems in the city, Bombay First organized one of the first workshops of its kind to include all the stakeholders, i.e. the BMC, Resident Groups, NGOs and Industry. “Citizens’ initiatives in Solid Waste Management in Mumbai” was held on Saturday, April 25, 1998 at the YMCA, Colaba. A number of prominent NGOs and practitioners of waste management were involved in the conceptualization and organization of the workshop. These included:

Citizens Council for a Better Tomorrow
Vasundhara — Nirmala Niketan
Tata Council for Community Initiatives
Burbanji Foundation
Mumbai MedWaste Action Group
Clean Bandra Campaign
Clean Mumbai Foundation

The workshop focused on South Mumbai from A to E wards, and was held jointly with BMC. About 90 persons attended. The BMC was represented by Mr. M.R. Shah, Chief Engineer, SWM, Ward Officers from Wards A to E and other Municipal Officers.

Mr. K.K. Pitamber, Director, Mahindra & Mahindra Limited and President, Bombay Chamber of Commerce & Industry inaugurated the workshop. He informed the participants that in the recent Asia Week survey, Mumbai has been ranked the last amongst forty cities in Asia as per 24 indicators relating to quality of life. One of the major causes of deterioration in Mumbai’s environment is the problem of solid waste which is not handled efficiently inspite of the vast municipal infrastructure. He said that it would require the participation of all stakeholders to make an impact.

Mr. W.J.N. Danait, Chief Executive of Bombay First outlined the objectives and methodology of the workshop. He stated that the major objective of the workshop was to bring together various stakeholders such as BMC, Citizen Groups, NGOs, and Industry to share experiences of innovative practices followed in different areas of Mumbai, promote partnerships and evolve strategies and action plans for wider public participation. Mr. Danait also spoke about the Clean Churchgate campaign sponsored by Bombay First which could serve as a demonstration project for emulation in other parts of the city.

The BMC Role

Mr. M.R. Shah of BMC spoke about BMC’s need to earn credibility among citizens and of some of the success stories such as that of Dharavi, which nobody believed could be cleaned. He also elaborated on the concept of Advanced Locality Management, first evolved at Joshi Lane, Ghatkopar and now spreading all over the city.

Industry & Community Efforts

This was followed by presentations by Excel Industries and Akbaralays on their own initiatives and by various community groups such as Burhanji Foundation, Churchgate Project Group, Clean Bandra Campaign, Mr. Viren Merchant who has pioneered the Joshi Lane Project and Mr. Punja/Mrs. Neena Sawhney spoke about their successful venture in the segregation of waste and vermiculture in the housing societies in Ghatkopar and the Mahabir Hill/Haji Ali areas.

The Ahmedabad Experience

Mr. Mayur Shah, Chairman of Clean Ahmedabad Abhiyan made a presentation on the various initiatives undertaken for sustainable solid waste management and promoting civic health and hygiene by 51 NGOs in Ahmedabad. He spoke of the training and inducting of ragpickers, sanitary inspectors and unemployed youth in the SWM project, with the focus on efficient collection and segregation of waste into organic and recyclable at the city level.

Group Discussions & Action Plans

In the afternoon session, the participants formed “microcosm” groups. Each group represented a Ward/Area and consisted of Citizen Associations from that area, Ward Officer/other municipal staff, NGOs and Industry representatives. The group discussions focused on SWM concepts covering generation and disposal of waste, organization at various levels, the role of various stakeholders and sustainability issues, including resources required.

Thereafter the groups formulated time-bound action plans for their respective areas. Some of the issues focused on:

1. Awareness Generation: spreading awareness and motivating residents on issues like segregation of garbage, practice of
composting or vermiculture, mobilizing ragpickers and maintaining the general cleanliness in the area. Awareness could be spread through various means such as media, coverage in local newsletters and involving school/college students. A "padyatra" was suggested, a field trip throughout the ward or locality or even in other wards where better work is being done, to show what is possible. The power of example can be very potent.

2. Segregation of Household Waste: In the building societies and starting first in the flats themselves, as Mr. Shah explained, have two bags for the waste. One bag for the recyclable waste and the other is for the daily kitchen garbage. The same system on a larger scale for a society itself can be done. Big bins can be kept for these bags to be put into; different bins for the recyclable and kitchen waste. This way the municipal workers can come and take them away easily right up to the garbage disposal area.

3. Networking & Forming Partnerships: Involve other Citizen Associations and form street committees, organize similar workshops, and obtain the support of BMC who have agreed to appoint a Nodal Officer for single window clearance of various problems.

4. Lead Groups for each area: For each of the Wards, a lead resident association or NGO has been identified who will mobilize the people and resources and coordinate with the BMC. For instance, Mr. Dileep Patel of the Carmichael Road Citizens Association has taken the lead in the D ward and the Burhani Foundation along with representatives of the Mohalla Committees will focus on the B and C wards. It was also felt that the BMC should come out with a "Citizens' Charter" which would spell out clearly what the BMC expected from the citizens and how it would cooperate with them.

Some suggestions on the role of industry and media in the waste management exercise:

- "Bombay First should make a film which can be shown on prime time TV for people to realise what their neighbourhood means to them, how they should interact and keep the city clean. The film should also be distributed to the slum areas so that the message keeps hitting everywhere, all the time. We also suggest that messages should be flashed at Churchgate Station. Industry can adopt a street or a station and maybe finance the film."

- "Industry should not just give donations. First of all they themselves must be role models. They should be good corporate citizens and lead the way. They could also donate the kind of equipment or services or materials they may be producing e.g. a plastics manufacturer could donate bins or garbage bags."

- "The media industry could help generate publicity campaigns, create awareness and criticize offenders. The Press is significant today and they should help to educate on the pros and cons."

Bombay First plans to hold a series of such workshops in the western and central suburbs to promote a citywide movement. The next workshop will be organized for Resident Groups of the western suburbs. Bombay First will also attempt to form an informal network of active Residents Groups in the city.
The Advanced Locality Management Concept.

Partnership With The BMC

The ALM concept evolved from the interactions and discussions of a group of concerned residents from Ghatkopar. According to the Advanced Locality Management (ALM) concept, the BMC appoints a single Nodal Officer for each area, who will attend to citizens' complaints on different aspects such as water supply, garbage clearance, roads, encroachments, etc. The nodal officer will provide for a single window clearance for the various issues in area management. This plan has been endorsed by the Additional Municipal Commissioner Mr. Ratnakar Gaikwad.

For a locality to initiate ALM, the formation of ‘Street Committees’ is a prerequisite.

Street Committees Should:

- Have representatives from each building, who could also comprise people from existing resident associations.
- Collect contributions per flat in the area to form a common fund for their various activities.
- Ensure cleaner, healthier surroundings for the residents and their children through activities like private cleaning of the streets, segregation of waste practices, vermiculture, etc.

Thus, the ALM concept ensures that citizens work collectively to identify and solve their locality problems and at the same time the BMC demonstrates its responsiveness to dealing with problems faced by the citizens by appointing a nodal officer to work jointly with the street committees. Once a street committee is formed, the members should approach their Ward Officer and request for the appointment of a Nodal Officer.

The ALM plan thus far, has been initiated in various localities in Ghatkopar, Bandra and Nepeansea Road. In Ghatkopar, 21 street committees have been formed, modeled on the Joshi Lane example. Mr. Bagwat, N Ward Officer has been appointed as Nodal Officer. In Bandra (H West Ward) six street committees have been formed. In D Ward, the Ruparel Marg has adopted ALM with Mr. G.G. Dabade as Nodal Officer.