

INDIA: URBAN POVERTY REPORT 2009

Summary

As the world moves into the year 2008, there will be more number of people living in urban areas than rural areas. In fact, the 20th century witnessed a rapid growth in urban population. The next few decades will see unprecedented scale of urban growth in the developing world including those in Asia and Africa continents. The urban population in these two continents will double in a period of 30 years.

Asia has been witnessing the triple dynamics of growth, rapid urbanisation and growing poverty. While many Asian countries witnessed higher economic growth, the growth pattern brought about enormous disparities across and within nations.

India has shared the growth pattern and rapid urbanisation with some of the fastest growing regions in Asia. The Country has witnessed around 8% growth in GDP in the last couple of years and has planned to achieve a target of over 9% growth by the end of 11th plan period. India's urban population is also increasing at a faster rate than its total population. With over 575 million people, India will have 41% percent of its population living in cities and towns by 2030 AD from the present level of 286 million and 28%.

Economic development and urbanisation are closely linked. In India, cities contribute over 55 % to country's GDP and urbanisation has been recognised as an important component of economic growth.

With India becoming increasingly globalized and urban, there is also an increase in the number of poor people living here. As per the latest NSSO survey reports there are over 80 million poor people living in the cities and towns of India. The Slum population is also increasing and as per TCPO estimates 2001, over 61.80 million people were living in slums.

It is interesting to note that the ratio of urban poverty in some of the larger states is higher than that of rural poverty leading to the phenomenon of 'Urbanisation of Poverty'. Urban poverty poses the problems of housing and shelter, water, sanitation, health, education, social security and livelihoods along with special needs of vulnerable groups like women, children and aged people. Poor people live in slums which are overcrowded, often polluted and lack basic civic amenities like clean drinking water, sanitation and health facilities. Most of them are involved in informal sector activities where there is constant threat of eviction, removal, confiscation of goods and almost non-existent social security cover.

With growing poverty and slums, Indian cities have been grappling with the challenges of making the cities sustainable i.e. inclusive, productive, efficient and manageable. The sustainability of urban development in India is seen in the context of shelter and slums, Basic urban services, Financing urban development and Governance and Planning.

India has entered the Eleventh Plan period with an impressive record of economic growth. However, the incidence of decline of urban poverty has not accelerated with GDP growth. Infact,

urban poverty will become a major challenge for policymakers in our country as the urban population in the country is growing, so is urban poverty. Therefore, a need has arisen to develop new poverty reduction tools and approaches to attack the multi-dimensional issues of urban poverty. For this, policymakers at the national and local levels should have a good understanding of the nature of urban poverty as well as accurate data on various issues relating to it, in order to develop programme/policies to manage urban poverty in a systematic manner.

India Urban Poverty Report using human development framework provides a good insight on various issues of urban poverty such as basic services to urban poor, migration, urban economy and livelihoods, micro finance for urban poor, education and health, unorganized sector and livelihoods.

The Report is presented in 16 chapters divided in 3 parts. A summary of the report is given below (Chapter wise):

PART I

CHAPTER ONE: ECONOMIC DEVELOPMENT AND URBAN POVERTY S. R. Hashim

This chapter examines the pace of urbanisation in India and growth trends of Indian Economy and tries to build a relationship between urbanisation and economic growth. Urban poverty with over 25% of urban population is largely concentrated in small and medium towns. Though the incidence of poverty is lower in larger cities, the poor face acute shortage of basic amenities there.

It is mentioned that the level of urbanisation in India and its pace over time has been amongst the lowest in the world. It has in fact been lower than the previous decade in 1991-2001. The slow growth of urbanisation is also due to the structure of employment in India where a large proportion of total number of workers continue to be engaged in agriculture in spite of its slow growth and declining share in the GDP. Growth rate of metro and bigger cities has been higher than the small and medium towns.

The poverty line used by the planning commission has limitations in view of the change in consumer behaviour, compulsion of life style change, housing expenses in cities, shrinking access to health and education facilities etc. and expenses on such activities not included in the poverty line calculations.

Higher degree of urbanisation is seen associated with lower levels of poverty with exception of states like Karnataka and West Bengal. Poverty levels in small size towns are higher than medium and large towns.

Quality of employment, productivity and returns on education are likely to be better in large cities than small towns.

Urban poverty is not a spill-over of rural poverty as generally perceived and the manufacturing sector in India has not been able to provide necessary pull to rural workers. Migrants in cities are economically better off and are placed at higher economic stratum than the natives of cities on poverty indices. Rural Migrants into urban areas have been found to have a lower probability of being poor than the local population.

Though urbanisation is generally associated with lower levels of poverty, certain aspects of economic development and changes associated strongly with the process of urbanisation in India have created a backwash effect for poor urban communities. This includes re-structuring and dismantling of larger industries in big cities like Mills due to higher land prices in cities leaving a large number of workforce jobless forcing them into informal sector activities. Similarly, slum demolition drive in some cities has made urban poor more deprived and stressed.

The relationship between economic development and urban poverty is complex. Though large cities have lower levels of poverty the backwash effect of new development may become even harsher on the urban poor. Cities do need blue collar workers and in the interest of an orderly and inclusive development, cities need to integrate the poor and informal sector workers into the main city system.

CHAPTER 2

GENDER DIMENSIONS OF URBAN POVERTY

Preet Rustagi, Sandip Sarkar, Pinaki Joddar

The focus of this chapter is on the magnitude and intensity of urban poverty affecting women, as well as ascertaining the discrimination and inequalities urban poor women face in terms of education and work.

There are various Dimensions of urban poverty that affect the urban women. Women constitute a larger set with their own characteristics that require further explorations. However, it is clear that the single women, unmarried, divorces/separated and widowed are more vulnerable among the FHHs. More importantly, other dimensions over and above income and consumption requirements can be instrumental in identifying urban poverty. Women's employment is increasing over time.

Unless this accompanies betterment in their human capital endowments, labour market participation is likely to be unprotected and extremely vulnerable. Lower human capital endowments, in terms of the differentials in educational access and attainments across income categories has direct implications for the nature of labour market participation made feasible and the returns earned by the poor women in most cases.

