

39 GROWTH AND METAMORPHOSIS OF BOMBAY THROUGH FOUR CENTURIES OF GLOBALISATION

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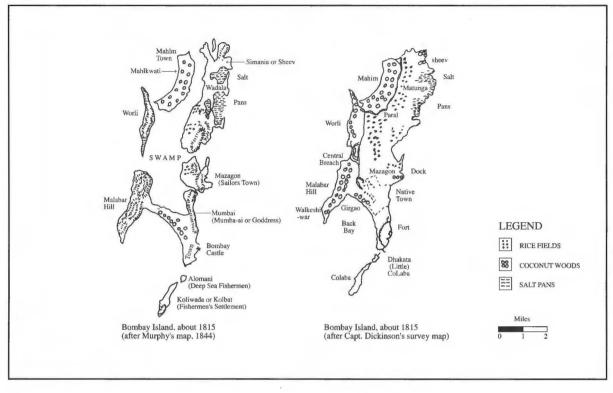
oday's Chinatown sweatshops and Third World child labour factories are the functional equivalent of colonial slavery."1 The slave hunt and slave trade launched in the 16th century by the British and European merchants was so flourishing that by 1770 profits derived from slavery furnished a third of the British capital formation.² The colonial loot was the other major source of British capital accumulation. The British East India Company founded by London merchants received in 1600 the monopoly of British Trade with India. The trade involved procurement from Indian handicrafts men, often by force, of cotton-piece goods and other merchandise for export to Europe. The Company earned huge profits through this loot and trade, its dividends varying from 100 to 250 percent per annum.³ The plunder of India provided capital for the development of industrial capitalism in Britain. In the nineteenth century the economic drain of India continued ruthlessly in the form of heavy taxes, home charges, cost of military and wars, tribute and plunder. After the Industrial Revolution in Britain, India provided a 'captive' market for the rapidly expanding British manufacturers, held captive through tariff and duty manipulations. British capital investment in India, together with intense exploitation of Indian labour, backed by the forces of the Crown, represented the third source in the system of imperial robbery.⁴

Bombay (Mumbai, the original name was resumed by the Government in 1995) and Calcutta were the main British outposts in India to organise the plunder of the countryside and channelise it to Britain.

Birth of Bombay

Bombay Island (Map 1)-a group of seven islands separated by tidal marshes (which were reclaimed, and a single island was formed by the nineteenth century)-was ceded by the Portuguese to Britain in a matrimonial and military alliance concluded in 1661. This Crown property was transferred to the East India Company in 1667. Bombay's excellent natural harbour which faced the mainland across Bombay Bay provided safe anchorage in all seasons.⁵ It served as a naval base and a port of transhipment for the merchandise brought from Surat in Gujarat to be re-exported to Europe. As the Industrial Revolution gathered momentum in Britain, Bombay became the main outlet of export of cotton from Gujarat and neighbouring parts to England and export of opium to China, and import of mill-made British cloth to India. The huge profits accumulated through loot and trade financed the military activities of the Company and the company subsequently succeeded by 1818 in annexing a large portion of Western India and grouping it into Bombay Presidency. State administrative functions were added as the Company decided to move the capital of the Presidency from Pune to





Bombay.

Cotton textile industry was established in Bombay from the 1850s by Parsi and Gujarati capital. The first railway track was laid down from Bombay in 1853 and the railway was extended to cotton-growing tracks of Gujarat and Khandesh supporting expansion of textile industry in Bombay. The development of overseas communications, the opening up of the Suez Canal in 1869 made Bombay the 'Gateway of India'.

The growth of Bombay city resulted in the displacement of Island's inhabitants, the Kolis (fisher folks), Agris (cultivators) and Bhandaris (toddi-tappers). Fishing sites, salt marshes, coconut and palm orchards and rice-fields were lost with the onward march of Bombay. The ship-building industry and building construction in Bombay and sleepers laid along hundreds of miles of railway track required enormous quantity of timber. To meet this demand, the Collector of the adjoining Ratnagiri District removed in 1829 all the earlier restrictions on tree felling.⁶ Within a period of 20 years the district was stripped of its rich extensive forest cover with disastrous consequences. The torrential rains washed the bared steep slopes with fury, eroding rice fields and depositing heaps of silt in the mouths of rivers. Consequently the riverine and sea trade was ruined. The district that had exported rice was forced to export impoverished peasants to Bombay. Supply of cheap labour to work in the docks, in railways and in textile mills was thus ensured. In 1911, two-thirds of the total Bombay mill workers were from Ratnagiri district.

