

*URBAN POVERTY ALLEVIATION
STRATEGY IN INDIA*

BACKGROUND PAPER

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Preface

Cities play a vital role in economic growth and property. Sustainable development of cities largely depends upon their physical, social and institutional infrastructure, While urban centres may be viewed as engines of growth, the cities are at the crossroads of change. In India, the process of urbanization is at critical juncture. India is among the countries at low level of urbanization. However, structure of urbanization is changing in India. There has been change in the pattern of urban growth. During 1951 to 1991, urban growth was generally high in relatively less developed states and developed states experienced low urban growth. However, a significant departure of this pattern in 1990s emerged from the earlier decades as the developed states registered urban growth above the national average. Urban poverty alleviation is the major thrust of development planning in India. However, poverty eradication is a daunting task as the problem is gradually increasing due to migration of rural poor people in urban centres.

There has been paradigm shift in urban governance in India. Decentralization as envisaged by 74th Constitutional Amendment Act, 1994 has led the process of municipal reforms and ensuring urban governance, however, the task of devolution of powers, functions, and finances to local bodies is still showing unfinished agenda. The escalating demand for urban infrastructure and services has called for mobilization of resources through public private partnership initiatives and introducing municipal reforms in urban local governments. The urban infrastructure development schemes - JNNURM, UIDSSMT and IHSDP have shown the new path of infrastructure development and its maintenance since the schemes are reforms oriented and seek public private partnership, community participation, resources mobilization and focus on augmenting efficiency of urban local governments. The urban governance is also experiencing a paradigm shift. The policy on urban housing and habitat intends to promote sustainable development of human settlements with a view to

ensuring equitable supply of land, shelter, and services at affordable prices to all section of society. The strategies for empowering urban poor are also changing.

Present report purports to examine the status of urban poverty in India and review the poverty alleviation strategies in different states. It also aims at suggesting measures for poverty reduction through effective implementation of urban poverty alleviation programmes and schemes. The report has been planned in seven chapters. Chapter Ist is introductory one which provides the perspective of urbanization and its implications on urban poverty. Chapter IInd deals with nature and dimensions of urban poverty in India while Chapter IIIrd focuses on implementation of SJSRY. Chapter IVth is concerned with implementation of basic services to urban poor. Chapter Vth explores the role of public private partnership in reducing urban poverty. Chapter VIth deals with urban poverty alleviation strategies at the state level. Chapter VIIth presents a package of policy recommendations.

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(Dr. A.K. Singh)

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Chapter-1

Urbanization and Urban Poverty

Widespread urbanization is a twentieth century phenomenon. Rome was probably the first settlement to reach one million populations in 5 BC while London becomes the second such city in 1800. In 1900, the total urban population of the world was not more than 250 million, less than 15 per cent of the total population. The Indian urban population today is itself greater than this number. In 2000, the world's urban population had increased to almost 2.9 billion, about 47 per cent of the total population. Today Asian countries have emerged as most populous countries. According to United Nations Study (1995), by the year 2015 ten of the world's fifteen largest cities will be in Asia, three of these will be in India. Of the 10 most populous countries, 6 are in Asia (Table 1.1).

Table: 1.1

Urban Population of Most Populous Countries

Country	1950		2000		2030	
	Percentage of Urban Population	Population (Million)	Percentage of Urban Population	Population (Million)	Percentage of Urban Population	Population (Million)
China	12.5	555	35.8	1275	59.5	1485
India	17.3	357	29.0	1009	40.9	1409
USA	64.2	158	77.2	283	84.5	358
Brazil	36.5	54	81.2	170	90.5	226
Indonesia	12.4	79	41.0	212	63.7	283
Nigeria	10.1	30	44.1	114	63.6	220
Pakistan	17.5	40	33.1	141	48.9	273
Mexico	42.7	28	74.4	99	81.9	135
Japan	50.3	84	78.8	127	84.8	121
Bangladesh	4.3	42	25.0	137	44.3	223

Source: United Nations, 2002

The structural reforms and the associated development strategies launched in 1991 are expected to accelerate rural urban migration and boost the pace of urbanization. The demographic and economic growth in India is likely to be concentrated in and around fifty to sixty large cities with population of about a million or more. There is migration from villages to town and cities which results in growth of metropolitan cities since they provide multiple avenues, services and amenities viz. education, health care, employment, business and entertainment options etc. People also migrate for economic opportunities and urban life styles. Though urbanization brings about development in the social, economic and cultural spheres of life but some times it disturbs the ecological system. Rapid and unplanned growth of urban agglomeration generates a series of negative environmental and social effects. Today urban India presents a very pathetic scene. Cities have become a site of rotting garbage, degrading drainage system and shocking night soil removal system. Besides, poor have practically no access to covered toilets and in many towns and cities, the majority have to defecate in the open. The untreated sewage being dumped into the nearest water body leads to health hazards.

India is one of the least urbanized countries in the world because between 1951 and 2001, the level of urbanization increased by 13 percentage points only. However, it has the second largest urban population in the world and more than two third of it lives in the 393 cities that have population of over one lakh. The four mega cities viz., Mumbai, Kolkata, Delhi and Chennai with a population of more than 6 millions each in 2001 account for almost one fourth of population living in cities. As per 2001 census, 285 million population i.e. 27.8 per cent of 1027 million total population of India is residing in 4368 cities and towns in the country, where as in 1991, 25.7 per cent population lived in urban areas. The decadal growth in urban population during 1991-2001 has been 31.2 per cent whereas at the beginning of the 20th century, only 10.8 per cent of total 218 million population of the country resided in cities and towns. The number of million plus cities has increased to 35 in 2001 from 12 in 1981 and 23 in 1991. These 35 million plus cities account for 107.9 million urban population of the country (Table 1.2). As per

projections of Government of India, the urban population of the country in 2011 will be 405.26 million and 553.04 million in 2021. Thus, around one third population is expected to live in urban areas.

There has been phenomenon growth in the number of towns and urban agglomerations over the period of 1981 to 2001, however, annual exponential growth rate of urban population is low. Even, in the recent the growth has been reported to be declining. There has been just 2.06 percentage points increase in proportion of urban population to total population during 1991 to 2001.

Table: 1.2
Urbanization in India

Year	Percentage of Urban Population	Number of Towns	Total Population (Million)	Urban Population (Million)
1901	10.8	1827	238.39	25.85
1911	10.3	1815	252.09	25.95
1921	11.2	1949	251.32	28.09
1931	12.0	2072	278.98	33.46
1941	13.9	2250	318.66	44.16
1951	17.3	2843	361.23	62.44
1961	18.0	2365	439.23	78.13
1971	19.9	2590	548.15	109.11
1981	23.3	3378	159.46	159.56
1991	25.7	3762	846.30	217.61
2001	27.8	5161	1028.60	286.10

Source: Census, 2001

An analysis of the distribution of urban population by size categories reveals that the process of urbanization in India has been large city oriented. This is proved that a high proportion of urban population being concentrated in Class I cities, which has gone up systematically over the decades in the last century, the massive increase in proportion of Class I cities from 26 per cent

in 1901 to 85.20 per cent in 1991 while it declined to 61.48 per cent in 2001, has been attributed to faster growth of large cities. The number of class one cities has grown to 441 in 2001 from 24 in 1901. There has been more than five fold increase in the number of class one cities since 1951 (Table 1.3).

Table: 1. 3

Number of Towns and Percentage of Urban Population in Different Size Categories

Year	Class I	Class II	Class III	Class IV	Class V	Class VI	Total
1901	24 (26.00)	43 (11.29)	130 (15.64)	391 (20.83)	744 (20.14)	479 (6.10)	1827
1911	23 (27.48)	40 (10.51)	135 (16.4)	364 (19.73)	707 (19.31)	485 (6.57)	1815
1921	29 (29.70)	45 (10.39)	145 (15.92)	370 (18.29)	734 (18.67)	571 (7.03)	1949
1931	35 (31.20)	56 (11.65)	183 (16.8)	434 (18.00)	800 (17.14)	509 (5.21)	2072
1941	49 (38.23)	74 (11.42)	242 (16.35)	498 (15.78)	920 (15.08)	407 (3.14)	2250
1951	76 (44.63)	91 (9.96)	327 (15.72)	608 (13.63)	1124 (12.97)	569 (3.09)	2365
1961	102 (51.42)	129 (11.27)	437 (16.94)	719 (12.77)	711 (6.87)	172 (0.77)	2365
1971	148 (57.24)	173 (10.92)	558 (16.01)	827 (10.94)	623 (4.45)	147 (0.44)	2590
1981	218 (60.37)	270 (11.63)	743 (14.33)	1059 (19.54)	758 (3.50)	253 (0.50)	3378
1991	300 (65.20)	345 (10.95)	947 (13.19)	1167 (7.77)	740 (2.60)	197 (0.29)	3768
2001	441 (61.48)	496 (12.30)	1388 (15.00)	1561 (8.08)	1041 (2.85)	234 (0.29)	5161 (100.00)

Source: India Infrastructure Report, 2006

The startling fact is that the proportion of population living in smaller towns has shown declining trend over the period while there is massive growth in population of larger towns. Importantly, growth of population in smaller towns has been reported negative while the growth of population in large cities and towns has been found massive. During 2001, the high proportion of urban population has been reported to be in Delhi, Pondicherry, Goa, Chandigarh, Maharashtra, Mizoram, Lakshadweep, Tamil Nadu,

Karnataka, Gujarat etc (Table 1.4). The high rate of growth of urban population during 1991-2001 has been reported high in Dadra & Nagar Haveli (14.59 per cent) followed by Arunachal Pradesh (7.0 per cent), Andaman and Nicobar Islands (4.14 per cent), Sikkim (4.83 per cent), and Delhi (4.14 per cent).

Table: 1.4

Patterns of Urbanization and Growth of Urban Population Across the States

State	Percentage of Urban Population				Annual Exponential Growth Rate		
	1971	1981	1991	2001	1971-81	1981-91	1991-2001
Andhra Pradesh	19.31	23.25	26.84	27.08	3.94	3.55	1.37
Arunachal Pradesh	3.70	6.32	12.21	20.41	8.32	9.28	7.00
Assam	8.82	9.88	11.09	12.72	3.29	3.29	3.09
Bihar	7.97	9.84	10.40	10.47	4.27	2.66	2.57
Chhatisgarh	10.38	14.69	17.40	20.08	5.33	4.00	3.09
Delhi	89.70	92.84	89.93	93.01	4.56	3.79	4.14
Goa	26.44	32.46	41.02	49.77	4.37	3.96	3.32
Gujarat	28.08	31.08	34.40	37.55	3.42	2.92	2.80
Haryana	17.66	21.96	24.79	29.00	4.65	3.58	4.11
Himachal Pradesh	6.99	7.72	8.70	9.79	3.02	3.11	2.81
Jammu & Kashmir	18.59	21.05	22.76	24.88	3.80	3.44	3.44
Jharkhand	16.01	20.09	21.25	22.25	4.51	2.61	2.55
Karnataka	24.31	28.91	30.91	33.98	4.08	2.55	2.53
Kerala	16.24	18.78	26.44	25.97	3.19	4.76	0.74
Madhya Pradesh	18.58	22.34	25.27	26.67	4.25	3.63	2.71
Maharashtra	31.17	35.03	38.73	42.4	3.35	3.27	2.95
Manipur	13.19	26.44	27.69	23.88	9.70	2.98	1.21

Meghalaya	14.55	18.03	18.69	19.63	4.84	3.10	3.16
Mizoram	11.36	25.17	46.2	49.5	11.79	9.57	3.27
Nagaland	9.95	15.54	17.28	17.74	8.49	5.58	5.27
Orissa	8.41	11.82	13.43	14.97	5.21	3.08	2.61
Punjab	23.73	27.72	29.72	33.95	3.62	2.55	3.19
Rajasthan	17.63	20.93	22.88	23.38	4.52	3.31	2.71
Sikkim	9.37	16.23	9.12	11.1	9.55	-3.23	4.83
Tamil Nadu	30.26	32.98	34.2	43.86	2.45	1.76	3.56
Tripura	10.43	10.98	15.26	17.02	3.26	6.19	2.53
U.P.	14.02	18.01	19.89	20.78	4.78	3.27	2.84
Uttarakhand	NA	NA	NA	25.59	NA	NA	2.84
West Bengal	24.75	26.49	27.39	28.03	2.75	2.54	1.84
All India	20.22	23.73	25.72	27.78	3.79	3.09	2.73

Source: Census of India, 2001

With the increase in urban population, there has been phenomenon growth in slum areas and slum population. During 2001, about 1/4th urban population was reported to be living in slums. There are certain states where the slum population has been reported to be significantly higher than the national average. The slum population is found to be more concentrated in the metropolitan cities and particularly in those areas where there is high concentration of economic activities (Table 1.5).

Table: 1.5
State-wise Slum Population-2001

S.No.	States	% to the total Population
1	Andhra Pradesh	32.69
2	Assam	6.28
3	Bihar	10.53
4	Chandigarh	13.24
5	Chattisgarh	13.24
6	Delhi	18.45

7	Goa	8.28
8	Gujarat	11.79
9	Haryana	33.07
10	Jammu & Kashmir	18.60
11	Jharkhand	12.80
12	Karnataka	11.50
13	Kerala	1.81
14	Madhya Pradesh	24.31
15	Maharashtra	31.66
16	Meghalaya	41.33
17	Orissa	22.54
18	Pondicherry	14.10
19	Punjab	20.38
20	Rajasthan	16.18
21	Tamil Nadu	17.85
22	Tripura	15.52
23	Uttar Pradesh	22.12
24	Uttaranchal	18.98
25	West Bengal	26.82
26	A&N Islands	16.23
	India	22.59

Source: Census, 2001

The slum population of India in cities and towns with the population of 50,000 and above was 42.6 million. This constitutes 22.6 per cent of the urban population of the states/union territories reporting slums. Only 12.7 per cent of the total towns and cities have reported slums. The majority of the urban slum population i.e. 11.2 million was found living in Maharashtra followed by Andhra Pradesh, Uttar Pradesh and West Bengal. A large number of states with a high percentage of slums to urban population also show a high level of urbanization. During 1993 and 2002, the proportion of notified slums has increased in Andhra Pradesh, Madhya Pradesh, Maharashtra, Tamil Nadu, West Bengal and overall at the national level, however, the percentage share of slums in total number of slums of the country for the

states like Maharashtra, Andhra Pradesh, West Bengal and Madhya Pradesh has significantly increased (Table 1.6).

The slum population tends to concentrate in large cities. According to 2001 census, 17.7 million people live in slums in 27 cities with a population of more than 1 million. The Greater Mumbai Municipal Corporation with 6.5 million slum dwellers has the highest number of slum dwellers (54.7 per cent) amongst all the cities followed by Delhi, Kolkata and Chennai. With the increasing investment on infrastructure and housing, there has been slum eviction in most of the metropolitan cities. In early 2004, over 1,50,000 people were evicted in New Delhi, and 77,000 in Kolkata. From 1994 to 1998, about 3.6 lakh slum units were demolished in Mumbai alone.