Women's concentration in certain jobs/tasks, the wages received and insights from the literature on the barriers for entry into certain newly opening employment avenues for women will be elucidated. Given the significance of women's labour based economic contributions to the households among the poor, improvements or reflecting on aspects concerning their educational and skill development gain tremendous importance for poverty amelioration.

Other issues that need focus are related to at least two broad heads: firstly, improving the access and availability of basic amenities and public provisioning related to water, fuel, toilets and sanitation, electricity and so on, in order to improve the conditions of living and well being for poor women and secondly, addressing factors involving external environment such as shelter spaces, transport, overall security levels and so on that can improve the standards of living for poor women and also facilitate their participation in the urban labour market.

Given the lower levels of support structures in urban locations for most poor households, the excessive monetization in urban areas as opposed to rural areas, implications for poor households food security, access to health care, especially child care, and creditworthiness or asset ownership all get linked to the extent of women's earning capacities and productivity as well.

Policy efforts towards provision of social security measures for the unorganised workers, with special emphasis on aspects concerning poor women Worker's rights, provision of maternity benefits, Toilets, Security from oppressive forms of employment, violence, protection from sexual harassment and improving mechanisms for provision of justice. Improving statistics on women in general, ensuring identification of data gaps and generation of gender disaggregated data systems is a special need.

CHAPTER 3

POVERTY AND MIGRATION: DOES MOVING HELP?

D. P. Singh

This chapter analyses the role of migration in the process of urbanisation in India. Data on migration collected through Census and the National Sample Survey have been analysed to look at the Level of migration, Type of Migration, Duration and Purpose of Migration in various size class cities and towns in India.

The chapter also looks at educational level, economic factors, type of occupation and incidence of poverty among migrants in the urban areas. It is found that the incidence of migration in India has shown an increase in 2001 as compared to consistent decline during 1961-1991. Increase in percentage of migration due to the new policy of liberalisation could not be established. Changes in administrative boundaries of various districts and states have also contributed to increase in percentage of migrants.

Migration towards urban areas has increased in inter state analysis and rural to urban migration shows a sizeable increase among male and female migrants whereas urban to urban migration has shown declining trend.

The economic motive remains the main reason for migration among male interstate migrants. Economically backward states keep losing people to developed states. The relationship between poverty and migration is not clearly established and it was observed that middle and higher income groups show higher propensity to move. Poverty incidence was found less among migrants as compared to non-migrants but it was higher among rural to urban migrants.

The most successful group of migrants is urban to urban migrants in terms of type of occupation they have and their income levels due to better education and skills they possessed. Influx of migration towards metropolitan cities indicates that economic reforms have not been able to create much employment opportunities in small and medium towns and in rural areas. Hence migration will continue towards large and metropolitan cities.

CHAPTER 4
THE UNORGANISED SECTOR AND URBAN POVERTY: ISSUES OF LIVELIHOOD
Jeemol Unni

The chapter analyses the impact of changing urban policies on the conditions and status of workers in unorganised/informal sector. It begins with the analysis of model of urbanisation, urban policies, profile of urban workers, their education and skill levels and problems faced by informal sector.

It is pointed out that the current model of urbanisation has less space and resources for the urban poor. It is resource and capital intensive and facilitates amenities to urban upper and elite classes in terms of large apartment complexes, shopping malls, multiplexes and parking lots. Capital intensity of urban growth creates divide between the rich and the poor raising prices of basic amenities and making these inaccessible to poor.

Urban casual informal workers have been left behind in grabbing the growing urban employment opportunities as they don't have adequate education and skills. The self-employed workers face specific problems of access to credit, markets and space and also incur various 'hidden costs'.

The self-employed among the urban workers in the 15-64 years group has shown higher poverty rates than the salaried but much lower than the casual workers. Urban policy of sealing drive has affected economic condition of a large number of poor families.

The social security and working conditions of the workers are important aspects and the report of the National Commission for enterprises in unorganised sector has suggested addressing these issues which is a welcome step.

Skill is a form of security and it improves employability of the workers. A system of skill training for urban areas will be a useful way forward in promoting employment opportunities amongst the urban workers.

CHAPTER 5

CHANGING SECTORAL PROFILE OF URBAN ECONOMY AND IMPLICATIONS FOR URBAN POVERTY

Dinesh Awasthi, S. P. Kashyap, Jignasu Yagnik

This chapter focuses on urban poverty in relation to changing sectoral composition (over time and space) and employment pattern and wage differentials across economic activities.

The chapter is divided into four sections comprising of:

- I. Trends and patterns of urban poverty and profile of economic activities differentiated by time, space (state regions) and scales. Inputs have been drawn from Census, CSO and NSSO data;
- II. Income and employment generation processes for relatively poor households. This has developed based on the field based studies;
- III. Approach towards training geared to skill formation and development of entrepreneurship traits, particularly for the depressed/excluded sections of urban households; and
- IV. Conclusions and policy issues

It is mentioned that there is a significant change in the structure of employment over last two decades (NSSO 38th to 61st round) mainly, a sharp increase in self-employment for males and females during 1999-00 in 2004-05 and a decline in the proportion of casual labour employment for males and females. The author based on the data, states that 83 per cent for males and 81 per cent for females are either self-employed or casual labour. 60% of the self-employed find their income remunerative and they considered Rs.3000/month as remunerative. The proportion of self-employed vis-à-vis all India (45.4%) is higher in some of the poorer-states – Bihar (59.8%), Madhya Pradesh (49.8%), Rajasthan (56.0%) and Uttar Pradesh (59.9%). The proportion of workers employed on regular or even on casual basis is gradually shrinking. The wage rates are usually institutionally determined, rather than market driven. Many of the States that have lower casual wage rates vis-à-vis all India also have lower unemployment rates. In terms of sectoral allocation of employment at all India level about 43 per cent of workers are engaged in commodity production (agriculture, manufacturing, electricity, etc. and construction) and the rest in the tertiary sector;

A well-known feature of the Indian employment scene after globalisation and liberalisation is the domination of the unorganized sector with irregular and insecure jobs, low productivity and earnings and no social protection. Proportion of workers having regular salary/wage employment rises with level of urbanization and has significant negative correlation with index of relative deprivation. The percentage of casual wage worker has significant negative correlation with the rate of urbanization, implying that as rate of urbanization rises, the weightage of casual wage workers declines and the Wage rates for regular employees or for casual workers do not show any significant relation with urbanization or relative deprivation.