City of Migrants

(Refer to Table 1) The trade and industrial potential attracted to Bombay, business communities mainly from Gujarat: Parsis, Marwaris, Jain and Hindu Gujarati Banias, Bohras and Khojas (Muslims), and from outside India, Armenians, Jews, Arabs, Persians, Europeans. At the top of the hierarchy were the British masters.⁷ Parsis collaborated with the British in most commercial enterprises as middlemen, brokers, agents, contractors. Parsi master-builders helped develop a shipbuilding industry in Bombay. Maharashtrians formed half the population of Bombay. The literate castes of Brahmins and Prabhus served as clerks and filled the lower echelons of the bureaucracy while the toiling *shudra* castes—Kunbis, Sutar, Lohar, Teli, Chambhar, Mahar etc.—worked as mill-hands, artisans, labourers and coolies.

The city, from its inception though a part of Maharashtra, was an international city with its fortunes fluctuating with the world trade and economic developments and harboured a cosmopolitan population (Table 2) multilingual, multireligious, with marked ethnic diversity. This sowed the seeds of a demand for the creation of an independent Bombay City state in the Post-independence period and the "sons of the soil" controversy from the mid 1960s. The consequences of these tensions and conflicts are discussed in a subsequent section.

Year	Bombay City	Suburbs	Greater Bombay	Decennial net Migration	Migration (as % of total increase)
1901*	776	71	928	: _ ? _	
1911	979	82	1149	350	158
1921	1176	118	1380	400	172
1931	1181	141	1398	75	441
1941	1490	205	1801	400	99
1951	2329	510	2984	950	80
1961	2771	1037	4152	600	52
1971	3070	2167	5971	885	49
1981	3285	3523	8243	1100	47
1991	3175	4168	9925#	1200	46

 Table 1
 Population of Greater Bombay and Migration (figures in '000)

Notes : * Earlier population estimates (year, population in '000) - 1715, 16; 1780, 114; 1816, 222; 1864, 817; 1872, 644; 1881, 773; 1891, 822.

This Census estimate is an under-enumeration. If migration figure of 1200,000 is adjusted, the corrected estimate is 10800,000 persons.

(Source : Population Census of India for various years)

Table 2 A Linguistic Composition of Greater Bombay (figures in %)

Language	1881	1901	1921	1931	1951	1981
Marathi	50.2	50.6	53.4	49.4	43.6	45.7
Konkani	4.4	0.5	2.6	3.4	4.6	
Gujrati	20.0	20.9	19.4	19.9	18.4	14.4
Kutchi	6.8	5.1	3.1	0.1	1.5	
Hindi	12.6	15.6	15.0	17.4	19.0	21.6*
South Indian languages	2.2	1.5	2.5	3.3	7.7	7.8

Note : * Including Urdu 9.4%.

Table 2 B	Religious	Composition of	Greater Bombay
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Religion	1881	1901	1921	1951	1981	1991
Hindu	65.0	65.5	71.4	71.8	75.0*	73.7*
Muslim	20.5	20.1	15.0	14.5	14.5	16.9
Christian	5.5	5.8	6.8	7.3	4.8	4.4
Jain	2.2	1.8	1.9	2.8	4.2	3.6
Parsi	6.3	6.0	4.1	2.4	negligible	negligible
Others	0.5	0.8	0.7	1.2	1.5	1.4

Note: * including 5.7 Buddhist population (Mahars converted in 1956) for both years.

Table 2 C Ethnic Diversity of Bombay (Figures in	%)	
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	1	780 @		1931
Community	Bombay Fort	Mahim Town	Community	Bombay City
Muslim	25	8	Muslim	17.2
Christian	21 *	42	Christian	8.3
Parsi	9	negligible	Parsi	4.6
Hindu	42	44	Hindu	68.0
Koli #	10	14	Koli #	0.5
Bhandari #	6	5	Mali	2.6
Kunbi Agri #	1	10	Kunbi Maratha #	17.9
Bramhin-Prabhu	5	2	Bramhin	3.7
Baniya Wani etc.	7	3	Baniya Wani etc.	5.7
Sutar Lohar etc.	9	2	Mahar	5.8
Panchkalshi #	4	8	Other depressed	3.3

Note : @ Data excludes soldiers and labourers

Natives,

* British 3%, Portuguese, Armenians 7%.