Table: 1.6

Slums by States-Share and Notification

State/UT	Percentage Share Slums in Total Number of Slums (All -India)*		Proportion of Notified Slums to Total Slums in the State	
	1993	2002	1993	2002
Andhra Pradesh	11.44	14.94	23.18	82.65
Delhi	8.31	3.57	52.89	9.15
Bihar	4.27	2.57	5.82	26.32
Gujarat	4.60	2.97	47.93	26.94
Jammu & Kashmir		0.70		60.16
Karnataka	10.67	3.84	77.9	59.40
Madhya Pradesh	4.98	6.71	51.62	58.62
Maharashtra	19.90	32.22	43.10	61.15
Orissa	3.08	0.78	7.67	2.74
Pondicherry	0.02	0.41	-	19.43
Punjab	0.94	0.31	41.75	33.33
Rajasthan	1.33	1.69	24.40	1.37
Tamil Nadu	7.22	6.12	14.61	29.39
Uttar Pradesh	5.47	5.11	34.81	29.32
West Bengal	13.90	15.72	19.14	35.34
Other States/UTs	3.88	3.04	16.22	44.72
Total/India-wide	100	100	36.16	50.62

Source: Edelman & Mitra (2006).

The task of improving urban services is constantly more challenging due to the large increase in population. This will put a strain on the present management and delivery systems. In many cases delivery mechanisms would need to be redesigned to meet the large demand. If urban population growth is to be accelerated, it will need even greater acceleration in urban infrastructure investment. With the rapid urbanization that is now expected in ensuing decades in India, it would be better to decentralize the instruments of infrastructure provision so that the agencies providing such infrastructure services are able to finance themselves and can respond flexibly to the changing demand of growing city. It would be better if private agencies are given more opportunities to perform the functions of financing, planning and management of urban infrastructural services and amenities. There is strong demand for (I) wider coverage of urban infrastructure services, which is a daunting task given in the expected huge growth in urban population and (II) improvement in the quality of urban infrastructure services especially in large cities, making the demand for urban infrastructure more heterogeneous than what has been witnessed in the past. The Tenth Plan had in the context of urban development, laid stress on improving the functional and financial autonomy of urban local bodies, strengthening of their finances through smooth implementation of SFC's awards, rationalization of property taxation system and levy of user charges. The Plan advocated broad based urban sector reform measures and emphasized that public private partnership should be brought on urban agenda in order to improve the efficiency and delivery of services. The growth of population has put urban infrastructure and services under severe stress. Smaller cities have found it particularly difficult to cope with the increasing demands on services because of inadequate financial resources.

Towns and cities are well placed to provide access a wide range of services at a relatively low cost. This means that poor people should benefit from improved health care, better educational opportunities and a wide range of services and products which support different labour markets. Unfortunately, for many poor urban people, this could not be materialized. Many are socially excluded on the grounds of cost, discriminatory

administrative and legal practices, and through failures of political process and the efforts of urban managers and social programmes to keep pace with growth of settlements on the urban fringe where many poor residents live. Many non-recognized slums even in the city, are not considered to be the part of the city and therefore, they are being deprived of many civic amenities and legal protection. However, the 11th Five Year Plan has highly emphasized on inclusive growth and in situ development of the cities, without considering the characterization of slums.

In urban centres, residents are dependent on the provision of public and private services to mitigate the environmental effects of the conditions within which they live – accumulations of solid waste, human excreta, polluted water, indoor air pollution and limited access to fuel. The urban dwellers also depend on the migrant labours and low skilled workers for catering the service needs in different services sector and thus, they need workers for different purposes. The labour force is being supplied by the unorganized sector where the legal and social protections are lacking. The poor who provide cheap labour to the urban dwellers do not get adequate amenities and their living conditions are pitiful. Since they cannot afford the cost of living in rented houses and therefore, they are forced to live in sub-human conditions in the slums. Urban poverty is therefore invariably associated with poor, crowded, insanitary living conditions within large slum settlements, with limited or no access to basic utilities or services such as water, sanitation, affordable transportation, health care, education, energy and law and order. The urban poor are also forced to live in highly vulnerable areas such as river beds, beds of major drains and other natural hazards prone areas and thus, the vulnerability of natural disasters in those areas has increased.

Urban centres present tremendous opportunities for all people, including the poor. Cities are important vehicles for social and economic transformation. They are centres of employment and other economic opportunities. The increase in the numbers of urban poor can be partially explained by rural urban migration of poor people encouraged by economic opportunities in urban centres. Over the period, there has been decline in poverty in rural areas however, in urban centres, the number of poor is

constantly increasing. The increase can also however, be attributed to conditions within urban areas themselves which keep many poor people in their depressed state. Until and unless cities are able to meet the needs of their expanding populations, any advantages that economic opportunities might present for the poor are likely to be outweighed by these factors.

The general consensus is that poverty in India can be most effectively reduced through economic growth for which rapid urban development is a key driver. The National Institute for Urban Affairs has estimated that urban India presently contributes more than 60 per cent of the country's gross domestic product, while accommodating less than a third of its population. Indeed, the manufacturing and service sector economies, which are most dynamic parts of the Indian economy, are predominantly urban. There has been correlation between urbanization and urban poverty.

As per information available, majority of the urban poor live in planned colonies, followed by slum designated areas, J.J. Clusters, and unauthorized colonies and resettlement colonies (Table 1.7). The government policy recognized the urban poor living outside of the slums or squatter colonies including pavement dwellers, street children and other homeless people.

Table: 1.7

Urban Slum Settlement Populations in India

Sl. No.	Type of settlement Approx.	Population in lakh (2000)
1	J.J. Clusters	20.72
2	Slum Designated Areas	26.64
3	Unauthorized Colonies	7.40
4	Resettlement Colonies	17.76
5	Rural Villages	7.40
6.	Regularised-Unauthorised Colonies	17.76
7	Urban Villages	8.88
8	Planned Colonies	33.08

Source: NIUA, December, 2006.

Table 1.8 shows the official programmes and the spontaneous efforts to create sustainable cities. The former are mainly centrally designed

programmes. Only a few of the local /state government environmental programmes are mentioned here. The new inclusive approach to sustainable cities emphasizes on the perspective of poor and marginalized sectors at the centre of its vision.

Table: 1.8

Efforts Toward Sustainable Cities in India

Four pillars	Official efforts	Spontaneous actions
Environmental sustainability	Legal initiatives Sustainable Cities programme (SCP) Infrastructure Projects Environment Management	Legal initiatives Protests for environment protection Community-based efforts Private sector initiatives
Social equity	Affirmative action polices	Rights movements
Economic growth with redistribution	Poverty alleviation Housing and shelter programme	Community-based programmes for addressing poverty
Political empowerment	Urban governance decentralization	NGO-led capacity-building activities.

As Table 1.9 shows that urbanization is positively related with labour productivity in the unorganized sector and negatively related with poverty ratio. The relationships are not statistically significant, though they tend towards the expected results. Only labour productivity and poverty have a significant negative correlation implying thereby that rising labor productivity in the unorganized sector is related to a falling poverty ratio. High and significant positive correlations between poverty during 1987-88 and 1993-94 and between labour productivity during 1990-91 and 1994-95 imply that over a relatively brief time span, no major shifts have occurred in poverty and labour productivity patterns across states. The poverty ratio (2004-05) has a significant and negative correlation with the level of urbanization. Urban poverty declines with a rise in urbanization. The poverty ratio of 1993-94 and 2004-05 show a high and significant positive relationship with urbanization and poverty alleviation. The decline in urban poverty between 1993-94 and 2004-05 is higher in more urbanized states, though the relation between urbanization and decline in poverty is not significant.

Table: 1.9
Correlates of Urbanization 1991 and Urban Poverty

States	Urbanization ¹ 1991 (%)	Labour Productivity Unorganized Sector ² 1990-91	Labour Productivity Unorganized Sector ³ 1994-95	Poverty Head Count T ³ 1987-88	Poverty Head Count ³ 1993-94 ⁺
Andhra Pradesh	26.8	13,424	15,161	41.1	38.8
Bihar	13.2	17,269	17,532	63.8	40.7
Gujarat	34.4	20,921	22,093	38.5	28.3
Haryana	24.8	19,059	25,258	18.4	16.5
Karnataka	30.9	13,919	21,048	49.2	39.9
Kerala	26.4	18,279	22,861	38.7	24.3
Madhya Pradesh	23.2	16,675	22,089	50.0	49.0
Maharashtra	38.7	23,328	29,437	40.5	35.0
Orissa	13.4	13,028	23,124	42.6	40.6
Punjab	29.7	23,715	24,021	13.7	10.9
Rajasthan	22.9	15,486	20,225	37.9	31.0
Tamil Nadu	34.2	11,857	18,083	40.2	39.9
Uttar Pradesh	19.9	12,757	15,506	46.4	36.1
West Bengal	27.4	14,052	14,881	33.7	22.9
All India	25.7			38.7	32.6
Correlation Matrix					
All India	25.7			38.7	32.6
Urbanization 91	1.00	0.40	0.34	- 0.36	- 0.24
Labour Productivity	0.40	1.00	0.73*	- 0.43	- 0.54**
Unorganized Sector 1990-91					
Labour Productivity	0.34	0.73*	1.00	- 0.35	- 0.25
Unorganized Sector 1994-95					

Poverty head count 1987-88	- 0.36	- 0.43	- 0.35	1.00	0.86*
Poverty head count 1993-94	- 0.24	- 0.54**	- 0.25	0.86*	1.00

Source: ¹Sivaramakrishnan et.al. (2005), ²Bhalla (2005), ³Sen & Himanshu (2004).

- Notes: * Correlation is significant at the 0.01 level (2-tailed).
 ** Correlation is significant at the 0.05 level (2-tailed). All variables pertain to urban areas.
 * Proportion of people below the poverty line.

The proportion of people living below the poverty line in many states is now higher in urban areas than in rural areas. Developed states, such as Punjab and Karnataka, and the less developed states like Andhra Pradesh, Kerala, Madhya Pradesh, Uttar Pradesh and Rajasthan have reported higher levels of urban poverty than the rural poverty for a number of years. This suggests that economic development even in relatively prosperous states has not been translated into benefits for the urban poor.

The economic and demographic growth of urban areas is increasingly placing a strain on the urban environment. The unplanned and haphazard development of the cities has deteriorated the environmental and sanitation conditions. Provision of adequate and affordable civic services is an integral part of sustainable urban development and poverty eradication. Most of the urban local governments do not have the adequate resources for providing civic services to the dwellers. The poor are most vulnerable who are excluded in the provision of civic services since they cannot afford the constantly increasing user charges and the prices of services being provided by the stakeholders as government is highly emphasizing on public private partnership in the provisions and delivery of civic services.

A number of approaches towards promoting sustainable urban development have been adopted by governments and development agencies toward the last years. The basic elements of sustainable urban development are represented in the framework below. For each area of intervention, the impact on poverty is described. In operational term, the framework demonstrates increasing levels of complexity from the bottom to the top of the ladder. At times, some parts of the ladder have been tackled simultaneously;

at others, policies and programmes have focused on particular rungs. Major lesson is that all players – towns and cities, states, national government, donor agencies etc. – need to have a strategic gross of the full spectrum of interventions if sustainable development and poverty reduction are to be achieved (Table 1.10).

Table: 1.10
The Urban Ladder

Intervention	Emphasis	Poverty Angle	DFID Projects
Urbanization	<ul style="list-style-type: none"> Rural/urban links District/State level planning 	<ul style="list-style-type: none"> Considers all poor Addresses poverty at source 	
Urban Development	<ul style="list-style-type: none"> Investment Employment Economic growth 	<ul style="list-style-type: none"> Good labour markets Well regulated employment opportunities 	Calcutta 2
Urban Governance	<ul style="list-style-type: none"> Municipal reform Pro-poor policies Decentralization 	<ul style="list-style-type: none"> Responsible & accountable elected representatives From patronage to civic rights 	APUSP
Urban Management	<ul style="list-style-type: none"> City planning Municipal finance Capacity building 	<ul style="list-style-type: none"> Poor “planned” into city Sustainability of services Formal/informal sector partnerships 	Cochin Calcutta 1c
Urban Services	<ul style="list-style-type: none"> City systems Stakeholder participation Vulnerable groups 	<ul style="list-style-type: none"> Poor included in the city Stakeholder choice Non-slum poor included 	Cuttack
Slum Improvement	<ul style="list-style-type: none"> Physical improvements Area specific Community initiatives 	<ul style="list-style-type: none"> Improved environmental conditions within recognized slums Improved “quality of life” for the better off poor Skills upgrading 	Hyderabad Vizag, Vijaywada, Calcutta 1a/b, Indore

Source: DFID.

The emerging trends and patterns of urbanization are direct manifestations of the process of economic development in the context of globalization and economic liberalization. The towns and cities in India report high incidence of poverty despite their being held as engines of growth and instruments of globalization. Migration and urbanization in India since the early 1990s should be looked at in the context of emergence of global cities.

The patterns of urbanization are being determined by macro economic factors at the national and global levels are also linked to the developments in the rural economy. In view of the growing importance of the urban areas and increasing deficiencies of infrastructure and services, government of India introduced JNNURM in selected cities of India during 2005. The Mission has highlights on improving governance and basic services to urban poor. Similarly, UIDSSMT and IHSDP have been introduced in other cities and towns of the India to develop infrastructure including housing and basic services to poor. The central assistance is likely to augment the municipal resources for developing infrastructure and improving the delivery mechanism for providing services. The urban poor are in the centre of government's vision of future cities.

Chapter- 2

Urban Poverty in India

Urban poverty is a major challenge before the urban managers and administrators of the present time. Though the anti-poverty strategy comprising of a wide range of poverty alleviation and employment generating programmes has been implemented but results show that the situation is grim. Importantly, poverty in urban India gets exacerbated by substantial rate of population growth, high rate of migration from the rural areas and mushrooming of slum pockets. Migration alone accounts for about 40 per cent of the growth in urban population, converting the rural poverty into urban one.

Moreover, poverty has become synonymous with slums. The relationship is bilateral i.e. slums also breed poverty. This vicious circle never ends. Most of the world's poor reside in India and majority of the poor live in rural areas and about one-fourth urban population in India lives below poverty line. If we count those who are deprived of safe drinking water, adequate clothing, or shelter, the number is considerably higher.

Further, the vulnerable groups such as Scheduled Castes, Scheduled Tribes, minorities, pavement dwellers etc., are living in acute poverty. Housing conditions in large cities and towns are depicting sub human lives of slum dwellers. With the reconstruction of poverty alleviation programmes in urban India, it is expected that social and economic benefits will percolate to the population below the poverty line. However, eradication of poverty and improving the quality of life of the poor remain one of the daunting tasks.