It is seen that there has not been major shifts in the sectoral composition, though services have gained somewhat vis-à-vis directly productive activities. Major change is in the overall employment share of informal sector which from roughly one-third of employment in 1976-77 to

now accounts more than three-fourth of total workforce. All this has happened with falling labour productivity as income share has risen far slower compared to informal sector's employment share.

Another interesting factor is that the strong labour force that once belonged to the organised sector faced radically altered situation due to displacements after the closing down of industries. The urban workforce usually does casual wage earner or self-employment work.

The general profile of an owner of a home-based unit of 35 years of age with 6 years of schooling and 5 to 7 years of work experience in a brass factory as a labourer starts a unit investing about Rs 10,000 to Rs 12,000 borrowed from family, friends, and relatives, and earning about Rs 3000 a month to feed a family of about 6 persons. Lack of access to formal channels of credit facilities and training skills hinders the growth of his business

Based on the assumption that the decrease in gainful unemployment and the labour force is on the increase, the author suggests that need of the hour is to convert this vast pool of human resources into productive assets by promoting entrepreneurship. This calls for an approach which develops people's enterprise in urban areas, and links the same with economically viable opportunities.

In the concluding chapter, the author says that economic growth has not given opportunity to the poor. The prominent reason for urban informalisation is the reorganization or collapse of industrial structure in major industrial centres.

Therefore a sizeable portion of displaced workers failed to find any gainful employment. The others, who were occupied as wage-earners or self-employed, got only meagre returns for their labour time. The above account highlights heavy concentration of poor households as self-employed and casual workers. But these people hardly able to raise their income due to the lack of business skills.

Therefore the author suggest to convert this vast pool of human resources into productive assets in such a manner that they become ultimately wealth creators and job providers instead of mere survivors or job seekers through promoting micro and small business entrepreneurship. He further suggest that appropriate

The author reiterates that the Micro-enterprise development approach is the viable and replicable method to create wealth among the poor.

CHAPTER 6

URBAN MICROFINANCE IN THE CONTEXT OF URBAN POVERTY

Tara S. Nair

The evolution of social banking concept in India is through the development of the Self Help Group–Bank Linkage Scheme. The genesis of the scheme was an experiment piloted by the National Bank for Rural Development (NABARD) in the late 1980s to link informal groups of low income individuals in rural areas with banks. The experiment was mainstreamed by the Reserve Bank of India as the SHG-Bank Linkage Scheme in 1996 when linkage banking was included as an activity of banks under priority sector lending.

The institutional structure that facilitates rural financial intermediation was strengthened by the setting up of Regional Rural Banks in 1975 and the National Bank for Agriculture and Rural Development in 1982 with the mandate of developing the cooperative credit system.

The debate on financial services to the poor and low income households in India has revolved around the rural population since the time when banks were nationalized for the first time in the country. Unlike rural financial intermediation, flow of financial resources to urban populations was never a matter of serious debate in India. The tendency among microfinance intermediaries to move towards urban centres came only after it found that the rural markets coming to a saturation point. Still now the SHG-Bank Linkage model remains predominantly a rural phenomenon.

Economic Development Associates (2004) observed that about 80 per cent of the micro finance clients are without any formal savings, and 91 per cent, without formal credit. Nearly 77 per cent of the micro credit clients are in the rural sector.

The first targeted credit programme with focus on enterprise and self employment opportunities in urban areas was launched in 1989 during the Seventh Five Year Plan period (1985-90). Various urban poverty alleviation schemes with a credit focus introduced in India since 1989 shows that they broadly followed a top-down approach. The Swarna Jayanti Shahari Rozgar Yojana (SJSRY) is the first such urban scheme launched by Government of India where community based organisations, especially poor urban women, were recognised as the critical points of delivery of benefits.

Indian Bank has started Microstate branches that are exclusive satellite branches for servicing micro loans (Business Line, 2007). Later State Bank of India has promoted about 7000 SHGs in the city of Mumbai of which nearly 2000 are bank linked.

Credit flow from formal financial institutions to the urban population groups steadily increased in India since the 1970s and this has come to be concentrated in large cities and larger sized credit brackets.

Though the social banking efforts of the central bank and the government financial intermediation in rural areas too have gone through a phase of expansion but the low income-

asset holding segments of urban areas have largely been bypassed by such overall expansion in financial intermediation.

While the state's poverty alleviation approach has steadily expanded from mere provision of basic amenities and services to facilitating creation of income earning opportunities, it has failed to make any significant impact on the urban poor.

The impact of microfinance interventions will be severely limited both in urban and rural locations unless well directed investments are made in physical and social infrastructure.

PART II

CHAPTER 7

THE MILLENNIUM DEVELOPMENT GOALS & ROLE OF CITIES

Sneha Palnitkar

This chapter analyses importance of the MDG's and India's position in accordance with the MDG's and key areas of impact.

The MDG's have been generally accepted as a framework for measuring development progress. Government of India has launched various urban poverty alleviation programmes since independence. These include Economically Weaker Section Housing in 1952 to Jawaharlal Nehru National urban Renewal Mission in 2005.

JNNURM provides a new paradigm for inclusive city development and building inclusive urban communities based on a holistic approach.

It is critical that cities devise institutional framework for themselves that satisfy the requirements of good urban governance. It is essential that urban local governments translate national policies and programmes into local action.

one of the key requisites for sustained poverty alleviation is decentralization and capacity building at municipal level. Poverty Alleviation requires both attitudinal change and skill development among government and municipal officials. They need to regard poor as their partners, rather than the 'governed'. The role of municipal officials is to facilitate the creation of supportive institutional mechanism at local level. The skills of technical and managerial nature need to be strengthened.

Cities and urban local governments have major roles to play in making a differentiation in respect of MDGs 1 through 7: in education and health services, in environmental protection, in improving living conditions of slum dwellers, as well as providing a strong local governance framework supporting implementation of the MDGs through planning, local strategic processes, and local community engagement. The partnerships, as per the MDG 8, between communities, local authorities, national governments, NGOs, and world government represented by the UN and its institutions, will promote implementation of the MDGs at the local level, cement the interface between national governments and urban local governments, enhance civic capital and strengthen pro-poor governance.