(source for Table 2 : Population Census of India for various years)

Plunder of India Through Bombay

The British and the Indian merchant community of Bombay amassed huge wealth through the drain of countryside via plunder of agrarian economy, ruin of artisan industry and super-exploitation of labour.

Plunder of Agrarian Economy

The British rulers changed the indigenous land system, created a new class of Zamindars or landlords, allies of the British. Under the new system the peasants were crushed under the triple burden of heavy revenue to be paid in cash, onerous land rent and interest burden that increased with each famine year. Peasants were coerced into cultivation of cotton, indigo, jute and other cash crops, reducing the area under food crops. Foodgrains were exported even in famine years. All the forest areas were brought under Crown ownership dispossessing indigenous tribal population and peasants from their traditional rights. Plantations, mines, factories displaced peasants by thousands. The resources of the countryside were thus forcefully harnessed for the growth of British industry in Britain and in India, in addition to the direct tribute imposed on the peasantry in the form of land revenue, salt tax and excise duties. The peasants paid the price for the prosperity of British industry and business, in terms of millions of famine deaths,8 starvation and immiserisation.

Ruin of Artisan Industry

Before the British rule, only half of the Indian population was dependent on agriculture for their livelihood and the rest was engaged in weaving cloth, metal and leather industries, food processing, pottery, transport, trade, administration, military service etc. By tariff discrimination, the British textile industry was built and the prosperous textile industry in India was devastated. Between 1815 and 1832 the value of Indian cotton goods exported fell from £1.3 million to below £10,000 and the value of English exports to India rose from Pounds 26,000 to 400,000 which was equal to 25% of British cotton goods export.⁹ The ruin of all the highly skilled centuries old manufacturing and related trades was so complete that millions left the cities and moved to the villages. Consequently the dependency on agriculture rose from 50% to 70 percent.

Table 3 Concentration of Economic Activity in Bombay

Famines forced sections of ruined peasants to migrate to new cities like Bombay where they were super-exploited.

Super Exploitation of Workers

The wages of the workers were so low that they could not afford even the bare necessities of life, viz, two square meals and hygienic shelter. The workers in Bombay were squeezed into chawls that comprised single room tenaments (100 sq.ft size) accommodating often more than one family forcing people to sleep by shifts. They lived under extreme overcrowding, filth and squalid misery. Incidence of sickness and mortality was very high due to malnourishment and congested and unhygienic living conditions. Malaria, tuberculosis, cholera, plague took heavy toll. Infant mortality in Bombay was 298 per 1000 births in 1926 and it was as high as 577 per thousand in one-room tenements.¹⁰ Such inhuman squeezing of the workers delivered super-profits in the hands of British and Indian business and industry. Grandeur and glitter coexist in Bombay with widespread squalor and distress, from its inception, to date.

Parasitic Metropolis

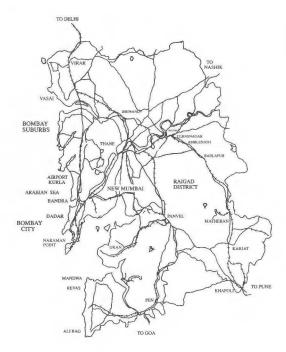
Bombay with a share of 1.5 percent of the total population of India in 1991, has a share of 40 percent in the total joint stock companies in the country and about 55 percent of the cheque clearances in India are effected through Bombay. Bombay Stock Exchange is the prime exchange of India and Bombay is the head quarters of the Reserve Bank of India. It is the prime port of India handling 42 percent of the import-export trade. About 25 percent of taxable income of the country originates from Bombay. In relation to Maharashtra, Bombay accounts for over 80 percent of the financial and business dealings and dominates the state economically (Table 3). Being a colonial city, Bombay never forged organic economic relations with the hinterland. In fact, the growth of the city had been at the cost of the countryside. Millions of rupees from the State resources spent on tinkering with the ever growing problems of the city water supply, garbage and sewage disposal, commutation of people, roads, transport of goods etc., if judiciously invested in rural development would