State-wise specific poverty lines are shown in Table 2.1. The urban poverty lines vary from Rs. 379 in Assam to Rs. 666 in Maharashtra. The poverty lines are lower in rural areas as compared to urban areas.

Table- 2.1
State-Specific Poverty Lines 2004-2005
(Rs. Per Capita Per Month)

State	Rural	Urban
Andhra Pradesh	292.95	542.89
Assam	387.64	378.64
Bihar	354.36	435.00
Chhatisgarh	322.41	560.00
Delhi	410.38	612.91
Goa	362.25	665.90
Gujarat	353.93	541.16
Haryana	414.76	504.49
Himachal Pradesh	394.28	504.49
Jammu & Kashmir	391.26	553.77
Jharkhand	366.56	451.24
Karnataka	324.17	599.66
Kerala	430.12	559.39
Madhya Pradesh	327.78	570.15
Maharashtra	362.25	665.90
Orissa	325.79	528.49
Punjab	410.38	466.16
Rajasthan	374.57	559.63
Tamil Nadu	351.86	547.42
Uttar Pradesh	365.84	483.26
Uttarakhand	478.02	637.67
West Bengal	382.82	449.32
Dadra & Nagar Haveli	362.25	665.90
All India	356.30	538.60

Source: CGG, Hyderabad, 2007

The poverty is broadly defined in terms of material deprivation, human deprivation and a range of other deprivations such as lack of voice, vulnerability, violence, destitution, social and political exclusions, and lack of dignity and basic rights. In India, and indeed throughout the world, the conventional approach equates poverty with material deprivation and defines the poor in terms of incomes or levels of consumption. The Planning Commission has defined poverty in terms of the level of per capita consumer expenditure sufficient to provide an average daily intake of 2400 calories per person in rural areas and 2100 calories per person in urban areas, plus a minimal allocation for basic non-food items. There is no doubt that material deprivation is a key factor that underlines many other dimensions of poverty. Despite uncertain progress at reducing material deprivation, there has been greater progress in human development in the states throughout the 1990's. Human Development Indicators capture important dimensions of well-being and reflect not just the rate of growth in the economy but also levels and quality of public spending. Effective public spending on basic services (education, health, water and sanitation) can compensate for limited capacity of the poor to purchase these services through the market. Education is a key indicator of human development. Many desirable social and economic outcomes are limited to rising levels of education, particularly education of women and of socially vulnerable groups. Health status is another key indicator of human development. Vulnerable, powerlessness, exclusion and social identity crises are some of the issues related with human poverty. Vulnerability is a fact of life for the poor. They are distressed not only by current low levels of resources and incomes, but also by the possibility of falling into deeper poverty and destitution. The poor are at risk because they lack the income, the assets and the social ties that protect the better off from the impact of unexpected setbacks. Illness requires expensive treatment; the temporary or permanent disability of a breadwinner, or a natural or man-made disaster can obliterate a poor household's small savings. Death, disability, disease, etc. are such factors, which are linked with vulnerability. Widowhood or desertion by a spouse, often led to destitution in poor and low caste women. In urban areas, the following types of vulnerability of the poor are reported:

- (i) **Housing Vulnerability:** Lack of tenure, poor quality shelter without ownership rights, and no access to individual water connection/toilets, unhealthy and unsanitary living conditions.
- (ii) **Economic Vulnerability:** Irregular/casual employment, low paid work, lack of access to credit or reasonable terms, lack of access to formal safety net programmes, low ownership of productive assets, poor net worth and legal constraints to self employment.
- (iii) **Social Vulnerability:** Low education, lack of skills, low social capital/caste status, and inadequate access to food security programmes, lack of access to health services and exclusion from local institutions.
- (iv) **Personal Vulnerability:** Proneness to violence or intimidation, women, children and elderly, disabled and destitute, belonging to low castes and minority groups, lack of information, lack of access to justice.

Table 2.2 provides a generalized checklist of potential solutions, deriving from the four research communities, each of which is designed to consolidate a different asset. More specific example of a policy focus intervention using the asset vulnerability framework is provided by World Bank. The identified labour supply constraints relating to child care and existing tenure regulations, constraining the poor’s use of housing as a productive asset, as two priorities areas for pro-poor policy intervention designed to strengthen the asset of the poor.

Table : 2.2

Type of Vulnerability, Outcomes and Potential Solutions

Type of vulnerability	Outcome	Potential solution
Labour	<ul style="list-style-type: none"> • Loss of income 	<ul style="list-style-type: none"> • Develop NGO credit schemes for home-based enterprises. • Provide adequate nontraditional skills training appropriate to the community.
Human capital	<ul style="list-style-type: none"> • Inability to maintain investment levels in education and 	<ul style="list-style-type: none"> • Provide adequate, accessible

	<p>preventive health care.</p> <ul style="list-style-type: none"> • Inability to provide safe, clean water. 	<p>low costs health care.</p> <ul style="list-style-type: none"> • Provide resource for primary education (teachers, textbooks, classrooms) • Provide credit for education expenditures such as uniforms. • Repair and maintain water supply. • Provide safe, easily accessible standpipes.
Housing and infrastructure	<ul style="list-style-type: none"> • Inability to use housing as a productive asset 	<ul style="list-style-type: none"> • Facilitate plot ownership or subdivision • Review regulatory framework for land • Provide electricity so that people can operate home-based enterprises.
Household relations	<ul style="list-style-type: none"> • Increased domestic violence • Lack of adequate childcare • Lack of caregivers for the elderly • Split households 	<ul style="list-style-type: none"> • Support police stations managed by women • Provide Community based community-supported care for children and the elderly • Provide time- and labour-saving technology
Social capital	<ul style="list-style-type: none"> • Decline in attendance of CBOs, particularly by women, or in activity of CBOs • Increase in youth gangs • Increase in crime and homicide • Lack of physical mobility, especially at night and for women • Decline in night school attendance 	<ul style="list-style-type: none"> • Through social funds, provide real opportunities for CBO-organized intervention that recognize paid as well as voluntary work • Give priority to community facilities, especially for youth • Support community-based solutions to crime • Enhance policing capacity • Provide a water supply close to residential neighborhoods • Provide safe transport • Provide technologically appropriate lighting • Provide wide, open through fares or vendors • Locate night schools close to residential neighborhoods

Source: World Bank, Ecuador Poverty Report, 1996

Assessment criteria for differential vulnerability are shown in Table 2.3. The determinants of relevant vulnerability form a set of critical vulnerability criteria. The vulnerability criteria depend upon the level of availability and access to basic services, housing and employment opportunities.

Table: 2.3

Assessment Criteria for Differential Vulnerability

	External Vulnerable Condition (score of 0)	Moderately Vulnerable Condition (score of 1)	Less Vulnerable Condition (score of 2)	
SLUM STATUS	Unauthorized Settlement i.e. slums not recognized (private land/ central government, as railways)	Land belonging to local authorities and possibility of sanction/leased land	Own Land Or Authorized Quarters Or Registered Slum	
HOUSING	Housing is Kuchcha with weak structure; High density in the area; No separate place for cooking, minimal ventilation	Fairly pucca but with mud/ brick walls with plastic or thatch roof; Marginally better than the earlier category	Permanent structure, Ventilation present; Definite space/verandah for cooking	
BASIC SERVICES	Toilet	No toilets and Defecation in the open by all – men, women and children	Majority do not have bath facilities; Use common toilet; Children’s use of toilets is low	
	Water	No water supply in the slum. People have to go out of the area for water	Number of taps disproportionate to need in the slum and irregular supply	
	Drainage	No Drains, or drains are clogged, roads not pucca	Open drains – Kuchcha or Pucca and narrow but cemented lanes	
	Electricity	Tapped / No Electricity	Pay to landlord for point wise or otherwise	
EMPLOYMENT PATTERN	Pattern	Amount below Rs. 1000 per family per month; Daily wage earner with irregular pattern	Rs. 1000-2000 earning per household; Daily wager but regular self employment	> Rs. 2000 earning per household; Majority service class

	Occupation Hazard	Majority are in hazardous work, as Rag picking; Sex Trade; Recycling, Stone Chip	Vendors, Semi and unskilled Labourers engaged in odd jobs	Private-Government job holders, petty traders, shopkeepers etc.
CREDIT	Loaning / Savings	Loan from Unorganized sector at mortgage or high rate as > 10%; No Savings	Loan from Regular source (as landlord, employers); Savings at irregular place as Chit Fund, Home	Loan from organized community group institutions; saving regularly at Bank, SHG
STATUS OF HEALTH AND HEALTH SERVICES	Morbidity	Malnourished children seen; High incidence of illnesses reported; reported cases of child mortality	Better conditions than previous category	None of the earlier conditions seen as a norm in the slum
	Service Coverage	Majority of children are not immunized; Home deliveries by untrained dais	Irregular immunizations Majority institutional deliveries	Full Immunization All institutional deliveries
	Health Facility	No public facility within 2-3 km.; Most often visit quacks or stores	Visit quacks and qualified doctors; Govt. facility used only for prolonged illnesses	Visit qualified doctors for all ailments; Dispensary or govt. facility nearby
DVELOPMENTAL SUPPORT	Govt/ NGO / CBO	No govt. or non-government programmes; Limited community based efforts	ICDS & other programmes present but functioning irregularly; Sectoral presence of NGO; CBOs weak	Relatively better supported by Government and NGO efforts
EDUCATION	Children and Adults	Majority children out of school and working; Illiteracy in adult population	Children going to school but high drop out rate and working; Adults – Functional literacy	All children finishing elementary education; Adult- Completed elementary education
GENDER STATUS		Low Gender Status (seen in Incidence of domestic violence, limited choices over fertility)	Seen in improvement over the 'worst' category	Equitable gender status (seen in improvement over earlier category)

IDENTITY PROOFS	Majority do not have any documents (Ration cards, Voter Id, Caste Certificate)	Some have Ration Cards Voter Id, Caste certificate	Majority have requisite papers
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Source: Siddharth Agarwal, Urban Health Resource Centre, New Delhi

The necessary components of poverty line and shortcomings in the conventional methodology are summarized in Table 2.4.

Table: 2.4

Comparison of the Components of Different Poverty Lines

Characteristics	Poverty Line			
	Working Committee (1960/61 prices)	Dandekar and Rath (1960/61 prices)	Planning Commission (1973/74 prices)	Current Poverty Line (2004/05 prices)
Poverty-line level, rural	Rs. 0.66/c/day	Rs. 0.49/c/day	Rs. 1.63/c/day	Rs. 11.9/c/day
Poverty-line level, urban	Rs. 0.83/c/day	Rs. 0.74/c/day	Rs. 1.90/c/day	Rs. 17.95/c/day
Provision for shelter	Yes	Yes, to the level needed to attain consumption of defined minimum calories		
Provision for fuel	Yes			
Provision for transport	No	No	No	No
Adjustment for regional variation in prices (by states)	No	Yes	Yes	Yes
Adjustment for variation in minimum consumption basket (by states)	No	N	No	No
Provision for periodic revision of minimum consumption basket	No	No	No	No
Provision for healthcare and education costs	Assumed that state would provide (free of	No	No	No

	cost)			
Provision for security of tenure (land and housing)	No	No	No	No
Provision for adequate access to schools	No	No	No	No
Provision for adequate access to healthcare facilities	No	No	No	No
Provision for asset base that can help tide over difficult times	No	No	No	No
Provision for safe and adequate access to water	No	No	No	No
Provision for safe and adequate access to sanitation	No	No	No	No
Indicator for vulnerabilities in livelihoods	No	No	No	No

Source: IIED, February, 2009

The poor lack the leverage to ensure that state institutions serve them fairly and thus often lack access to public facilities or receive goods of inferior quality. Importantly, caste, status and gender is linked to poverty in a number of ways. Deep and continuing social inequalities mark many facets on the society. Individuals with low caste status are for more likely to be employed as low paid; low status labourers live in poorly constructed houses with limited access to water and sanitation. Importantly, poor are the truly destitute. Destitute households have fewer and often very weak ties of mutual assistance and support than their wealthier counterparts. They lack of formal and informal safety nets. Poor women face high risks of destitution. A significant number of women poor belong to female-headed households.

The number of persons below the poverty line for urban areas is presented in Table 2.5. There has been gradual increase in the number of urban poor over the period of 1973-74 to 2004-05. During 19973-74, there were 60.05 million urban poor in India while during 2004-05, the number of urban poor was reported to be 80.79 million.

Table: 2.5

Number of Persons Below the Poverty Line – Urban

(Numbers in Lakhs)

States	1973-74	1977-78	1983-84	1987-88	1993-94	2004-05
Andhra Pradesh	47.48	48.41	50.24	54.05	74.47	61.40
Assam	5.46	5.83	4.26	2.22	2.03	1.28
Bihar	34.05	37.34	44.35	50.70	42.49	45.62
Delhi	21.78	16.81	17.95	10.15	15.32	22.30
Goa	1.00	1.16	1.07	1.65	1.53	1.64
Gujarat	43.81	38.35	45.04	48.22	43.02	27.19
Haryana	8.24	9.05	7.57	6.51	7.31	10.60
Himachal Pradesh	0.35	0.58	0.34	0.25	0.46	0.22
Jammu & Kashmir	2.07	2.68	2.49	2.85	1.86	2.19
Karnataka	42.27	47.78	49.31	61.80	60.46	63.83
Kerala	24.16	24.37	25.15	26.84	20.46	17.17
Madhya Pradesh	45.09	54.89	62.49	64.29	82.33	93.50
Maharashtra	76.58	80.16	97.14	109.38	111.90	146.25
Orissa	12.23	13.82	16.66	15.95	19.70	26.74
Punjab	10.02	11.36	11.85	8.08	7.35	6.50
Rajasthan	27.10	27.22	30.06	37.93	33.82	47.51
Tamil Nadu	66.92	72.97	78.46	69.27	80.40	69.13

Uttar Pradesh	85.74	96.96	108.71	106.79	108.28	125.88
West Bengal	41.34	50.88	50.09	60.24	44.66	35.14
All India	600.47	646.48	709.39	751.67	763.36	807.97

Source: Planning Commission, 2007

About 81 million persons in urban areas were reported living below poverty line during 2004-2005. Importantly, Uttar Pradesh, Maharashtra, Madhya Pradesh, Andhra Pradesh and Bihar account for larger share in urban poor. The percentage of urban poor was recorded highest in Orissa (44.3 per cent), Madhya Pradesh (42.1 per cent), Uttar Pradesh (30.6 per cent), Bihar (34.6 per cent) and Maharashtra (32.2 per cent). Indian poverty is predominant in the rural areas where more than three quarters of all poor people reside, though there is wide variation in poverty across different states. Moreover, progress in reducing poverty is also very uneven across different states of the country. The state-wise numbers of urban poor are shown in Table-2. Largest numbers of urban poor were reported in Maharashtra followed by Uttar Pradesh, Madhya Pradesh, Tamil Nadu, Karnataka, Andhra Pradesh and Rajasthan.