Two factors have an extremely vital role to play-local decentralization and good urban governance. Local democratic decentralization is an important means of deepening the democratic process. ULBs must have political willingness & administrative capabilities to implement good governance principles within their entities-transparency, accountability and involvement of citizens in decision-making.

Thus, a key requisite for sustained poverty alleviation is decentralization and capacity building at municipal level and It is critical that cities devise organizational structures that satisfy the requirements of good urban governance on a city-specific basis.

CHAPTER 8:

ACCESS TO BASIC AMENITIES AND URBAN SECURITY: AN INTERSTATE ANALYSIS WITH FOCUS ON SOCIAL SUSTAINABILITY OF CITIES

Amitabh Kundu

This chapter gives an overview of access to basic amenities to the urban poor across all states in India. In doing so, it looks at the problem of social security in terms of denial of housing and basic amenities to the urban poor and the resultant strains in community relations and the tense micro environment.

The chapter begins with a section on **Housing Conditions and Level of Basic Amenities – the Macro Scenario**. Data is used from the population census and the National Sample Survey. With reference to availability of basic amenities, census data shows that the percentage of households with access to safe drinking water in urban areas has increased by 6.3% between 1981 and 1991. At the same time, however the percentage of households using taps as their principal source of water supply has declined from 72% in 1988-89 to 70% in 1998. In the case of electricity, the percentage of urban households has gone up from 62.5% in 1981 to 87.6% in 2001 (census figures). In the case of sanitation, however, the census and NSS figures differ. While the Census figures show an increase of 15.5% from 1981-2001, the NSS figures demonstrate a steady 31.1 percentage of people with no access to latrines for 10 years from 1983.

The next section is on **Deprivation in Housing and Basic Amenities – an Interstate Analysis**. The author reports a positive (although not very significant) relationship between the level of economic development and the quality of housing or access to basic amenities. A similar trend is reported by the author in the case of water supply where the poorer states like Bihar, Orissa and Madhya Pradesh report a low percentage of households with access to safe drinking water facilities. The reverse is reported to be true in states like Punjab, Haryana, Gujarat or even Maharashtra reported to be high per capita states.

In the section titled **Issues concerning poverty, vulnerability and social security** there is an attempt to understand issues and problems of vulnerability and social insecurity of the urban population linked with the denial of basic amenities to certain sections of the population using both primary and secondary data. Using data, the author cautions against the following assumptions that are commonly found in public policy. First it would be wrong to assume that all slums are on private premises. While the Indian Railways account for 13% of slums located on public land, more than 53% of these are located on municipal land where title deeds rest with the Municipality. Second, it would be wrong to assume that the urban poor reside in non-pucca houses.

With reference to water it is seen that a substantial portion of the benefits provided by public agencies are cornered by middle and upper income households. Field studies further indicate that the poor draw their water from *Public Stand Posts or PSPs*. The quality of water in such cases is unsatisfactory causing water borne diseases and sometimes epidemics. In the case of sanitation, the percentage of urban households having no toilet facility is 31% while the corresponding figure for slums is as high as 54%. It is seen that most free community toilets built by state government or local bodies are rendered unusable because of the lack of maintenance. Also

significantly, 80% of the slums are dependent on municipal bodies for the disposal of sewage while the remaining 20% have no provision for disposal of sewage! In pointing this out, the author wishes to draw attention to possible areas of participation by NGOs in the provision of such basic services.

In final section on **Provision of Shelter and Basic Amenities to Urban Poor: Changing Programmes and Perspectives**, there is an analysis of the anti-poverty programmes undertaken by the central, state and local governments, particularly those for providing basic services to urban poor. Most of the current anti-poverty programmes envisage involvement of local bodies, private agencies, and non-government organizations and communities. The government fund constitutes only a part of the total resources, the remaining is expected to come from institutional sources, private entrepreneurs and the residents of the town or locality. Within this framework of decentralization, the urban poor who can contribute only their labour would have very little to say in working out the details of the projects or their implementation.

In **conclusion** the following policy guidelines emerge from the analysis:

1. There should be greater equity in the provision of basic services as interstate and intercity disparity has acquired alarming proportions.
2. Small and medium towns, particularly in backward states, should get special assistance from the central / state government as their economic bases are not strong enough to generate adequate resources.
3. Constitutional amendments for decentralization should be backed up by actual devolution of powers and responsibilities and their use by the municipal bodies
4. A limited number of towns with development potential should be identified in each state and an attempt should be made to link these with the national and international market.
5. As much of the subsidized amenities have gone to high and middle income colonies, the restructure of these programmes and schemes is needed to ensure that subsidies are made explicit through strict stipulations, targeted through vulnerable sections of population.

CHAPTER 9

THE POOR AND MORPHOLOGY OF CITIES

Neelima Risbud

This chapter presents the trends and patterns, growth of urban poor settlements over last decade across states, identification of problems of living conditions in slum areas, assessment of the improvements made over the last decade and evaluating the programmes and schemes currently being implemented in the country by Central, State, Local Governments including the recent initiatives of JNNURM . She has given examples of Delhi, Mumbai and Kolkata.

As per 2001 census report the slum population of India was 42.6 million, which constitute 15 per cent of the total urban population of the country. Only 12.7 percent of total Indian towns have reported slum. As per the data 11.2 million of the total slum population of the country is in Maharashtra followed by Andhra Pradesh 5.2, Uttar Pradesh 4.4 and West Bengal 4.1 million

It is highlighted that while the slum population has increased, the number of slums recorded in the 58th round is lower than the 49th round which indicated densification of slums. The reason could be due to a number of factors, including resettlement process, the conversion of some of the non-notified slums into notified slums, measures relating to evacuation of the non-notified slums, consolidation of smaller clusters and the exhaustion of capacity within the city for the formation of new slums Since slums do not house all of the urban poor but most of the urban poor are found to be living in slums. Though there is reduction in the levels of urban poverty, the number of slum dwellers in India continues to remain high.