	Total Population 1991 ('000)	Population (%)	Share in Factory Employment (%, 1994)	Share in Joint Stock Companies (%, 1991)	Share in Commercial Bank Credit (%, 1994)
Bombay-Thane	15175	19.2	46.1	84.6	83.3
Rest of Konkan	4201	5.3	4.0	0.3	0.7
Pune	5533	7.2	13.5	7.0	4.9
Rest of Pune-Nashik	23830	30.2	20.2	4.2	5.3
Aurangabad	2214	2.8	3.3	0.8	0.7
Rest of Marathwada	10586	13.4	2.6	0.3	1.4
Nagpur	3287	4.2	4.4	2.2	1.7
Rest of Vidarbha	14111	17.9	5.9	0.6	2.0
TOTAL	78937	100	100 (=1225,009) 100 (=61,679)	100 (Rs 429 Billion)

(Source : Statistical Abstract of Maharashtra 1994)

help arrest impoverishment of the rural areas from where Bombay draws thousands of men¹¹ because of the centralisation of economic activity in Bombay. The Government, however, added to the concentration by launching Backbay Reclamation Scheme at the southern tip and permitting sky-scrapers. The overcrowding and the consequent physical and moral degeneration of the population in the ever-growing city has had its backlash on the hinterland as well. The concentrated wealth in the city makes such fine showing that it distracts attention from appalling squalor and degradation of the conditions in which the majority of the Bombites live.

MAP 2 Bombay Metropolitan Region



Over time, larger and larger territory of the adjoining districts of Thane and Raigad is being added to Bombay (Map 2) dispossessing peasants, fisherfolks, artisans and adivasis. As foreign and Indian business and capital are concentrated in Bombay, it draws working people of various vocations from all over India including a large population of single males. Bombay always had disproportionately high percentage of men in its total population (Table 4) that imposes heavy price both on the men living alone in the city away from their family, and the women-folk and children left back in the villages.

The cosmopolitan nature of Bombay gave impetus to the rise of 'Shiv Sena' or sons of the soil chauvinistic organisation in Bombay during mid-sixties. The target never was the foreign or non-Marathi business or industry but it was always the clerks and workers employed in the organised sector. With the rise of Hindu chauvinism during the 1990s the Muslim population of Bombay was targeted and they suffered heavy losses, both in life and property after the demolition of Babri Masjid at Ayodhya¹² in U.P. on 6 December 1992. Muslim migrants from Bangladesh are living under perpetual threat. The spectre of Hindu Chauvinism looms heavily over the Muslim population in Bombay keeping the situation ever explosive.

Table 4	Sex Ratio in Bombay (figures in females per 1,000
males)	

Year	Sex Ratio	Year	Sex Ratio
1864	539	1931	545
1872	612	1941	576
1881	663	1951	596
1891	595	1961	679
1901	617	1971	716
1911	529	1981	772
1921	524	1991	827

Note : Figures up to 1921 are for Bombay city and from 1931 for Greater Bombay.

(Source : Population Census of India for various years)

Squeezed Toiling Millions

Greater Bombay in 1991 had about 10 million population. Nearly 40 percent of these are forced to live in slums as they cannot afford any housing accommodation due to sky rocketing land prices and high construction costs. They are forced to live amidst rotting garbage, pools of sewage, and in the absence of latrines in a highly polluted and stinking atmosphere. During the rainy season many of the slums get flooded. Besides, the population of pavement dwellers is ever increasing. About two million live in old, dilapidated, unhygienic congested chawls and other one room tenements. As the city had been developed on a very narrow elongated island strip with the concentration of Central Business District (CBD) and Government secretariat and administrative offices at the southern tip of the island and the residences are located in the suburbs and extended suburbs, daily commutation to place of work spending two to three hours, in travel is the fate of the working people of Bombay. About four million travel daily by bus and suburban trains under extremely overcrowded and hazardous conditions. The city is strewn with garbage, filth and is heavily polluted because of the alarming increase in the private motor cars that are choking the roads.

Globalisation of the 1990s

In 1991 the Government of India accepted the structural adjustment programme of the IMF and step by step removed

much of the former restrictions on the entry of Multi National Corporations (MNCs) in India, purchase of land and immovable property by foreigners, made the rupee partially convertible, devalued the currency, drastically reduced import duties and export restrictions. Bombay, the colonial metropolis, experienced the largest impact of these policy changes. The land prices in Bombay, the internationally coveted metropolis, skyrocketed. Prices of offices and flats at prime locations at the southern tip of the Bombay Island reached levels even higher than those ruling in other metropolitan centres. Within a span of a couple of years prices increased two- to three-fold.¹³ Consequently, housing, even in the extended suburbs turned to be beyond the means of the salaried class working in Indian firms or government. They are thrown to far-flung areas involving daily commutations of 4 to 5 hours. The salaries and perks offered by the MNCs are five times or more compared to the government salary levels. As a result the gulf between the rich and the ordinary is fast widening.