Table: 2.6

**Population Below Poverty Line by States
(2004-2005)**

S. No.	States/UT	Rural		Urban		Combined	
		No. of persons (Lakh)	% of Persons	No. of persons (Lakh)	% of Persons	No. of persons (Lakh)	% of Persons
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	64.70	11.2	61.40	28.0	126.10	15.8
2.	Arunachal Pradesh	1.94	22.3	0.09	3.3	2.03	17.6
3.	Assam	54.50	22.3	1.28	3.3	55.77	19.7
4.	Bihar	336.72	42.1	32.42	34.6	369.15	41.4
5.	Chhatisgarh	71.50	40.8	19.47	41.2	90.96	40.9

6.	Delhi	0.63	6.9	22.30	15.2	22.93	14.7
7.	Goa	0.36	5.4	1.64	21.3	2.01	13.8
8.	Gujarat	63.49	19.1	27.19	13.0	90.69	16.8
9.	Haryana	21.49	13.6	10.60	15.1	32.10	14.0
10.	Himachal Pradesh	6.14	10.7	0.22	3.4	6.36	10.0
11.	Jammu & Kashmir	3.66	4.6	2.19	7.9	5.85	5.4
12.	Jharkhand	103.19	46.3	13.20	20.2	116.39	40.3
13.	Karnataka	75.05	20.8	63.83	32.6	138.89	25.0
14.	Kerala	32.43	13.2	17.17	20.2	49.60	15.0
15.	Madhya Pradesh	175.65	36.9	74.03	42.1	249.68	38.3
16.	Maharashtra	171.13	29.6	146.25	32.2	317.38	30.7
17.	Manipur	3.76	22.3	0.20	3.3	3.95	17.3
18.	Meghalaya	4.36	22.3	0.16	3.3	4.52	18.5
19.	Mizoram	1.02	22.3	0.16	3.3	1.18	12.6
20.	Nagaland	3.87	22.3	0.12	3.3	3.99	19.0
21.	Orissa	151.75	46.8	26.74	44.3	178.49	46.4
22.	Punjab	15.12	9.1	6.50	7.1	21.63	8.4
23.	Rajasthan	87.38	18.7	47.51	32.9	134.89	22.1
24.	Sikkim	1.12	22.3	0.02	3.3	1.14	20.1
25.	Tamil Nadu	76.50	22.8	69.13	22.2	145.62	22.5
26.	Tripura	6.18	22.3	0.20	3.3	6.38	18.9
27.	Uttar Pradesh	473.00	33.4	117.03	30.6	590.03	32.8
28.	Uttarakhand	27.11	40.8	8.85	36.5	35.96	39.6
29.	West Bengal	173.22	28.6	35.14	14.8	208.36	24.7
30.	A & N Islands	0.60	22.9	0.32	22.2	0.92	22.6
31.	Chandigarh	0.08	7.1	0.67	7.1	0.74	7.1
32.	D & Nagar Haveli	0.68	39.8	0.15	19.1	0.84	33.2
33.	Daman & Diu	0.07	5.4	0.14	21.2	0.21	10.5

34.	Lakshadweep	0.06	13.3	0.06	20.2	0.11	16.0
35.	Pondicherry	0.78	22.9	1.59	22.2	2.37	22.4
	All India	2209.24	28.3	807.96	25.7	3017.20	27.5

Source: Planning Commission, Govt. of India, 2007

Table 2.7 shows the ranks in poverty and per capital GDP for the major states for the years 1993-94 and 2004-05. By and large, the rankings are in keeping with the expectations that level of poverty depends on economic performance. However, there are interesting exceptions. Punjab had the lowest urban poverty in the year 1993-94 and 2004-05, although, it is not ranked at the top, in terms of per capita GDP in either of the two years. Punjab's rank in per capita GDP has slipped down from the second place in 1973-74 to third place in 1993-94 and further to fifth place in 2004-05. Yet, it has obviously maintained a better distribution of income and has the lowest level of poverty, which may be largely a result of better geographical distribution of high income activities within the state, as against states like West Bengal and Maharashtra where high income activities are highly concentrated in and around the large metropolitan cities.

Table: 2.7

States Ranked by Poverty and Per Capita GDP

States	2004-2005		1993-1994	
	Rank in Poverty (in Ascending Order)	Rank in PC SDP (in Descending Order)	Rank in Poverty (in Ascending Order)	Rank in PC SDP (in Descending Order)
Punjab*	1	5	1	3
Gujrat	2	3	7	6
West Bengal*	3	10	4	11
Haryana	4	6	3	5
Delhi	5	1	2	1
Kerala	6	8	5	8
Goa*	7	2	6	2

Tamil Nadu	8	7	13	7
Andhra Pradesh	9	11	12	10
Bihar	10	16	9	16
Uttar Pradesh	11	15	11	14
Maharashtra*	12	4	10	4
Karnataka	13	9	14	9
Rajasthan	14	12	8	13
Madhya Pradesh	15	13	16	12
Orissa	16	14	15	15

Source: Planning Commission, 2007

The proportion of population below the poverty line has been falling steadily since 1983 and was estimated at about 26 per cent in 1999-2000. Among the working population, in the prime age groups (15-64 years) in urban areas, about 29 per cent belong to poor households in 1999-2000 falling from 40 per cent in 1983 (Table 2.8).

Table: 2.8

Percentage of Workers (15-64 Years) in Poverty in Urban Areas (1983-2000)

	1983	1987-1988	1993-1994	1999-2000
Male				
Self-employed	42.3	38.8	31.4	29.7
Salaried	25.8	23.7	17.4	15.8
Casual labour	60.2	60.9	54.7	52.8
Total	37.6	35.3	29.2	27.7
Female				
Self-employed	49.1	47.3	40.8	41.4
Salaried	29.3	25.7	19.4	18.6

Casual labour	70.7	70.9	63.2	62.2
Total	50.0	47.2	40.3	38.0
Total				
Self-employed	43.8	40.7	33.5	32.1
Salaried	26.3	24.0	17.8	16.3
Casual labour	63.6	64.1	57.2	55.0
Total	40.1	37.8	31.5	29.7

Source: Computed from Employment and Unemployment Surveys, various rounds, obtained from CDs, National Simple Survey Organisation

The poverty profile of workers in the various industry groups showed that more than 50 per cent of the agriculture workers in urban areas and nearly 43 per cent of the construction workers were poor. Nearly 30 per cent workers in manufacturing, trade and hotels, transport and other services were poor. In all these industry groups, there was a large proportion of unorganized sector workers (Table 2.9).

Table: 2.9

Percentage of Workers (15-64 Years) in Poverty by Industry in Urban Areas, 1983-2000

	1983	1987-1988	1993-1994	1999-2000
Agriculture	54.4	58.4	52.6	53.1
Mining	31.0	37.5	27.8	28.2
Manufacturing	42.1	38.5	30.4	29.6
Electricity & gas	24.0	19.4	13.2	8.6
Construction	51.4	50.6	44.4	43.9
Trade & hotels	40.9	37.5	31.5	29.2
Transport	39.6	38.4	32.2	32.8
Communication	21.3	16.4	19.8	7.9
Finance & real estate	9.4	11.4	8.7	9.4

Computer	8.1	0.0	5.1	2.8
R & D	7.5	20.8	4.3	14.9
Other business services	19.6	18.8	15.8	10.8
Govt. & education	21.4	17.1	11.6	9.6
Other services	43.4	42.4	36.0	35.4
Total	40.1	37.8	31.5	29.7

Source: Computed from Employment and Unemployment Surveys, various rounds, obtained from CDs, National Sample Survey Organisation.

Table 2.10 shows that nearly 60 per cent of illiterate workers are poor, 39 per cent of workers with primary education are poor, and only 29 per cent of those with middle level education are poor in urban areas. At the other end of the educational structure, we find that only about 4 per cent of the persons with graduation and above are from poor households.

Table: 2.10

Percentage of Workers in Poverty by Education and Industry in Urban Areas, 1999-2000

	Illiterate	Primary	Middle	Secondary/ Higher Secondary	Graduate and above	Total
Agriculture	64.6	51.7	40.1	30.2	12.3	53.1
Mining	45.6	33.6	22.4	15.4	2.5	28.2
Manufacturing	56.8	38.9	27.0	13.6	4.1	29.6
Electricity & gas	25.1	19.8	11.3	8.0	3.3	8.6
Construction	58.6	42.8	42.1	23.0	3.9	44.0
Trade & hotels	55.6	37.9	28.8	15.9	7.2	29.2
Transport	59.2	41.9	29.2	12.2	3.7	32.8
Communication	49.8	9.5	16.0	7.3	3.8	7.9
Finance & real estate	28.3	32.2	21.0	16.9	1.3	9.4
Computer	0.0	0.0	0.0	8.3	0.7	2.8

R & D	0.0	100.0	0.0	10.4	4.5	14.9
Other business services	54.1	30.2	22.4	12.7	2.5	10.8
Govt. & education	41.6	21.5	15.1	9.3	3.4	9.6
Other services	58.8	38.1	32.6	14.6	4.8	35.5
All workers	58.2	39.4	29.1	14.4	4.3	29.7

Source: Computed from Employment and Unemployment Surveys, 1999-2000, obtained from CDs, National Sample Survey Organization

A gender equality perspective draws attention to the need for gender sensitive indicators of poverty. A way forward may be to develop indicators that measure gender bias factors influencing the severity of poverty, such as capacity to achieve success, gender differentiated needs, social and health dimensions of poverty, etc (Box 2.1).

Box: 2.1

Gender-Sensitive Improvements to Official Assessments of Urban Poverty

- Need to disaggregate needs since needs are often influenced by gender. Need to take into account intra household differentials. Households that appear to be above the poverty line may have members who suffer deprivation because they face discrimination in the allocation of resources within the household due to age, gender or social status.
- Need to take into account non-monetary income sources, e.g. goods and services obtained free, or below their monetary value and differential entitlement to these.
- Need to develop more accurate measurements for capacity to achieve access to resources which is influenced by factors such as education, information, legal rights, illness, threatened domestic violence or insecurity.
- Greater understanding of men's and women's relative command over assets is required. Low income households may have asset bases that allow them to avoid destitution when faced with shocks, e.g. level of education and training. Women may have limited command

over certain assets. On the other hand, women may have greater claims, e.g. on social networks.

- Underlying causes of poverty need to be examined. Structural causes of poverty and processes that create or exacerbate poverty (including gender) need to be considered.

Source: Wratten, 1995; UNCHS, 1995

The inter-state variations in the rural poverty reduction during 1957-90 have been attributed to the variations in their agricultural productivity improvement. In addition, variations in initial endowments of physical infrastructure and human resources contributed to the inter-state variations in the performance of the states such as Andhra Pradesh, Kerala, and West Bengal, which had a higher rural poverty ratio in the first phase, had lower rural poverty ratios in the second phase. Importantly, urban poverty ratio has declined sharply in the states of Tamil Nadu, Gujarat, Karnataka, Haryana, West Bengal, Andhra Pradesh, Kerala, Uttar Pradesh, Assam and Bihar over the period of 1973-74 to 2004-2005. Surprisingly, poverty ratio in Assam has declined from 35.9 per cent in 1973-74 to just 3.3 per cent in 2004-2005. Similarly, poverty ratio has dropped up to 13 per cent in 2004-2005 from 52.57 per cent in 1973-74 in Gujarat (Table 2.11).

Table: 2.11

Change in Poverty Ratio in Urban India

(Percentage distribution)

State	1973-74	1983	1993-94	1999-2000	2004-2005
Tamil Nadu	49.4	46.96	39.77	22.11	22.2
Maharashtra	43.87	40.26	35.15	26.81	32.2
Gujarat	52.57	39.14	27.89	15.59	13.0
Karnataka	52.53	42.82	40.14	25.25	32.6
Haryana	40.18	24.15	16.38	9.99	15.1
West Bengal	34.67	32.32	22.41	16.86	14.8
Andhra Pradesh	50.61	36.20	38.33	26.63	28.0
Madhya Pradesh	57.65	53.06	48.38	38.44	42.1

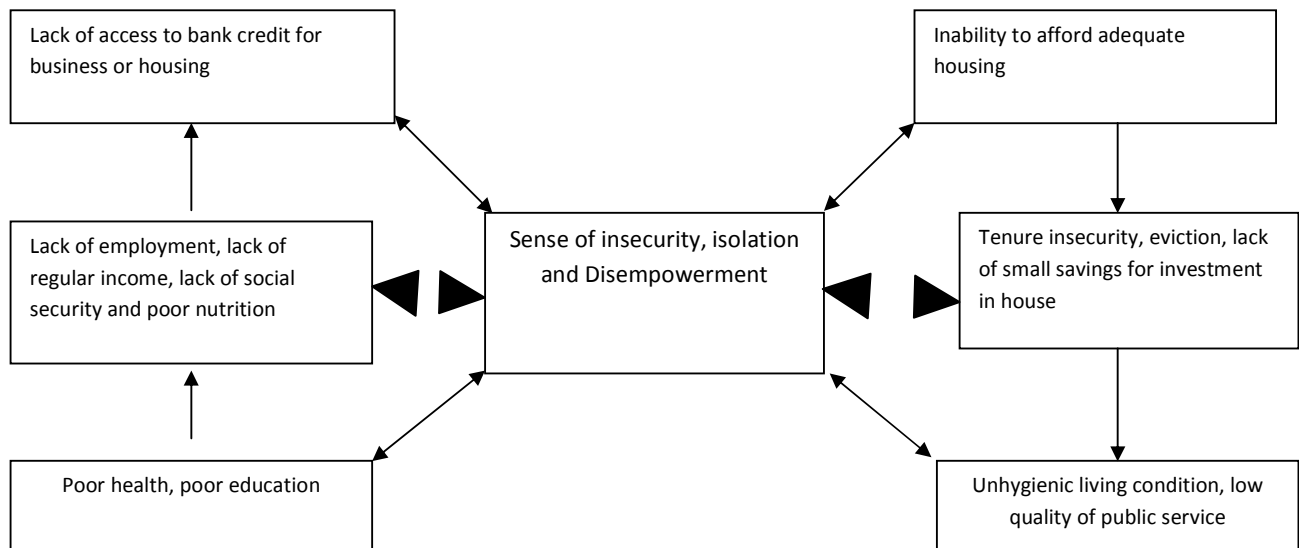
Kerala	62.74	45.68	24.55	20.27	20.2
Rajasthan	52.13	37.94	30.49	19.85	32.9
Uttar Pradesh	60.09	49.82	35.39	30.89	30.6
Orissa	55.62	49.15	41.64	42.83	44.3
Assam	35.92	21.73	7.73	7.47	3.3
Bihar	52.96	47.33	34.50	32.91	34.6
India	49.01	40.79	32.36	23.62	25.7

Source: Planning Commission, Govt. of India, New Delhi

In sum, urban poverty has a cumulative impact. It leads to problems like poor health and education, unemployment, low wages, unhygienic living conditions, sense of insecurity, disempowerment etc. This is clearly depicted in the Exhibit I.