There is higher concentration of slum population in the large urban centres. Conversely in comparatively less developed states the phenomenon of slums is not as pronounced (Census, 2001). Since adequate, affordable formal housing supply for the urban poor is not a priority for most state Governments, squatting appears to be the only housing option for poor in near future. land values are escalating sharply, so the Govt. needs to be play a more proactive role to provide for the poor rather than relying solely on facilitating the 'Market driven system'. There is good potential for organising slum communities as the average size of size of slum is small.

A positive correlation is found between states' proportions of notified slums and slum amenities. Whereas, a few states have shown increase in percentage of notified slums, in several other states it has shown a decline. Logically, rationalising the slum notification process is therefore an important step to provide access to basic services to slum dwellers.

Steep increase in land values and the growing interest of reality sector in land is perhaps making less and less land available for slums. Resettlement policy should lay down guide lines to minimize development based, market induced displacements and insure rehabilitation of project affected persons based on human rights to adequate shelter.

State slum Legislation needs to be reviewed and revised in light of slum policies. Slum improvements are primarily State subjects. Interestingly enough, the jurisdiction of Local Body responsible for slum improvements have very limited jurisdiction over land issues. Concern for housing needs of slum dwellers can be seen throughout the five-year plans. The Task Force set

up Planning Commission (Government of India) in 1983 reviewed policies related to shelter of urban poor and. recognized Slums and squatter settlements as products of poverty and social injustice, slum improvement was emphasized by firmly linking improvement programme with security of tenure, social development programmes and house improvement loans with certain cost recovery. Until today, slums are not fully recognized and integrated in the city development framework.

The National Housing & Habitat Policy of 1998 recommended slum improvement / reconstruction programmes through land sharing, release of additional F.A.R. and use of Transferable development rights. The policy however stipulates that land / shelter rights provided to the poor/slum dweller would be non- transferable.

The objective of the draft National Slum Policy (2001) was to integrate slum settlements and the communities residing within them into the urban area and to strengthen the legal and policy framework to facilitate the process of slum development and improvement on a sustainable basis.”

Slum improvement has broadly been done through the following channels:

- Central Government Policies for Slum Improvement and Poverty Alleviation.
- Slum Improvement in selected cities through international and bilateral aid.
- Slum Improvement & Tenure regularization through State Legislation/ State Government Programs
- Slum Improvement/Redevelopment projects with private sector participation.
- City specific initiatives

Since adequate, affordable formal housing supply for the urban poor is not a priority for most state Governments, squatting appears to be the only housing option for poor in near future. At the same time, land values are escalating so sharply, that the only housing that is formally coming up is the high-end variety.

Cities are getting spatially fragmented into high quality formal developments and informal areas marked by insecurity and acute deficiencies. Govt. needs to be play a more proactive role to provide for the poor rather than relying on and facilitating the 'Market’.

Selection of slums for notification is done on ad-hoc basis and excludes many substandard areas resulting in gross underestimation There is a need to recognize variety of settlement typologies of slum and each informal settlement has different and unique characteristics and problems and hence needs different policies and improvement inputs.

CHAPTER 10

URBAN LAND MARKET AND ACCESS OF POOR

Darshini Mahadevia

In this chapter, attempt has been made to analyse issues of land use planning, government regulations, right to housing and land to urban poor. Several policy documents of the Government of India lay emphasis on land and housing for the urban poor. However, in spite of this explicit recognition in urban land use planning, right to housing remains a distant dream. The JNNURM also recognizes the need to take care of housing needs of the urban poor.

Last 10 years of economic reforms have observed the following features in the land market of the world metropolitan cities:

- Increase in land and property prices in metro cities;
- Land as a resource for infrastructure projects.
- Urban land diverted or given away cheaply for higher end real estate projects and townships.
- Permitting foreign direct investment in the real estate.
- Deregulation and land use zone conversions.
- Market based solution for slums.
- Introduction of new land management tools
- Slum evictions a displacement in metro cities.

There are various land legislations in India which are related to different dimensions of land. Each of these has influenced land supply in specific contexts of city for determining access of the urban poor to land. There are ownership related legislations and use related legislations.

Land legislations in general have converted urban poor or informal housing occupants as illegal occupants of land the poor access land through variety of occupancy rights for instance easement rights.

The 11th Plan approach paper lays emphasis of increasing land supply and making processes of land conversion simpler. The urban housing and habitat policy of 2007 states that shelter is one of the basic human needs next to food and clothing.

The Common Minimum Programme of the UPA Government commits itself to a comprehensive programme of urban renewal and to a massive expansion of social housing in towns and cities paying particular attention to the needs of slum dwellers.

The analysis shows that there are no realistic estimates of slum population living in urban areas and there have been vast fluctuations in these estimates. For housing rights activists', urban renewal is synonymous with slum demolitions. The legislative tools of the government have been used for converting urban poor as firstly illegal residents of the city and then delegitimized them.

The process of globalization has made urban land almost inaccessible to the urban poor and all national level policies are based on market solutions for the poor. Thus the hopes are dim and option fewer for the urban poor.

CHAPTER 11

BASIC SERVICES FOR URBAN POOR- INNOVATIVE ACTIONS AND INTERVENTIONS

R. V. Rama Rao

This chapter deals with the provisions of basic services to the urban poor. Access to land, shelter and basic services is not only essential for physical well-being but is also vital for their ability to earn a living. One of the most direct influences the city administration has on the scale and nature of poverty is in what it does with regard to provision of basic services and shelter construction and improvement.

The chapter analyses the provisions of basic services like Water Supply, Sanitation, Solid Waste management, Road Networks connectivity, Electricity, Drainage systems etc. in slums and suggests new initiatives for improving the amenities. In order to provide water supply services of required standards in slums, it is suggested to provide individual pipe connections to each slum household, promote rain water harvesting, replace damage pipes and improve delivery pressures at public stand posts and remove illegal connections.

Similarly, to improve sanitation standards, it is suggested to construct community toilets where individual toilets are not possible, to extend sewerage networks to slum areas and connect toilet outlets with that, and community management of toilets in common places.

A demand led approach for improvement of access to public transport should be adopted. Appropriate technology should be used for developing road network depending on the geographical conditions and climate etc. and people's participation needs to be promoted in operation and maintenance of public transport.