The pace of modernisation and computerisation in industry and in services, particularly financial services got accelerated due to the entry of MNCs in all the fields and consequently fresh recruitment has virtually ceased. Schemes of retrenchment are prepared by many companies and even closure is eminent in several factories. Textile, the oldest and the largest industry of Bombay, has been facing crisis since the 1980s, as many of the textile mill owners squeezed the industry and diverted these funds to other businesses. They are no more interested in running the textile mills as they can procure windfall profits through the sale of the mill lands situated at the prime location of Central Bombay. Surreptitious land sales are already under way, foiling the workers' desperate attempts to save Girangao, the mill town. The number of textile workers in Bombay has declined from about 0.20 million in 1980-81 to 0.13 million in 1990-91 and currently the employment is about 0.6 million workers. Employment in metal and metal products industries went down from about 0.1 million to about 0.05 million over the decade, and the total industrial employment in the Bombay Metropolitan Region decreased from 0.81 million to 0.53 million¹⁴ and the decline continues.

The work force in Bombay continues to increase while the organized sector employment is declining under the forces of globalisation. The retrenched workers and the new entrants have to seek contractual, temporary or casual work, engage in petty trade or service, or join the underworld activities. Reportedly there is a marked increase in the underworld employment during the last five years. The illicit employment avenues are collection of protection money from shops, offices, factories, levy on various transactions like sale of land, flat, purchase of car, flat etc, extortion under threat, theft, robbery, smuggling and trade in drugs, illicit liquor business and gang wars. With the growth in land speculation, money and financial speculations and corruption during the last five years the amount of unaccounted money (black money) is soaring, supporting the growth of underworld activities. The productive activity in Bombay is on the decline because of the spread of MNCs and the Indian industry in many cases is

shifting to assembly or franchising.

The dealers in land and other property, commission agents, brokers, middlemen, advertising firms, consultants, and other intermediaries are making quick money because of the flow of the global capital in Bombay. So also the export and import traders, dealers in foreign exchange, money and stock market speculations, builders, wholesale and big retail merchants, contractors and transport companies are accumulating large profits. With globalisation imported luxuries have been flooding the Bombay market. The glitter and pomp of the rich elite, entrepreneurs and business community-foreign and Indian-with palatial flats, luxury cars, sparkling jewellery, foreign wines and perfumes, living in ivory towers under police or body guards' protection, stands in sharp contrast with the masses huddled into filthy slums suffering every kind of deprivation, insult, indignity and constantly under threats of accidents, eviction, or retrenchment. The global media with glittering fashion shows and advertisements flashing round the clock is adding to the sense of deprivation; there is a wide gulf between the electronic media-projected dream and the reality. Increasing joblessness, mounting inflation, growing frustration under the impact of globalisation are accentuating ethnic, class tensions and conflicts. The chauvinistic Shivsena in Bombay is targeting the most deprived and degraded sections at the end of socio-economic ladder, the dalits, erstwhile untouchables and Muslims. The Shivsena-Bharatiya Janata Party combine is in the power in Maharashtra since March 1995 and are using both the official force as well as the underworld muscle power against these sections increasing the tensions in the city.

Threats of Breakdown

The situation in Bombay is explosive physically, socially, financially, and economically. Physically because the railway transport system fails almost every alternate day as the system is old and over-burdened to a breaking point; there is so much increase in the squalor and filth that outbreak of fatal epidemics looms on the horizon; the increasing number of private cars and lorries are choking the streets and pollution levels have crossed safety limits in many parts of the city. With the ambitious plan to attract more and more foreign capital the Shivsena-BJP combine has a plan to develop quickly the Bandra-Kurla complex as the new CBD and to have a new private international airport. The shifting of a large part of the sea trade to the new Nhave-Sheva port across Thane creek and the setting up of a new town, 'New Bombay', during the 1970s stimulated outward shift of the working population from Bombay Island. In Bombay Island, wellequipped public hospitals, colleges and schools, libraries and museums, parks and sports grounds have been developed by the wealthy Parsi and Gujarati merchants when they amassed huge profits during the American civil war (1861-65) through cotton exports and in the opium trade. As a result of the shift of the population from the Island these excellent public facilities are lost to the public. Eventually these may be turned private for the elite class. Hardly any public facilities are