Chart I

Impact of Urban Poverty



Planned Interventions:

The policies of urban development and housing in India have come a long way since 1950's. The pressure of urban population and lack of housing and basic services were very much evident in the early 1950's. The First Five

Year Plan (1951-56) emphasized on institution building and on construction of houses for government employees and weaker sections. The scope of housing programme for the poor was extended in the Second Plan (1956-61). The Industrial Housing Scheme was widened to cover all workers. Three new schemes were also introduced viz., Rural Housing, Slum Clearance and Sweepers Housing.

The balanced urban growth was accorded high priority in the Fourth Plan (1969-74). The plan stressed the need to prevent further growth of population in large cities and need for decongestion or dispersal of population. A scheme for Environmental Improvement for Slums was undertaken in the central sector from 1972-73 with a view to provide a minimum level of services, like water supply, sewerage, drainage, street pavements in 11 cities with a population of 8 lakh and above. The scheme was later extended to 9 more cities.

The Fifth Plan (1974-79) reiterated the policies of the preceding plans to promote smaller towns in new urban centres in order to ease the increasing pressure on urbanization. The Urban Land (Ceiling and Regulation) Act was enacted to prevent construction of land holding in urban areas and to make available urban land for construction of houses for the middle and low income groups.

The thrust of the planning in the Sixth Plan (1980-85) was on integrated provision of services along with shelter, particularly for the poor. The Seventh Plan (1985-90) stressed on the need to entrust major responsibility of housing construction on the private sector. A three-fold role was assigned to the public sector, namely, mobilization for resources for housing, provision for subsidized housing for the poor and acquisition and development of land. The Plan explicitly recognized the problems of the urban poor and for the first time an Urban Poverty Alleviation Scheme known as Urban Basic Services for Poor (UBSP) was launched. As a follow up of the Global Shelter Strategy, National Housing Policy was announced in 1988. The policy envisaged to eradicate houselessness, improve the housing conditions of inadequately housed and provide a minimum level of basic services and amenities to all.

During the Eighth Plan (1992-97) another Urban Poverty Alleviation Programme known as Nehru Rojgar Yojana was launched. In the Ninth Plan (1997-2002), a new convergence based scheme of urban poverty alleviation known as Swarn Jayanti Shahari Rojgar Yojana was initiated. It subsumed the erstwhile schemes of urban basic services for the poor and Nehru Rojgar Yojana.

The Tenth Plan (2002-2007) witnessed the launch of Valmiki Ambedkar Avas Yojana and the National Slum Development Programme. A Draft Slum Policy (2001) was also prepared. The National Common Minimum Programme of the Government attached higher priority to social housing and urban renewal. The result has been the launch of JNNURM and IHSDP. The sub-mission on urban Basic Services to the Urban Poor (BSUP) and the Integrated Housing and Slum Development Programme address the consensus of urban poor people and urban slum dwellers. In order to provide informal sector employment a good initiative in the form of National Policy on Urban Street Vendors has also been started.

An overview of main policies, legislation and programmes for the devolution of power to local bodies and the provision of water supply, sanitation and housing services in urban areas is presented in Box 2.2.

Box: 2.2

Highlights of Policies and Initiatives for UPA

Year	Initiatives	Highlights
1974	Environmental Improvement of Urban Slum (EIUS) Scheme	<ul style="list-style-type: none"> • The scheme is applicable to notified slums in all urban areas. • Aims at provision of basic amenities such as water supply and sanitation. • The EIUS scheme was made an integral part of the Minimum Needs Programme in 1974.
1979	Integrated Development of Small and Medium Towns (IDSMT)	<p>The scheme was initiated with a view to:</p> <ul style="list-style-type: none"> • Augmenting civic services • Strengthening municipalities through promotion of resource generating schemes. • Reducing migration from rural areas to larger cities by providing sufficient infrastructural

		facilities, including water supply.
1986, 1990/9	Urban Basic Services	<ul style="list-style-type: none"> The primary objective was improving the standard of living of urban low-income households, particularly women and children through the provision of sanitation and social services in slum areas. In 1990/91, the scheme was integrated with the EIOUS and came to be known as the Urban Basic Services for the Poor (UBSP) programme..
1989	Scheme of Housing and Shelter Upgradation (SHASU)	<ul style="list-style-type: none"> SHASU was one of three schemes implemented under the Nehru Rozgar Yojana (NRY) which targeted people living below the poverty line in urban areas. It aimed at shelter upgradation and providing homes for the urban poor and was introduced in cities with a population between 1 and 20 lakhs.
1990	National Waste Management Council (NWMC)	One of the NWMC objectives was municipal solid waste management. The council is engaged at present in a survey of 22 municipalities to estimate the quantity of recyclable waste and its fate during waste collection, transportation and disposal.
1992	73 rd and 74 th Constitution (Amendment) Acts	<ul style="list-style-type: none"> A three-tier system of local governance, through Panchayati Raj Institutions (PRIs) in rural areas and through Urban Local Bodies (ULBs) in urban areas was established. Reservation of not less than one-third of total number of seats in each PRI and ULB for women was stipulated. State Legislatures were empowered to entrust local bodies with necessary power and authority to enable them to function as institutions of local self-government.
1994	Accelerated Urban Water Supply Programme (AUWSP)	<ul style="list-style-type: none"> State finance commissions were to be set up to provide for sharing of revenues between the state and local bodies. A centrally-sponsored scheme initiated with the objective of solving the drinking water problems in towns having a population of less than 20,000 (as per the 1991 census)
1994	National Housing Policy	<ul style="list-style-type: none"> Formulated to implement the recommendations of Agenda 21 for

		<p>developing sustainable human settlements.</p> <ul style="list-style-type: none"> • Main objective was providing access to adequate shelter for all.
1995	Master Plan for Municipal Solid waste Management	<ul style="list-style-type: none"> • The Ministry of Environment and Forests and the Central Pollution Control Board organized a meeting with municipal authorities and other concerned ministers in March 1995 to evolve a strategy for the management of municipal solid wastes.
1996	National Slum Development Programme (NSDP)	<ul style="list-style-type: none"> • Additional central assistance being released to States/Union Territories for the development of urban slums. • Objectives of the programme include provision of adequate and satisfactory water supply, sanitation, shelter upgradation, garbage and solid waste management in slums. • Focus areas of the NSDP include development of community infrastructure, empowerment of urban poor women and involvement of NGO's and other private institutions in slum development.
1997/1998	National Agenda for Governance	<ul style="list-style-type: none"> • Identifies 'Housing for All' as a priority areas, with Particular emphasis on the needs of the vulnerable groups, economically weaker sections and lower income groups. • Under this programme, 20 lakh additional units were to be created every year from 1996-2002, of which 7 lakh additional units were to be in urban areas.
1998	Aseem Burman Committee	<ul style="list-style-type: none"> • In January 1998, the Aseem Burman Committee was formed under the Supreme Court of India to review the solid waste Management conditions in class I cities in India. • The key recommendation of this committee's report was to enable private sector participation in SWM.
1998	National Housing and Habitat Policy	<ul style="list-style-type: none"> • Objective of the policy is to create surpluses in housing stock and facilitate implementation of the National Agenda for Governance. • Promotes public private partnerships for tackling housing and infrastructure shortages.

2000	The Municipal Wastes (Management and Handling) Rules	<ul style="list-style-type: none"> • The rules lay down the procedure for waste collection, segregation, processing, and disposal. • Municipalities will be required to submit annual reports about municipal waste management in their areas to the Central Pollution Control Board. • These rules mandate that all cities set up suitable waste treatment and disposal facilities by December 31, 2001, or earlier.
2000	Manual on Solid Waste Management for Local Bodies.	In January 2000, the CPHEED (Central Public Health Environmental Engineering organization) under the Ministry of urban Development brought out a manual on solid waste management to provide guidance to local bodies.

There is increasing recognition that the urban development policy framework be inclusive of the people residing the slums and informal settlements. This has led to be a more enabling approach to the delivery of basic services accessible to the poor, through a more effective mobilization of community resources and skills to complement public resource allocations. The implementation of various Central Government schemes provided a wide range of services to the urban poor including slum dwellers. However, implementation of these programmes suffered from narrowly sectoral and fragmented approach; low quality of inputs with marginal impacts; wider dispersal of limited resources over a large area, rather than focusing a concentration of integrated area intensive efforts, inadequate participation of community in the planning and designing of innovative solutions; and multiplicity of agencies after working at cross purposes leading to a dissipation of efforts.

The Million Summit established the goal of improving the lives of at least 100 million slum dwellers by 2015. UNDP supports policy interventions designed to tackle urban poverty through improved urban governance, while living attention to urban environment improvements. These interventions relate to participatory planning process to improve housing, water and sanitation, waste management, job generation and other aspects.

National Strategy for Urban Poor (NSUP) project is a joint initiative of the Union Ministry of Housing & Urban Poverty Alleviation and the UNDP aimed at addressing the key concerns in promoting urban poverty eradication and sustainable urban livelihoods. The project envisages institutional reforms for improving efficiency and accelerating progress towards human development.

In line with Approach People for 11th Five Year Plan, which adopts “Inclusive Growth” as the key theme for the country, the Ministry of Housing and Urban Poverty Alleviation, Govt. of India is developing an agenda for developing “inclusive cities”. The development of this agenda is being supported by the NSUP project. The project will provide technical support in this regard which will cover the areas of: (i) inclusive urban and regional planning systems; (ii) inclusive urban infrastructure; (iii) integration of informal sector into the formal urban economies; (iv) affordable land and housing to the poor; (v) inclusive city development process for developing infrastructure and services; (vi) inclusive social development and convergence of programmes; (vii) financial inclusion of urban poor through access to credit, microfinance, etc; and (viii) capacity building and skill development of urban poor to cater the needs of emerging markets.

Ministry of Housing & Urban Poverty Alleviation has set up a Task Force under the chairmanship of Secretary, with the objective to evolve formulations for a viable micro credit mechanism for urban poor/informal sectors. It is expected that about 10 million urban vendors would be benefited under National Policy on Urban Street Vendors. Urban vending is not only a source of employment but provide affordable services to the majority of urban population. The National Policy is aimed at providing a supportive environment for earning livelihoods to the street vendors, as well as ensures absence of congestion and maintenance of hygiene in public spaces and streets.

The Ministry has also set up a Task Force on Urban Poverty with the objective of in-depth systematic and comprehensive assessment and analysis of the issues relating to urban poverty and suggesting strategies in the national level to alleviate urban poverty in the country. The Ministry has also

set up a Task Force on Land Tenure for in-depth systematic and comprehensive assessment and analysis of the issues relating to security of land tenure for the urban poor specially with reference to provide them appropriate environment for facilitating micro credit to cater to their consumer and housing needs.

The JNNURM comprises two sub-missions – one for infrastructure and governance, and the other for basic services to urban poor. The programme is being implemented in 63 selected cities in the country. The sub-mission in Basic Services to Urban Poor (BSUP) is being implemented by Ministry of Housing & Urban Poverty Alleviation, Govt. of India. The following are the main objectives of the sub-mission:

- i) Focused attention to integrated development of basic services to the urban poor;
- ii) Security of tenure at affordable price, improved housing, water supply and sanitation;
- iii) Convergence of services in fields of education, health and social security;
- iv) Providing housing near the place occupation of the urban poor;
- v) Effecting linkages between and asset creation and asset management to ensure efficiency;
- vi) Scaling up delivery of civic amenities and provision of utilities with emphasis on universal access to urban poor;
- vii) Ensuring adequate investment of funds to fulfill deficiencies in the basic services to the urban poor.

The following are the admissible component under the Sub Mission:

- i) Integrated development of slums i.e. housing and infrastructure projects in slums;
- ii) Projects involving development/improvement/maintenance of basic services to the urban poor;
- iii) Slum improvement and rehabilitation projects;

- iv) Projects on water supply/sewerage/drainage/community toilets/ bath etc;
- v) Houses at affordable costs for slum dwellers/urban poor;
- vi) Construction and improvement of drains/storm water drains;
- vii) Environmental improvement of slums and solid waste management;
- viii) Street lighting;
- ix) Civic amenities like community halls, child care centres etc.;
- x) Convergence of health, education and social security schemes for the urban poor.

For other than mission cities, IHSDP and UIDSSMT have been launched by Government of India. The erstwhile, VAMBAY and NSDP are subsumed in IHSDP. The IHSDP has been launched with the objective to strive for holistic slum development, with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to the slum dwellers of the identified urban areas. The admissible components of the scheme are as follows:

- Provision of shelter including upgradation and construction of new houses;
- Provision of community toilets;
- Provision of physical amenities like water supply, storm water drains; community-bath, widening and paving of existing lanes, sewers, community latrines, street lights etc;
- Community infrastructure like provision of community centres to be used for pre-school education, non-formal education, adult education, recreational activities, etc;
- Community Primary Health Centre buildings can be provided;
- Social amenities like pre-school education, non-formal education, adult education, maternity, child health and primary health care including immunization, etc;

- Provision of Model Demonstration Projector;
- Sites and services/houses at affordable costs to EWS & LIG categories;
- Slum improvement and rehabilitation projects.

The JNNURM and IHSDP schemes are reforms oriented. Three municipal reforms under NURM schemes directly impact the urban poor viz.:

- internal earmarking of funds for services to urban poor;
- provision of basic services to urban poor; and
- earmarking atleast 20-25 per cent of developed land in all housing projects for EWS/ LIG category with a system of cross subsidization.

Internal earmarking of funds for basic services to the urban poor is one of the mandatory reforms under JNNURM. Under this, the urban local bodies are expected to allocate a specific percentage of funds in their budget for services delivery to the urban poor. One of the mandatory reforms at ULB's level are expected to update their database, prepare a comprehensive policy with stakeholder involvement on basic services to all urban poor including tenure security and housing at affordable prices, rank and priorities the poor settlements in a participatory manner to facilitate investment decisions and benchmark the services and prepare a time frame to achieve them during the mission period. Earmarking of developed land for poor is an optional reform under JNNURM. Under this at least 20-25 per cent of developed land in all housing projects both public and private sectors should be earmarked to the EWS/LIG's in order to meet the housing needs.