Solar, bio-gas and non-conventional energy needs to be promoted for street lights as well as in household energy use wherever possible and feasible. Complete coverage of slum households through electric connections should be ensured.

In order to ensure proper drainage systems, flood prone habitats should be shifted to higher elevation, canal banks should be raised and protected and retaining walls constructed wherever required.

Among other initiatives, it is suggested to have people's participation in design and implementation of the basic services in slums. The responsibility of O&M should be that of the stakeholders and spatial analysis and GIS based databases with decision support system should be established for all the slums in a city along with computerised land records for providing an integrated plan for basic services in the slums.

To conclude, it is suggested that the matrix analysis method on the BPL and habitat surveys of the slums should be adopted to arrive at levels of availability and status of Basic services in a particular slum with a view to prioritise action plans.

CHAPTER 12

ACCESS OF URBAN POOR TO EDUCATION AND HEALTH SERVICES

Amulya Ratna Nanda

This chapter has analysed the status of health and education in urban India, the change in access to health and education services in urban India in terms of positive and negative changes, accessibility of urban poor to the services, problem faced by the poor to access health and education and suggestion about future health and education policies.

To understand intra-urban variations in health service access, urban districts were studied on three indicators i.e. proportion of children who received the first dose of oral polio vaccine, proportion of children who were fully immunized and visit by women to health service for ante-natal check-up.

The analysis shows that wealthiest 20% of the population received about 25% of the actual government health spending while the poorest 20% received only 15%. The poverty of health is exacerbated not only by wealth but also by other socio-economic measures, such as sex, race, ethnic group, language, educational level, occupation and residence. Lack of access to formal land market forcing Poor people to inhabit unhealthy environment which creates serious implications on their health and they have to spent higher percentage of their income on health care.

Physical inability, social discrimination by education, caste, sex and economic stratification increases the gap between demand and inadequate supply of services. Besides the physical and social factors, lack of access to money poor are unable to use health services and have less access to the facilities in the public or private sector. They hardly seek health care when they are ill. The poor have to depend on loans and sale of assets to pay for hospitalisation. Cost is a greater barrier than the Physical access to health providers.

There is no provision in the government programme for the unorganised sector to get access to medical benefits while the organised sector employees have provisions for medical benefits. Author has given a few examples of the attempts made in the country for insurance cover to poor both from both government and NGO sector.

As in the case of health services, there are evidence of discrimination between the rich and the poor/disadvantaged children in their access to quality education. The access problem is further compounded along the gender, caste, and physical and mental disability lines. There is a big difference between the proportion of children accessing education in million plus cities compared to smaller cities. The two critical problems pointing out by the author in this field are access and the quality of education. Quality defines in terms of poor teaching standard and facilities, teacher absenteeism, insensitive curriculum and content, poor motivation of teachers. This is compounded with lack of physical access and infrastructure.

The analysis also shows that smaller million-plus cities have more schools per capita population when compared to four mega polis. Contrary to health services, education infrastructure is poorer in cities with larger population and there is a huge gap in achieving universal access to

education in all cities, impacting the disadvantaged children the most and million plus cities, which are hub of economic activities, need to improve access of girl children to education. The proportion of children from marginalised communities in mega cities is very low compared to smaller towns.

The chapter draws the following inferences and way forward:

- Health access is poorer in cities from central and northern regions of the country, indicating poor health infrastructure, services and quality of providers.
- Health need for women (especially among SCs/STs and other marginalized groups) and adolescents are not prioritized, and services to these groups are almost non-existent. Delhi needs to improve on access of its services to women.
- Larger a city is, the better is health environment and the lesser prone is it to communicable diseases like pneumonia and diarrhoea. Similarly, cities from southern states of India have healthier population, while the least healthy are from cities in central India.
- Health access is poorer in cities from central and northern regions of the country, indicating poor health infrastructure, systems and quality of providers.
- Health need for women (especially among SCs/STs and other marginalized groups) and adolescents are not prioritized, and services to these groups are almost non-existent. Delhi needs to improve on access of its services to women.
- Costs of health services (direct cost, indirect cost and opportunity cost) continue as the single largest barrier to access for urban poor. The urban poor are out of coverage of any social security net.
- Education infrastructure is poorer in cities with larger population base and higher urbanization, thus increasing the possibility of marginalizing children of urban poor from education.
- There is still a huge gap in achieving universal access to education in all cities, impacting the disadvantaged children the most.
- Million plus cities, which are hub of economic activities, need to improve access of girl children to education.
- A holistic and integrated approach in response to the specific needs of each area need to be adopted along with adequate resource back-up
- Urban health should be taken up in mission mode, much on lines of the NRHM, to facilitate programmatic focus, resource commitment and accountability for effectively addressing the health needs of the urban population.
- The states should incorporate initiatives for urban health needs in their Programme Implementation Plan.
- Systematic strengthening of the health department of the Municipal Corporation/ Municipality
- Increasing role of the corporate, private sectors and NGOs for health services to the poor.
- Development of a social security system that is pro-poor and is inclusive of groups like migrant population, socially marginalized groups and also adolescents.
- Effective monitoring and surveillance system for improving the student-to-classroom and student-to-teacher ratio in the cities.
- Vigorous community mobilization campaigns need to be initiated in urban slums urging the poor households to send their children to schools.

- Innovative approaches to increase school enrollment at primary level and retention rate in schools, particularly for girls
- Convergence of health and education with other basic services for achieving synergy.

CHAPTER 13

ALLEVIATING URBAN POVERTY: INCOME GROWTH, DISTRIBUTION, OR DECENTRALIZATION?

O. P. Mathur

This paper entitled “Alleviating Urban Poverty: Income Growth, Distribution, or Decentralization”, is about public policies for urban poverty alleviation in India and the postulates underlying them. The paper lays the groundwork for a discussion on public policies by pointing out that the numbers of the urban poor in India have continued to rise, including in those states that have higher-than-national average per capita GDP, raising questions about the direction and effectiveness of public policies for urban poverty reduction. The paper then goes to addressing three questions. What public policies have been pursued for poverty reduction? What postulates underlie them? Where do public policies need strengthening?