available to the working people at the new suburban locations. The problem of such imbalance between the available facilities and the residential nodes is getting accentuated with the shift in the business, industrial and transport nodes of Bombay, increasing the hardship and deprivation of the working masses. The sky-rocketed land prices due to free entry of foreign money and the competition over the possession of the builtup space in prime locations have increased the conflicts between the builder lobby and the tenants and the residents of old chawls and buildings who are largely Maharashtrians. This situation is exploited by the criminal gangs increasing the insecurity in the lives of the common man. The scramble over space for business and residence, and for pavements (which are occupied by the hawkers and pavement dwellers) is increasing ethic and class tensions in the city. To this explosive situation fuel is added by gang wars.

Bombay is the financial capital of India and the ambition of the ruling classes is to elevate it to an international financial centre like Hong-Kong. Today the financial and foreign exchange markets are volatile. After the recent financial crisis in south Asia, the Asian economies are under great strain. In India the Rupee is not yet fully convertible, but since the flow of hot money is considerable and the Rupee is shaky, the risk of overnight outflow of foreign funds is real. As more and more people, under the impact of globalisation are roped into the speculative, international dealings, the risk of collapse threatens many in Bombay. Since the productive base of Bombay is narrowing and the parasitic underworld and speculative base is expanding, the danger of economic and financial collapse of Bombay under the international or Asian crisis situation is growing. The economic collapse, under the already explosive social and political situation in Bombay, can be catastrophic for Bombay and for the country.

The seeds of Bombay's decline were sown in its birth as a colonial city. As a colonial city Bombay grew apace because of its connectivity to the rest of the country and the world, its position as the commercial and financial nerve centre and its cosmopolitan out look. However, under globalisation the costs of real estate in Bombay sky-rocketed, the resulting unemployment that pushes the growth of underworld activities is making Bombay more insecure and risky for the business world. At the same time, masses of rural unemployed from all over the country continue to pour into this city by thousands with the hope of making a living. Added to it, is the natural increase in the population of this megalopolis with over ten millions inhabitants. The city inevitably grows but with this the problems of slum and pavement dwellers, over-congested traffic and pollution, crime and filth. The present phase of globalisation welcomed warm-heartedly by the rulers of Maharashtra may not prove to be a blessing but a blow because of the growing contradictions between the designs of the chauvinistic rulers of Maharashtra and the forces of globalisation that are leading to accentuation of the parasitic and lumpen character of Bombay and devastation of the countryside.

Notes

- ¹ Eric Foner "Plantation Profiteering", *The Nation*, March 31, 1997, p.28.
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- ³ Joan Beauchamp, p. 17.
- ⁴ Ibid, p. 11.
- ⁵ Meera Kosambi, Bombay and Poona: Socio-Ecological Study of Two Indian Cities 1650-1900. University of Stockholm, 1980, pp. 30-31.
- ⁶ Gazetteer of Bombay Presidency, Vol 10, Ratnagiri and Sawantwadi, Bombay, 1880, pp 32-33.
- ⁷ Meera Kosumbi, *Bombay in Transition*. Almqvist & Wiksell International, Stockholm, 1986 p. 36,37.
- ⁸ Between 1800-1850 there were 1.5 million famine deaths, while during 1850-1900, according to Official estimate over 20 million famine deaths were recorded. W. Digby, *Prosperous British India*, 1901.
- ⁹ R. Patme Dutt, India Today, Manisha, 1970, pp 118-119.
- ¹⁰ Joan Beauchamp, op.cit, p. 118.
- ¹¹ D.R. Gadgil, Future of Bombay City, Samyukta Maharashtra Parishad, 1945.
- ¹² Philips Padachira (Editor), Ayodhya: Its Implications for Indian Stare and Society, BUILD, Bombay, 1992, p. 5.
- ¹³ Sulabha Brahme, Impact of SAP on Land Resources and Food Security in Maharashtra, Shankar Bramhe Samaj Vidnyan Granthalaya, Pune, 1996.
- ¹⁴ Draft Regional Plan for Bombay Metropolitan Region -1996 - 2011, Bombay Metropolitan Regional Development Authority, Bombay 1995, pp 142-43.