An analysis of emerging trends and patterns in urban poverty simply demonstrates that there has been urbanization of poverty. While poverty in rural areas is showing declining trend however, in urban areas it has shown an increasing trend due to expansion of economic opportunities in urban areas and declining the rural economy. In the context of globalization and economic liberalization, the urban poor find themselves difficult in the changed policy and business environment and therefore they need protection and support from the government so that they may join the mainstream of development.

Chapter: 3

Status of SJSRY

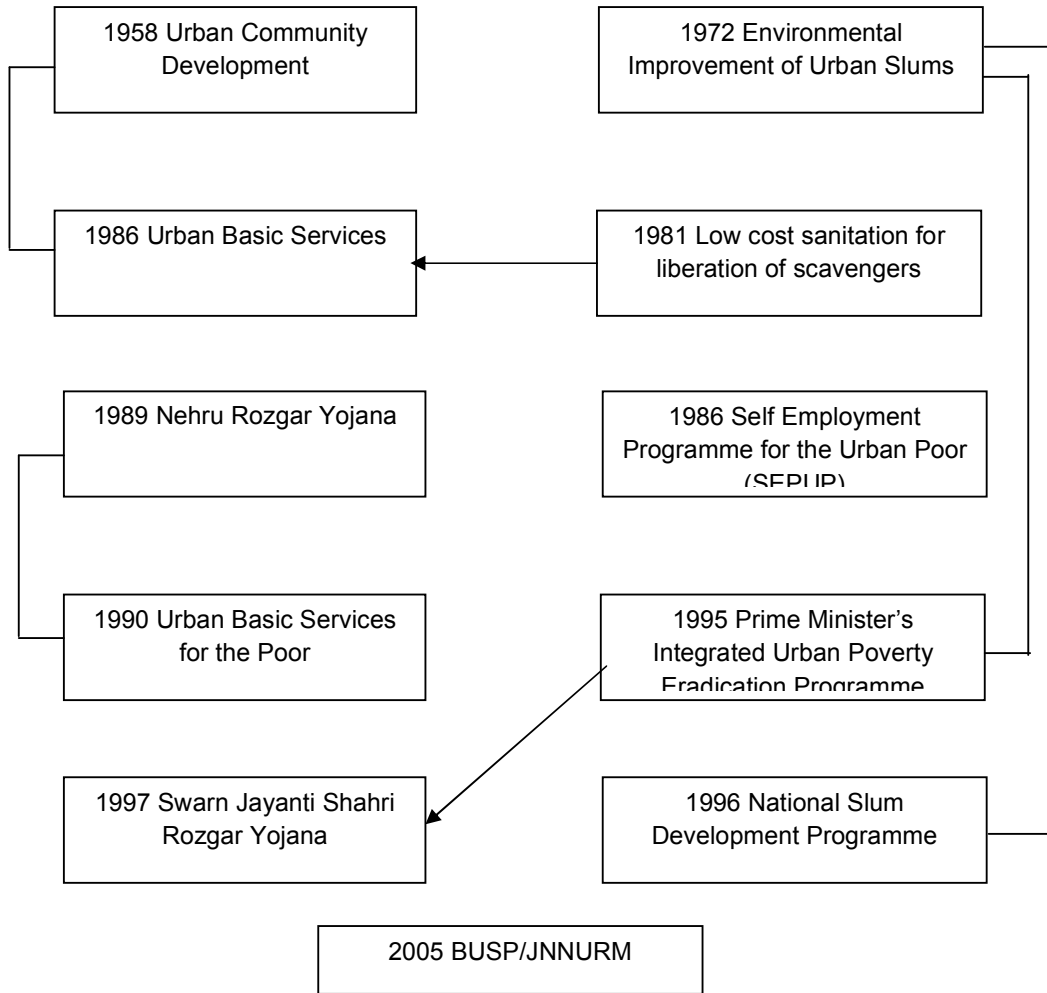
With a view to provide gainful employment to the urban unemployed poor through encouraging the setting up of self employment ventures and provision of wage employment – Swarn Jayanti Shahari Rojgar Yojana (SJSRY) was launched in 1997 after subsuming the earlier three schemes of UBSP, NRY and PMIUPEP. SJSRY is funded on a basis of 75:25 between the Centre and states. The scheme rests on a foundation of community empowerment towards this ends, community organizations like Neighbourhood Groups (NHG's), Neighbourhood Committees (NHC's) and Community Development Societies (CDS's) are to be set up in the target areas. These CDS's may also serve themselves as thrift and credit societies to encourage community savings and also other group activities. The scheme has two major components. One is related with urban self employment programme which envisages setting up micro enterprises and skill development, training and infrastructure support, and Development of Women and Children in Urban Areas (DWCUA). The second component is concerned with urban wage employment programme.

Urban poverty reduction as a policy perspective was entered during the Fifth Five Year Plan (1974-79). However, the plan made no distinction between rural and urban poverty. The Sixth Five Year Plan (1980-85) marked the commencement of a more definite approach to the poverty alleviation in the country. However, the plan did not address urban poverty issues directly and continued to display a distinct bias towards rural poverty. The Seventh Five Year Plan (1985-90) constitutes the first conscious attempt to directly address the issues of urban poverty. During the plan period, Urban Basic Services and Self Employment Programme for the Urban Poor were introduced. The Eighth Plan (1992-97) reinforced the employment thrust of programmes meant for poor by introducing new employment programme called the Nehru Rojgar Yojana and also enlarged the scope of UBS by revising the scheme into Urban Basic Services Programme. The Ninth and Tenth Five Year Plans continued to build on and reinforce the strategies contained in those programmes. National Slum Development Programme, SJSRY, VAMBAY, AUWSP and low cost

sanitation scheme were introduced. During 2005, JNNURM and IHSDP were introduced for providing basic services to urban poor and improving the governance.

Chart: 3.1

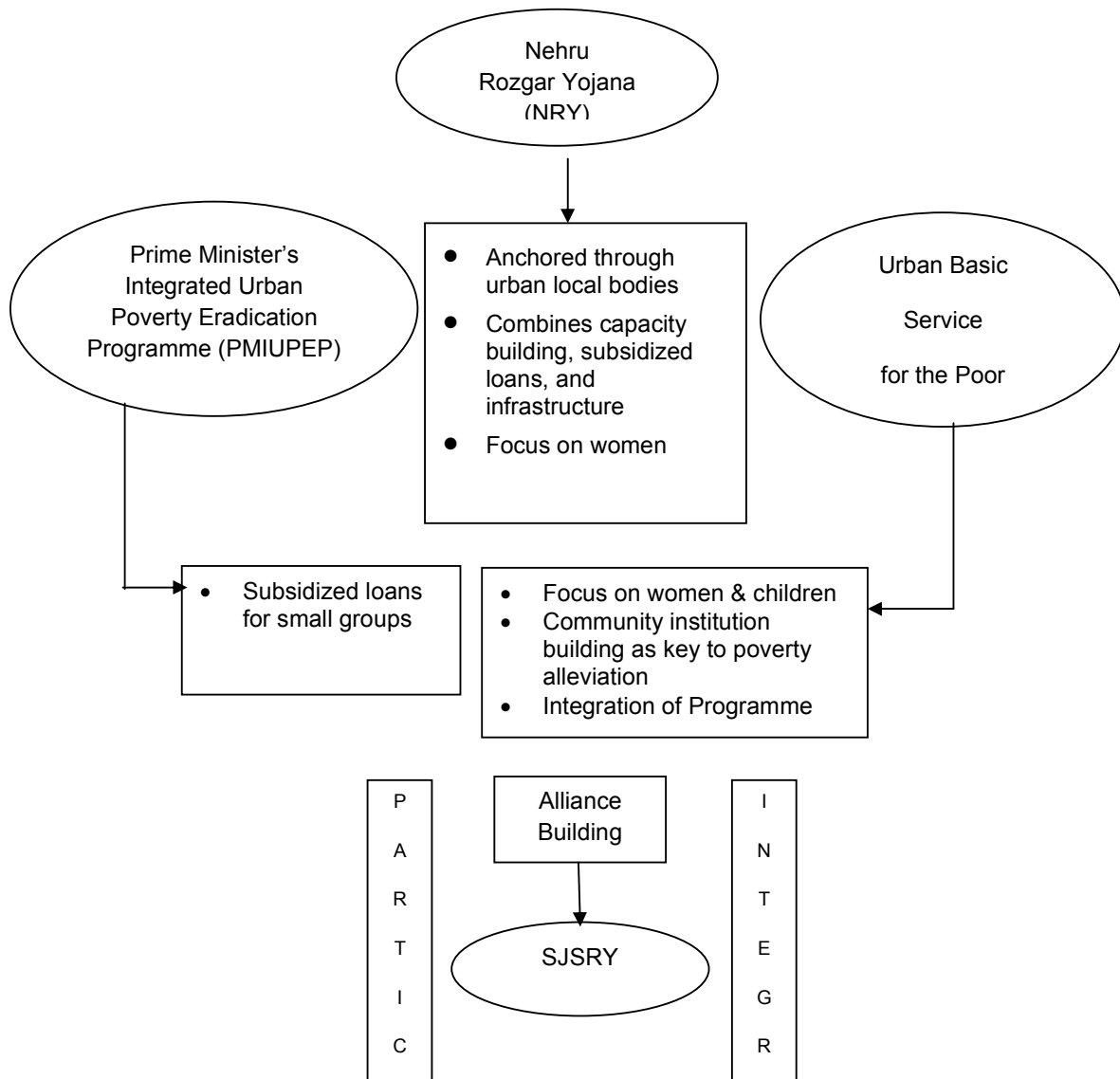
Urban Poverty Alleviation Programmes in India



Conceptual evolution of SJSRY is shown in Chart 3.2. The SSJRY is a major initiative by the government of India to deal with urban poverty. This is the only scheme for livelihood development for the urban poor. Government of India has recently revised the guidelines for the effective implementation of the scheme.

Chart: 3.2

Conceptual Evolution of SJSRY in Urban Centres



Source: Sneha Palnitkar, 2009.

There has been increasing trend of release of fund under SJSRY in India. However, some states could not spend the amount due to poor functioning of the scheme. (Table 3.1)

Table:3.1
Release of Central Fund under SJSRY

Year	Amount (Rs. in Crore)
1997-1998	98.63
1998-1999	158.47
1999-2000	118.77
2000-2001	85.13
2001-2002	38.31
2002-2003	100.92
2003-2004	100.74
2004-2005	122.01
2005-2006	155.88
2006-2007	248.68
2007-2008	213.92
Total	1441.46

Source: Ministry of Housing & Urban Poverty Alleviation

The financial performance of scheme is shown in table 3.2. Overall 85.58 percent fund utilization was reported at the National level. However during 1997-2007 no expenditure was incurred under SJSRY in Jharkhand state. The poor performance states were reported to be Uttarakhand (34.23 percent), Delhi (52.86 percent), Goa (66.23 percent), Chandigarh (64.34 percent) and Meghalaya (70.63 percent). Punjab and Sikkim reported higher expenditure as against total fund released.

Table: 3.2
State wise Release of Fund & Expenditure under SJSRY

Rs. in Lakh

SL. NO.	States	Total Fund Released (1997-2007)			Total Expenditure Reported			% of Expenditure
		Central	State	Total	Central	State	Total	
1	Andhra Pradesh	10287.49	7289.35	17576.84	9433.24	9814.85	19248.09	86.46

2	Arunachal Pradesh	220.18	73.39	293.57	515.56	250.44	766.00	96.04
3	Assam	1862.90	1124.72	2987.62	2597.78	213.68	2811.46	73.65
4	Bihar	2749.44	689.26	3438.70	2716.61	2510.01	5226.62	80.11
5	Chhattisgarh	1891.40	522.23	2413.63	1165.88	387.02	1552.90	64.34
6	Goa	84.06	35.53	119.59	150.69	75.79	226.48	66.32
7	Gujarat	5103.85	1749.08	6852.93	4877.53	2026.16	6903.69	75.59
8	Haryana	2823.20	941.06	3764.26	2818.16	1012.42	3830.58	90.58
9	Himachal Pradesh	425.46	189.85	615.31	633.12	615.97	1249.09	95.11
10	Jammu & Kashmir	502.38	1153.18	1655.56	983.93	1520.13	2504.06	96.50
11	Jharkhand	788.37	98.34	886.71	0.00	0.00	0.00	0.00
12	Karnataka	7696.58	2329.36	10025.94	8727.01	4740.98	13467.99	90.30
13	Kerala	3699.83	1496.58	5196.41	3490.22	1690.94	5181.16	85.50
14	Madhya Pradesh	10442.45	3166.09	13608.54	10095.96	4449.78	14545.74	87.30
15	Maharashtra	10801.93	3936.13	14738.06	12797.30	4423.81	17221.11	80.70
16	Manipur	469.70	294.97	764.67	657.97	351.35	1009.31	90.06
17	Meghalaya	237.99	114.18	352.17	328.10	150.09	478.19	70.63
18	Mizoram	2126.44	759.06	2885.50	2063.41	795.97	2859.38	96.08
19	Nagaland	632.29	545.00	1177.29	769.59	530.41	1299.99	92.33
20	Orissa	2718.36	869.79	3588.15	2631.29	1542.21	4173.50	88.71
21	Punjab	581.21	329.04	910.25	1609.99	713.22	2323.21	101.88
22	Rajasthan	3393.01	917.07	4310.08	3824.96	2218.77	6043.73	80.90
23	Sikkim	337.27	58.14	395.41	352.04	187.34	539.38	107.54
24	Tamil Nadu	7594.90	2265.73	9860.63	9540.77	6252.04	15792.81	90.89

25	Tripura	1401.98	550.11	1952.09	1409.66	457.23	1866.89	91.05
26	Uttranchal	662.90	117.90	780.80	200.45	66.82	267.27	34.23
27	Uttar Pradesh	18308.11	5891.81	24199.92	19309.55	9904.77	29214.32	91.40
28	West Bengal	5172.97	1724.45	6897.42	6197.21	3054.56	9251.77	96.61
29	Delhi	275.31	339.89	615.20	154.10	309.85	463.95	52.86
	TOTAL	105658.57	39765.41	145423.98	111946.75	60607.65	172554.40	85.58

Source: Ministry of Housing & Urban Poverty Alleviation

Physical progress under SJSRY is shown in table 3.3 .As on December 2007. 59528 DWCUA groups were formed. The total number of beneficiaries under these groups was reported to be more than 2.37 lakh. During the period 8.43 lakh individual micro enterprises were developed under SJSRY. Numbers of beneficiaries under community structures were reported to be 354.6 lakh.