This paper divides public policy instruments into two parts: (i) indirect instruments, i.e., those which use resources to accelerate growth and thereby impact on the incomes of the poor i.e., the trickle down or Kuznet’s theorem); and (ii) direct instruments, i.e., those rely on public provision of shelter, services, and subsidies and other form of transfers. The primary distinction between the two is that the former is keyed to enhancing income and hence consumption, while the latter aims to provide direction consumption involving redistribution between different groups. The paper points out that the initial decades of development planning in India focused on “income growth” as a policy to reducing poverty, but on the ground that this policy was not making the desired impact, direct provisioning of services came into being as a policy instrument from the Seventh Five Year Plan, with programmes such as the EIUS. The scope of poverty-related programmes continued to expand to include employment, basic services etc.

The Constitution (seventy-fourth) Amendment, 1992 followed by the Jawaharlal Nehru National Urban Renewal Mission – the two landmark Central government initiatives – looks at and conceptualise policies for urban poverty in a different light altogether. These two initiative rest on the postulate that decentralization and governance are central to urban poverty reduction, a postulate that signals perhaps the most extraordinary shift that has occurred in India in designing policies for poverty reduction.

What then is the new decentralized framework for poverty reduction? This framework centres around four questions:

(i) Which tier of government is most appropriate to handle urban poverty issues? The decentralized framework assumes that urban local bodies are in better position to deal with urban poverty issues. Note should be made that fiscal federalism theory allocates redistribution functions to higher tiers of government: by assigning urban poverty function to the ULBs, the classical local finance system has been shaken up under which local governments were appropriate for providing only the “local public goods”.

(ii) What should be the fiscal relations between the state government and the ULBs? What kind of a change does this new functional alignment trigger in the long-established fiscal relations between the states and the ULBs? The Constitutional amendment prefers it to be dealt

with by the State Finance Commissions (SFCs), by focusing on an appropriate inter-governmental fiscal system that would meet the need of the urban poor.

(iii) What kind of a governance structure should be in place for reaching out to civil society and other ground level organisations? Decentralization as implied in the Constitutional amendment and the JNNURM assumes that for effective poverty alleviation strategies, it is essential to reach out to the local, civil society groups, and involve them in designing and implementing poverty-related strategies.

(iv) What should be done to make the system accountable to the urban poor?

Urban poverty alleviation is this no longer an income growth issue or of transfers. The new thinking is that unless income growth strategy is supplemented by effective decentralization, it may not be possible to make sustainable impact on urban poverty.

The JNNURM has completed just about two years, and it is too early to evaluate it for its impact on poverty. However, the experience of implementing the JNNURM shows that decentralization as envisaged has not reached out to the ULBs; urban poverty alleviation activities continue to be in the domain of the higher tiers of government. The SFCs too have not used the leverage of its mandate to incentivise a *defacto* transfer of urban poverty functions to the ULBs. Nor is the intergovernmental fiscal system designed to factor in the extent and depth of urban poverty. Most ULBs function without any autonomy in terms of designing urban poverty alleviation programmes and activities or in term of determining their tax policies.

CHAPTER 14
‘ELITE CAPTURE AND MARGINALISATION OF THE POOR IN PARTICIPATORY
URBAN GOVERNANCE: A CASE OF RESIDENT WELFARE ASSOCIATIONS IN
METRO CITIES’
Debolina Kundu

This chapter highlights that Empowerment of civil societies to take up urban development in metropolitan cities has gained currency in recent years. Importantly, the decade of the nineties has witnessed a sea change in urban governance. The economic liberalization initiated in the country followed by decentralization measures adopted by the government has resulted in gradual withdrawal of the state and increasing private sector participation in capital investment and operation and maintenance of urban services. The institutional vacuum thus created has been filled up by non-governmental organizations (NGOs) and community based organizations (CBOs).

Further, the limited success of the wards committees institutionalized through the 74th constitutional amendment (1992) to usher in decentralized governance has led to the growth of middle class activism through resident welfare associations (RWAs) as partners in the development process of cities. The functioning of these societies, which are concentrated mainly in the middle income & posh colonies, has serious consequences in terms of access of the poor to basic amenities and infrastructural facilities and accentuation of intra-city inequalities. In the participatory model of local governance, the state and local governments, private agencies, parastatal bodies and other civil societies provide support to the RWAs in their efficient functioning.

The involvement of the RWAs has been in areas like management of civic amenities, capital investment in infrastructural projects, planning and participatory budgeting, and maintenance of neighborhood security. All these have resulted in ‘sanitisation of the cities’ and policing of public space within their jurisdiction.

Of late, some of these societies have received unprecedented importance in cities, where they have been empowered by the Master Plan to determine the land use of colonies. One may, however, be cautioned that the very mechanism of the functioning of these civil societies, is likely to institutionalize disparity within the cities as most of the urban poor are not covered by these. This would strengthen the process of segmentation and promote exclusionary growth of cities. NGOs, Private Sector, government departments and parastatal agencies are supporting the participatory governance of the RWAs and the States are sponsoring the RWAs with the local governments supporting maintenance of civic services in large cities as well as the small towns.

As per the findings of city wide survey of Delhi, it is only the more powerful RWAs who are able to voice their concern to the exclusion of the poor and there is no involvement of the slums and unauthorised colonies even in the much acclaimed Bhagidari system. Even though its intentions were noble, the system has not been able to penetrate deep across different sections of population.

The analysis shows that the very mechanism of the functioning of RWAs is likely to accentuate and institutionalise disparity within the cities. Attempts are being made to increase the number of RWAs in the capital and other cities but understandably there are serious bottlenecks coming in the way of success.

In the present circumstances of exclusionary nature of growth, an inclusive development strategy is called for at the local level where the urban poor would be partners in the development process.

PART III

CHAPTER 15

LIVING ROUGH SURVIVING CITY STREETS: A STUDY OF THE HOMELESS POPULATIONS IN DELHI, CHENNAI, PATNA AND MADURAI

Harsh Mander

This chapter looks at the little researched *lived experience* of homelessness in towns and cities of India, namely Delhi, Chennai, Patna and Madurai. The investigation was done by a team of researchers in these four cities and looks into the social, economic and nutritional situation of urban homeless men, women, boys and girls in the four cities. The paper maintains that the lived experience of homeless urban poverty differs from rural poverty in that it may offer better prospects for livelihood and earnings. However the environment of urban homelessness is physically brutalized and challenging with the denial of elementary public services and assured healthy food and the illegalization and criminalization by a hostile state.