Table: 3.3
Physical Progress under SJSRY
(As on 31st December, 2007)

(a)	Number of people assisted to set up individual micro enterprises	842663
(b)	Number of women assisted to set up micro enterprises (DWCUA Group enterprises).	237100
(c)	Total number of urban poor assisted to set up micro-enterprises = (a) + (b)	1079763
(d)	Number of people given skill development training	1077257
(e)	Number of DWCUA Groups formed	59528
(f)	Number of Thrift & Credit Societies formed	208898
(g)	Number of Man days generated (UWEP) (in Lakh)	664.88

(h)	Number of Beneficiaries under community structures (in Lakh)	354.60
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Source: Ministry of Housing & Urban Poverty Alleviation

State wise details of community structures under SJSRY are shown in table 3.4. Except Jharkhand, each state has created community structure for implementation of SJSRY scheme. However community structure has been found more effective in the states of M.P., Chhattisgarh, Tamil Nadu, West Bengal, Karnataka, Gujrat and Maharashtra. In most of the states the adequate number of COs were not appointed and their services are temporary.

Table:3.4
State wise Community Structures under SJSRY

SL. No.	States	COMMUNITY STRUCTURE (CS)					
		No. of Towns Under CS	No. of Town UPE Cell forned	No. of Beneficiaries identified under CS (in lakhs)	No. of CDSs formed	No. of towns BPL Survey Conducted	No. of COs Appointed
1	Andhra Pradesh	117	117	34.94	145	117	36
2	Arunachal Pradesh	17	4	0.01	8	17	82
3	Assam	87	87	0.90	87	87	7
4	Bihar	122	122	12.02	122	122	122
5	Chhattisgarh	110	75	3.82	90	75	55
6	Goa	13	0	1.57	13	13	9
7	Gujarat	148	117	14.00	192	149	251
8	Haryana	68	68	9.41	265	68	0
9	Himachal Pradesh	49	49	0.14	49	49	13
10	Jammu & Kashmir	70	5	0.09	3	25	98
11	Jharkhand	0	0	0.00	0	0	0
12	Karnataka	215	216	9.00	226	215	282

13	Kerala	58	58	10.26	59	58	115
14	Madhya Pradesh	337	337	30.30	512	337	236
15	Maharashtra	247	237	14.44	868	245	189
16	Manipur	28	28	4.60	32	28	32
17	Meghalaya	6	6	0.44	5	6	6
18	Mizoram	22	3	0.55	3	3	10
19	Nagaland	11	8	1.45	11	11	14
20	Orissa	103	102	9.46	0	103	70
21	Punjab	133	131	10.57	177	133	0
22	Rajasthan	183	0	23.51	0	183	0
23	Sikkim	46	1	0.00	0	46	4
24	Tamil Nadu	719	719	40.06	763	719	263
25	Tripura	13	13	0.49	13	13	16
26	Uttranchal	63	50	0.04	71	63	0
27	Uttar Pradesh	624	624	56.23	1251	623	0
28	West Bengal	126	126	58.20	305	126	233
29	Delhi	9	1	12.23	198	0	0
	TOTAL	3755	3309	337.40	5485	3645	2159

Source: Ministry of Housing & Urban Poverty Alleviation

State wise physical performance under SJSRY is shown in table 3.5. The southern and eastern states were reported to be performing well as per as functioning of DWCUA and thrift and credit societies is concerned. The physical performance of the scheme is not found satisfactory in the states of Jharkhand, North Eastern States, Bihar and Uttarakhand.

Table:3.5
State wise Physical Performance under SJSRY

SL. No.	States	USEP					UWEP
		No. of Beneficiaries assisted under USEP	No. of Persons Trained	No. of DWCUAs formed	No. of Women Beneficiaries under DWCUAs	No. of T & Cs Formed	No. of Mandays Created (in lakhs)
1	Andhra Pradesh	90777	51097	16131	54380	73872	89.59
2	Arunachal Pradesh	442	314	6	75	6	12.05
3	Assam	7039	8864	120	225	200	8.28
4	Bihar	15429	4860	2120	19245	0	28.15
5	Chhattisgarh	10088	9474	448	1142	5524	4.71
6	Goa	480	996	4	30	1	1.41
7	Gujarat	35734	50883	7203	194	1968	22.73
8	Haryana	17192	25635	396	3832	810	3.40
9	Himachal Pradesh	1649	3882	54	397	29	6.11
10	Jammu & Kashmir	11384	20657	135	304	49	1.67
11	Jharkhand	0	0	0	0	0	0.00
12	Karnataka	60562	128363	1661	12520	12752	73.46
13	Kerala	18291	40562	1796	16469	8632	2.91
14	Madhya Pradesh	99626	105561	3529	9651	9949	29.46
15	Maharashtra	74803	158825	5454	31538	22014	36.92
16	Manipur	0	2506	96	0	88	5.24
17	Meghalaya	1710	1345	11	1	1	1.83
18	Mizoram	160	5369	337	0	30	15.38
19	Nagaland	812	2303	179	2982	370	2.27
20	Orissa	25189	20127	1789	12237	2102	23.66

21	Punjab	8566	14061	48	220	106	5.09
22	Rajasthan	47014	22774	304	1027	432	23.15
23	Sikkim	479	1487	12	0	20	3.58
24	Tamil Nadu	28976	37974	6342	14353	15865	64.37
25	Tripura	4270	12262	109	1840	156	5.37
26	Uttranchal	812	1414	2	20	23	0.07
27	Uttar Pradesh	130592	122638	3363	9732	8437	68.99
28	West Bengal	18686	77900	319	1404	11995	36.39
29	Delhi	1124	2570	47	58	56	0.00
	TOTAL	714068	947819	52399	196988	176596	586.86

Source: Ministry of Housing & Urban Poverty Alleviation

The effective implementation of the scheme could not be ensured in most of the states due to lack of political and bureaucratic commitments towards scheme and also for state level lacunas in built in the scheme itself. In most of the states, the community organizations could not be created to the desired level and where the community organizations were formed, their functioning could not be made effective. Again, the required manpower in most of the states could not be deployed for the effective implementation of the scheme. In several states, the Community Organizers, Project Officers, Assistant Project Officers were found either non-existence or grossly inadequate to meet the emerging needs for human resources of the scheme. Earlier, the financial support including subsidy was grossly inadequate for meeting out the training expenses and developing livelihoods for the urban poor. However, the limit of the financial support including subsidy has been revised by the Government of India and it is expected that there will be no such financial constraints for providing benefits under the scheme to the poor. The desired level of cooperation from civil societies and particularly the bankers was felt another constraint for the effective implementation of the scheme.

Chapter- 4

Housing & Basic Services

Physical and social security in urban areas is the major concern in urban economic development. The availability of housing and basic amenities like water supply, toilets, electricity, etc. is the major concern of the municipalities however, due to resource constraints; most of the local governments face problems in effective delivery of such services. The rapid growth of urban population and the low investment in urban development has created serious shelter problems and deficiencies in basic amenities in the towns and cities in India. Although, housing stock seems to have grown, the rate of capital formation in formal housing has been extremely low. The investment in basic services has been reported to be low. Thus, the deficiencies and shortages in basic services including housing have serious implications for urban poor due to inequality in access.

Housing is an important aspect of living of human beings. It is referred to as a composite of land and built structure. The housing is defined on the basis of appropriate materials, technology, and well developed land with clear titles. Keeping in view the concept, housing may be divided into two broad categories viz., formal housing and informal housing. The differences in formal and informal housing, to some extent are reflected in the nature of housing stock differentiated by materials, quality of construction and durability. A good measure of habitable condition in the housing unit is the number of rooms per person, which is reflected in the number of rooms per household and the household size. Moreover, tenure status of housing unit, depending on level and composition of economy, provides some sense of ownership. During 2001, 53.69 million households were reported and 1.25 million households had no exclusive rooms. The medium numbers of rooms were reported to be only 2.

As housing constitutes an important element of human life. It has potential to contribute to a rise in national income. It also accelerates the pace of development. Investments in housing have a multiplier effect on

income and employment. The construction sector provides employment to 16 per cent of the workforce. It is growing at the rate of 7 per cent. As per the CSO estimates, housing sector's contribution to GDP for the period 2003-04 was 4.5 per cent at national and 3.13 per cent in urban areas. In view of the substantial use of housing materials, construction activity has a multiplier effect on industrial demand for these items.

Growth of housing stock in India is shown in Table 4.1. During 2001, 55.8 million households were reported; however, housing stock was found only 50.95 dwelling units. There has been modest growth (38.0 per cent) in number of households during 1980's, and 1990's. This is significantly below the figure of 54 per cent recorded during 1990's. Similarly, the growth rate of housing stock during 1980's, (40.36 per cent) and 1990's (29.64 per cent) has been recorded low than the growth of housing stock during 1970's (51.35 per cent). The decadal growth rate in pucca housing has come down from 53.30 per cent and 64.68 per cent during 1970's, and 1980's, to 38.20 per cent only during 1990's. During 2001, 9.01 per cent houses were lying vacant, but these were not available for residential purposes for weaker sections of society.

Table: 4.1

Growth in Housing Stock in India

(Million)

Year	Households	Total Housing Stock				
		Houseless Population	Total	Pucca	Semi Pucca	Katcha (Sericable)
1961	14.9	0.19	13.30	6.44	4.9	1.96
1971	19.1	0.47	18.5	11.8	4.35	2.35
1981	29.3	0.62	28.0	18.09	6.8	3.11
1991	40.7	0.72	39.3	29.79	6.21	3.3
2001	55.8	0.79	50.95	41.17	8.08	1.7

Source: Planning Commission, Govt. of India

Percentage distribution of urban households by rental characteristics demonstrates that during 1993-94, more than 1/3rd urban households were

living in rented houses. The proportion of urban households living in rented houses has declined from 37.56 per cent in 1983 to 35.8 per cent in 1993-94. There were certain states such as Goa, Himachal Pradesh, Nagaland, Sikkim, Tamil Nadu, Andhra Pradesh, Bihar, Orissa and West Bengal where more than 2/5th urban households were found living in rented houses.

The number of households during 2007 worked out to be 66.3 million. The distribution of households estimated at the beginning of 2007 among the various categories is shown in Table 4.2. It is estimated that 21.81 million households are from 44 categories which only 16.92 million households are from MIG and HIG categories. Thus only one fourth households are belonging to higher and lower income groups and 75 per cent households are from lower and weaker sections of society.

Table: 4.2
Distribution of Households By MPCE Class

			(Million)
MPCE Class (Rs)	Household Size	% of Households	Estimated No. of Households (Million) as on 2007
0-300	6.1	1.3	0.86
300-350	6.5	1.5	0.99
350-425	6.0	4.0	2.65
425-500	5.7	5.2	3.45
500-575	5.6	6.1	4.04
575-665	5.4	7.3	4.84
665-775	5.3	9.7	6.43
775-915	4.7	10.3	6.83
915-1120	4.3	12.5	8.29
1120-1500	3.9	15.7	10.41
1500-1925	3.4	9.4	6.23
1925+	2.9	16.9	11.20
Total No. of Households	4.40	100.00	66.30

Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India

The obsolescence factor is very important in housing. The housing or dwelling unit aged 80 years or more is classified as obsolescence. The 2001 census has provided the estimates of households living in dilapidated dwelling units. The percentage figure of the households living in such units is 3.60 per cent. NSSO in its 58th Record (2002) has also provided the estimates of number of households living in the house by age and condition of house (Table 4.3). Only 42 per cent households were living in satisfactory dwelling units while 47 per cent households were reported to be living in good condition dwelling units. Thus, 11 per cent households were found living in bad condition dwelling units. Importantly, 21 per cent households living in 80 and above years aged dwelling units were reported bad condition of housing.

Table: 4.3

Percentage of Households by Age and Conditions
(Percentage)

Age of House (years)	Good	Satisfactory	Bad	Proportion of Bad Houses
<1	1.2	0.5	0.3	15.0
1-5	4.8	2.0	0.9	11.7
5-10	12.5	7.4	1.6	7.4
10-20	16.1	13.2	2.8	8.7
20-40	9.3	11.9	3.0	12.4
40-60	2.4	4.3	1.3	16.25
60-80	0.6	1.4	0.4	16.7
80+	0.5	1.0	0.4	21.0
Total No. of Households	47.4	41.7	10.7	10.7

Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India

Percent distribution of urban households by source of drinking water is shown in Table 8. In urban areas, tap is the major source of drinking water at the national level. However, there are certain states such as Bihar, Assam and Nagaland where hardly 1/3rd urban households have tap water supply. A large proportion of households reported that well is the major source of

drinking water supply in the states of Nagaland, Assam, Jharkhand, Orissa and Meghalaya (Table 4.4).

Table: 4.4

Distribution of Urban Households by Source of Drinking Water

India\State\Union territory	Source of Drinking Water							
	Tape	Hand Pump	Tube Well	Well	Tank, Pond, Lake	River, Canal	Spring	Tap
Jammu & Kashmir	87.5	6.9	1.3	1.2	0.4	1.4	0.4	1.0
Himachal Pradesh	93.9	2.4	0.8	0.8	0.3	neg	0.8	1.0
Punjab	66.8	29.4	2.6	0.2	neg	neg	0.1	0.8
Chandigarh	92.7	6.8	0.3	neg	neg	neg	neg	0.2
Uttaranchal	82.3	14.9	0.6	0.2	0.2	0.3	0.2	1.3
Haryana	71.7	22.5	3.1	0.8	0.2	0.1	0.1	1.4
Delhi	77.0	17.6	3.1	neg	0.6	neg	neg	1.6
Rajasthan	80.1	10.3	3.1	4.1	0.6	0.1	0.1	1.7
Uttar Pradesh	54.5	41.0	1.6	1.9	0.1	neg	0.1	0.7
Bihar	26.4	57.9	6.9	7.6	0.1	0.1	0.1	0.9
Sikkim	96.9	0.2	neg	neg	neg	0.3	2.0	0.5
Arunachal Pradesh	83.1	6.0	1.6	3.9	0.8	2.5	1.1	1.0
Nagaland	32.8	6.1	3.4	44.2	6.0	1.5	4.9	1.1
Manipur	54.7	4.3	0.4	3.7	22.1	11.2	1.1	2.6
Mizoram	44.2	2.4	1.3	2.2	3.4	4.9	34.0	7.7
Tripura	53.4	19.0	13.5	9.9	1.5	0.3	neg	2.4
Meghalaya	71.3	1.0	1.3	11.7	2.0	0.7	10.4	1.6
Assam	31.4	34.2	4.7	24.6	1.7	1.1	1.2	1.1
West Bengal	56.7	22.9	12.7	6.5	0.2	neg	0.5	0.5
Jharkhand	48.0	16.4	3.8	28.7	0.5	0.9	0.2	1.5
Orissa	45.9	10.9	15.6	25.2	0.5	0.8	0.5	0.7

Chhattisgarh	60.0	25.2	3.6	9.7	0.2	0.4	0.3	0.6
Madhya Pradesh	67.9	13.5	7.1	9.9	0.3	0.2	0.1	0.9
Gujarat	83.0	7.1	5.3	1.4	neg	neg	neg	3.1
Karnataka	78.4	6.2	7.5	6.5	0.3	0.2	0.1	0.9
Tamil Nadu	65.4	14.4	6.1	9.6	0.2	0.3	0.4	3.6
Maharashtra	89.2	4.5	1.7	3.2	0.2	0.1	neg	1.1
Andhra Pradesh	71.9	11.7	6.5	7.2	0.2	0.1	neg	2.3
India	68.7	16.2	5.1	7.7	0.3	0.2	0.2	1.5

Source: Census, 2001

Source of lighting in urban households is shown in Table 4.5. On an average, only 87.6 per cent urban households have electricity in their houses. This was reported highest in the states of Jammu & Kashmir, Himachal Pradesh, Punjab, Sikkim, Madhya Pradesh, Gujarat and Maharashtra. However, it was reported least in Bihar (59.3 per cent). Kerosene is the important source of lighting in Bihar (39.9 per cent), Manipur (17.3 per cent), Assam (25 per cent), Jharkhand (23.8 per cent), Orissa (24.3 per cent) and West Bengal (19.5 per cent).