As per the 2001 census where the total urban homeless population is 7,78,599 people with Delhi having 3.1% of the national level and Bihar and Tamil Nadu having 1.6% and 7.3% respectively. Extreme poverty topped the list of reasons for why people come to the streets with the highest being 73.75% in Chennai. The researchers also reported strong ties with families back home in the villages. Many people interviewed chose the streets because paying a rent would mean no savings and therefore no money sent back home and hence the street was the only options for them. The author believes that most are not “home”-less as much as “house”-less. Their condition is chiefly linked to their lack of adequate shelter.

In an attempt to explain survival on the streets through the seasons, it is noticed that the most disagreeable season for homeless people were the monsoons followed closely by the winter. In Delhi, for over a 100,000 homeless people the government runs 14 night shelters with a maximum capacity of 2,937 people which constitute only 3% of the homeless people in the city. There are no centres exclusively for women or migrant families. Outside the walled city in Delhi, private players come into play where *thijawalabs* rent out quilts (winter) and plastic sheets (monsoon) for five rupees a night. Iron cots are rented for 15 rupees a night. The majority of homeless people in the four cities were found to live on pavements and sidewalks often in daily danger to their lives from rash and drunken drivers. The next area favoured was bus stands followed by railway stations and then courtyard of places of worship. The biggest threat faced by the homeless at night (according to the survey) was the police. In Delhi, police brutality figured highest at 32% for disturbing homeless people at night.

The majority of homeless people survive through unprotected, uncertain and hard labour through a range of occupations like daily wage work, construction labour, pulling rickshaws, carrying and pushing loads, domestic work and street vending. A small number also earn as professional blood donors and commercial sex workers. Most children and single women were observed as heading homeless households, while the aged and disabled people lived mainly by begging. Work in itself is not assured on a regular basis; the figures are Delhi for 70%, followed by 61% in Chennai and 59% in Patna. Only in Madurai, where begging is the dominant occupation did 90% homeless report regular earnings.

The urban homeless have little and troubled access to the most elementary public services – every visit to the toilet, every bath has to be paid for in cash and immediately. The number of homeless using such facilities is thus low leaving them vulnerable to disease¹. Drinking water while not portable and erratic in supply is still freely available at roadside taps.

The quantities of food may sometimes, though not always, be sufficient, the quality tends to be rather monotonous, very elementary and of poor nutritional value and unhygienic. Except those with families on the streets, they rarely get home cooked food. However, a large portion of their income is spent on food varying from 50-90%.

The relationship between the urban homeless and the state was one of mutual acrimony and distrust. This was especially seen in Delhi where police and civil officials believe that squatters *give the city a bad name*. Most homeless in cities, are widely seen by the authorities as people with no rights, as the undeserving poor who choose to live on the streets even though jobs are widely available. In addition, they are widely perceived to be criminals. The laws that criminalize the urban homeless include laws against vagrancy and begging. The record of public services received by the homeless is dismal.

In its attempt to examine the psychology of the street by looking at the coping strategies used by the homeless to deal with loneliness and social isolation, the author points out that the majority of people in all cities investigated, and across all ages and gender, find solace in drugs or intoxication. The most common being thinners freely available from stationery shops followed by smack. At an emotional level, the homeless try a variety of coping strategies. If they are with their families on the street then these families form a mutual protective bond of support. Where families are not immediately available, close ties are maintained with families in the village. In case neither is available, and this is true especially in the case of teenagers or the aged, a number of interesting social bonds are developed. Many *adopt* relatives where the aged on the street are looked after by younger people as in another case an old woman was taken care of by a young widow and a pseudo-mother daughter bond was formed. More often in the case of teenagers, especially street boys, gangs are formed sharing everything – food, clothes, intoxicants, sleeping under the same sheets and even teaching each other trades.

CHAPTER 16
URBAN INFORMAL SECTOR: THE NEED FOR A BOTTOM-UP AGENDA OF
ECONOMIC REFORMS – CASE STUDIES OF CYCLE RICKSHAWS AND STREET
VENDORS IN DELHI

Madhu Purnima Kishwar

The case of Cycle Rickshaws:

They are a popular mode of transport in most towns and cities of India. There is a growing demand for them as they are versatile and multipurpose and they are seen plying virtually in all colonies across the city. They are most eco-friendly and its removal from the roads would lead to dramatic increase in demand for fuel for an alternate transport system. They as a means of transport are being introduced in Paris and Oxford which are very pollution conscious cities. Instant means of livelihoods and earning potential: For many rural poor migrants it acts as a means of livelihood.

These rickshaws have been banned where they are needed most mainly the arterial roads of Delhi by a High Court Order in the case of Hemraj vs. CP Delhi on the ground that rickshaws as they ply slow lead to traffic to slow down thus leading to congestion.

There are a host of other restrictions as imposed by the license quota raid raj (quotas on number of licenses) and there are many other absurd restrictions. For instance no person can ply a rickshaw unless he is the owner. Meaning a person cannot own more than one rickshaw. This has become a tool of exploitation for the police and MCD officials.

The case of Street Vendors:

Street vendors provide a vital link between the producer and the consumer. As per the National Policy for Street Vendors 2.5% of urban population is involved in street vending and hawking, meaning it provides livelihood to almost a crore urban people.

Restrictions and absurd quotas have been imposed on hawking activities by the Municipal Corporations in various cities. The challan system introduced by the municipal authorities has become a tool for corruption through bogus challans which are available for a price.

Total mismatch with ground reality: Though the Supreme Court has declared that street vending is covered under right to livelihood clause of the Constitution municipal agencies all over India have managed to keep the vast majority of vendors illegal and insecure. The entire process of clearance outlined is a farce.

Though the government is planning to introduce model legislation for street vendors, without the implementing agency in place the new law will suffer the same fate as the National policy for Street Vendors.