Table: 4.5
Distribution of Urban Households by
Source of Lighting

India\State\Union territory	Source of lighting					
	Electricity	Kerosene	Solar energy	Other oil	Any other	No lighting
Jammu & Kashmir	97.9	1.6	0.2	0.1	0.1	0.1
Himachal Pradesh	97.4	2.2	0.2	0.1	0.1	0.1
Punjab	96.5	2.6	0.1	0.1	0.2	0.5
Chandigarh	96.7	2.9	0.1	neg	0.1	0.2
Uttaranchal	90.9	8.4	0.2	0.1	0.1	0.3
Haryana	92.9	6.1	0.1	0.1	0.2	0.4

Delhi	93.4	5.7	0.1	neg	0.5	0.2
Rajasthan	89.6	9.6	0.1	0.1	0.2	0.4
Uttar Pradesh	79.9	19.3	0.2	0.1	0.2	0.3
Bihar	59.3	39.9	0.4	0.1	0.1	0.2
Sikkim	97.1	2.8	neg	neg	neg	neg
Arunachal Pradesh	89.4	9.4	0.2	neg	0.3	0.7
Nagaland	90.3	8.3	0.2	0.1	0.2	0.9
Manipur	82.0	17.3	0.2	neg	0.2	0.3
Mizoram	94.4	5.2	0.1	0.1	0.1	0.2
Tripura	86.4	13.0	0.2	neg	0.2	0.2
Meghalaya	88.1	10.9	0.2	0.2	0.2	0.5
Assam	74.3	25.0	0.3	neg	0.2	0.2
West Bengal	79.6	19.5	0.3	0.1	0.2	0.3
Jharkhand	75.6	23.8	0.2	0.2	0.1	0.1
Orissa	74.1	24.3	0.4	0.1	0.2	1.0
Chhattisgarh	82.9	16.5	0.1	0.1	0.1	0.3
Madhya Pradesh	92.3	7.1	0.2	0.1	0.1	0.2
Gujarat	93.4	5.5	0.3	0.1	0.2	0.7
Karnataka	90.5	8.8	0.2	neg	0.1	0.3
Tamil Nadu	88.0	11.1	0.3	neg	0.1	0.4
Maharashtra	94.3	5.1	0.1	0.1	0.1	0.3
Andhra Pradesh	90.0	9.2	0.4	0.1	0.1	0.3
India	87.6	11.6	0.2	0.1	0.1	0.4

Source: Census, 2001

More than 1/4th urban households do not have latrine in their houses. This was reported highest in the states of Chhattisgarh (47.4 per cent), followed by Maharashtra (41.9 per cent), Orissa (40.3 per cent) and Tamil Nadu (35.7 per cent). Thus, a large number of urban households admitted that they defecate in open or using community toilets. About 46.1 per cent

urban households reported that they have water closet latrine in their house. It was again reported high in the states of Chandigarh, Sikkim, Gujarat, West Bengal, Assam and Andhra Pradesh. In the state of Bihar, about 2/4th urban households have water closet latrine in their house. About 3/4th urban households reported that they have improved sanitation facilities while only 19.2 per cent urban households have toilet facility in their house. In the state of Bihar, 68.2 per cent urban households have toilet facility while 65 per cent households reported that they have improved sanitation facility (Table 4.6).

Table:4.6

Distribution of Urban Households by Type of Latrine

India\State\Union territory	Type of latrine with the house			
	Pit latrine	Water Closet	Other latrine	No latrine
Jammu & Kashmir	20.2	26.5	40.2	13.1
Himachal Pradesh	12.0	49.7	15.5	22.8
Punjab	20.5	46.5	19.5	13.5
Chandigarh	1.0	70.8	8.3	19.9
Uttaranchal	26.7	40.8	19.3	13.1
Haryana	26.5	31.0	23.2	19.3
Delhi	15.2	47.4	16.5	21.0
Rajasthan	18.2	40.6	17.3	23.9
Uttar Pradesh	18.1	32.0	30.0	20.0
Bihar	11.4	43.4	14.9	30.3
Sikkim	1.9	87.0	2.9	8.2
Arunachal Pradesh	32.1	28.1	26.8	13.0
Nagaland	40.5	19.9	33.8	5.9
Manipur	67.0	20.5	7.8	4.7
Mizoram	54.5	34.5	9.0	2.0
Tripura	44.8	43.1	9.0	3.0
Meghalaya	33.1	43.5	14.9	8.4

Assam	26.4	58.9	9.3	5.4
West Bengal	22.9	55.2	6.8	15.2
Jharkhand	7.4	41.2	18.0	33.3
Orissa	9.5	43.1	7.2	40.3
Chhattisgarh	5.2	38.8	8.6	47.4
Madhya Pradesh	11.9	41.1	14.7	32.3
Gujarat	9.8	62.1	8.7	19.5
Karnataka	20.7	44.9	9.7	24.8
Tamil Nadu	11.2	45.5	7.7	35.7
Maharashtra	7.1	44.4	6.6	41.9
Andhra Pradesh	15.1	47.0	16.0	21.9
India	14.6	46.1	13.0	26.3

Source: Census, 2001

Though several programmes of poverty alleviation have been initiated by government but effective dent on poverty could not be ensured. The schemes had certain limitations, which ultimately resulted in poor results or failure. Environment Improvement of Urban Slums (EIUS) launched in 1972 provided physical infrastructure and could not cover social services like health, education, community development, etc. The scheme could not help in preventing growth of new slums.

Similarly UBSP was designed to foster Neighbourhood Development Committees in slums for ensuring the effective participation of slum dwellers in developmental activities and for coordinating the convergent provisions of social services, environmental improvement and income generation activities of the specialist departments (Venketeshwaraloo, 1998). The low level of resource allocation for the scheme led to sub critical releases to the state governments, which consequently gave low priority to the scheme.

Importantly, NRY scheme was launched in 1989 to provide employment to the unemployed through setting up of micro-enterprises and wage employment through shelter upgradation works and creation of useful

public assets in low income neighbourhoods. The scheme could not yield good results due to shortfall in employment generation on account of some states not taking up labour intensive schemes. Importantly, progress under Housing and Shelter Upgradation Scheme was recorded slow growth due to non-completion of the necessary documentation and procedural formalities. Interestingly, PMIUPEP was launched in 1994 and sought to improve the quality of life of the urban poor by creating a facilitating implementation (Venketeshwaraloo, 1998). The scheme provided for the creation of a National Urban Poverty Eradication Fund (NUPEF) with contribution from private sector.

The National Slum Development Programme (NSDP) was initiated in 1996 as a centrally sponsored scheme. The scheme highlighted on the creation of community structures as the basis for slum development and gives the maximum possible leeway to the states, ULB's and the community development societies at the slum level to plan and carry out development works as per the local assessed needs. The SJSRY was initiated in 1997 and was designed to replace the UBSP.

The policies of urban development and housing in India have come a long way since 1950's. The pressure of urban population and lack of housing and basic services were very much evident in the early 1950's. The First Five Year Plan (1951-56) emphasized on institution building and on construction of houses for government employees and weaker sections. The scope of housing programme for the poor was extended in the Second Plan (1956-61). The Industrial Housing Scheme was widened to cover all workers. Three new schemes were also introduced viz., Rural Housing, Slum Clearance and Sweepers Housing. The general directions for housing programmes in the Third Plan (1961-66) were of coordination of efforts of all agencies and orienting the programmes to the needs of the Low Income Groups.

The balanced urban growth was accorded high priority in the Fourth Plan (1969-74). The plan stressed the need to prevent further growth of population in large cities and need for decongestion or dispersal of population. A scheme for Environmental Improvement for Slums was undertaken in the central sector from 1972-73 with a view to provide a minimum level of

services, like water supply, sewerage, drainage, street pavements in 11 cities with a population of 8 lakh and above. The scheme was later extended to 9 more cities.

The Fifth Plan (1974-79) reiterated the policies of the preceding plans to promote smaller towns in new urban centres in order to ease the increasing pressure on urbanization. The Urban Land (Ceiling and Regulation) Act was enacted to prevent construction of land holding in urban areas and to make available urban land for construction of houses for the middle and low income groups.

The thrust of the planning in the Sixth Plan (1980-85) was on integrated provision of services along with shelter, particularly for the poor. The Seventh Plan (1985-90) stressed on the need to entrust major responsibility of housing construction on the private sector. A three-fold role was assigned to the public sector, namely, mobilization for resources for housing, provision for subsidized housing for the poor and acquisition and development of land. The Plan explicitly recognized the problems of the urban poor and for the first time an Urban Poverty Alleviation Scheme known as Urban Basic Services for Poor (UBSP) was launched. As a follow up of the Global Shelter Strategy, National Housing Policy was announced in 1988. The policy envisaged to eradicate houselessness, improve the housing conditions of inadequately housed and provide a minimum level of basic services and amenities to all.

During the Eighth Plan (1992-97) another Urban Poverty Alleviation Programme known as Nehru Rojgar Yojana was launched. In the Ninth Plan (1997-2002), a new convergence based scheme of urban poverty alleviation known as Swarn Jayanti Shahari Rojgar Yojana was initiated. It subsumed the erstwhile schemes of urban basic services for the poor and Nehru Rojgar Yojana.

The Tenth Plan (2002-2007) witnessed the launch of Valmiki Ambedkar Avas Yojana and the National Slum Development Programme. A Draft Slum Policy (2001) was also prepared. The National Common Minimum Programme of the Government attached higher priority to social housing and urban renewal. The result has been the launch of JNNURM and IHSDP. The

sub-mission on urban Basic Services to the Urban Poor (BSUP) and the Integrated Housing and Slum Development Programme address the consensus of urban poor people and urban slum dwellers. In order to provide informal sector employment a good initiative in the form of National Policy on Urban Street Vendors has also been started.

A National Housing and Habitat Policy 1998 was evolved in 1998, taking into account the development in shelter and related issues. The long term goal of the policy was to eradicate homelessness, to improve the housing conditions of the inadequately housed and to provide a minimum level of basic services and amenities to all. It recognized that the magnitude of the housing stock needs the involvement of various stakeholding agencies, including community and private sector. The Policy envisaged a major shift to Government's role to act as a facilitator than as a service provider. The housing sector has witnessed several changes since the formulation of National Policy in 1998. The Policy could not able to fully overcome the housing shortage, particularly for the EWS and low income groups. The changed economic and policy environment also demanded for up dating of housing policy document. The Ministry of Housing and Urban Poverty Alleviation, Government of India has introduced draft National Urban Housing and Habitat Policy, 2007.

The Policy envisages to use the perspective of Regional Planning as brought out in the 74th Amendment Act as vital determinant of systematic urban planning. The core focus of the policy is provision of "Affordable Housing for All with special emphasis on vulnerable sections of society such as Scheduled Castes, Scheduled Tribes, Backward Classes, Minorities and the urban poor. The Policy also focuses on legal and regulatory reforms for ULB's and development authorities besides integration of urban infrastructure development programmes and schemes. It is also highlighted in the Policy document that Central Government will encourage and support the states to prepare a state urban Housing and Habitat Policy and also a state Urban Housing and Habitat Action Plan.

In accordance with National Housing and Habitat Policy, 1998 which focused on improving the housing condition for urban areas revisions were felt

necessary in order to face the emerging challenges. Accordingly, Ministry of Housing Urban Poverty Alleviation, Government of India revised the Housing Policy in 2007 which called for inclusive growth and development of cities through accelerating the pace of development of housing and related infrastructure. In view of National Housing and Habitat Policy, 1998 which focused on housing for all as a priority area, the two million housing programme was launched during 1998-99. This was a loan based scheme, which envisaged facilitating construction of 20 lakh additional units every year. HUDOC Housing Finance Institutions, Public sector Banks, and Cooperative sector were the main stakeholding agencies of the programme.

There is increasing recognition that the urban development policy framework be inclusive of the people residing the slums and informal settlements. This has led to be a more enabling approach to the delivery of basic services accessible to the poor, through a more effective mobilization of community resources and skills to complement public resource allocations. The implementation of various Central Government schemes provided a wide range of services to the urban poor including slum dwellers. However, implementation of these programmes suffered from narrowly sectoral and fragmented approach; low quality of inputs with marginal impacts; wider dispersal of limited resources over a large area, rather than focusing a concentration of integrated area intensive efforts, inadequate participation of community in the planning and designing of innovative solutions; and multiplicity of agencies after working at cross purposes leading to a dissipation of efforts.

The Million Summit established the goal of improving the lives of at least 100 million slum dwellers by 2015. UNDP supports policy interventions designed to tackle urban poverty through improved urban governance, while living attention to urban environment improvements. These interventions relate to participatory planning process to improve housing, water and sanitation, waste management, job generation and other aspects.

National Strategy for Urban Poor (NSUP) project is a joint initiative of the Union Ministry of Housing & Urban Poverty Alleviation and the UNDP aimed at addressing the key concerns in promoting urban poverty eradication

and sustainable urban livelihoods. The project envisages institutional reforms for improving efficiency and accelerating progress towards human development.

In line with Approach People for 11th Five Year Plan, which adopts “Inclusive Growth” as the key them for the country, the Ministry of Housing and Urban Poverty Alleviation, Govt. of India is developing an agenda for developing “inclusive cities”. The development of this agenda is being supported by the NSUP project. The project will provide technical support in this regard which will cover the areas of: (i) inclusive urban and regional planning systems; (ii) inclusive urban infrastructure; (iii) integration of informal sector into the formal urban economies; (iv) affordable land and housing to the poor; (v) inclusive city development process for developing infrastructure and services; (vi) inclusive social development and convergence of programmes; (vii) financial inclusion of urban poor through access to credit, microfinance, etc; and (viii) capacity building and skill development of urban poor to cater the needs of emerging markets.

The housing requirement during the XIth Plan period has been worked out by utilizing the rate of growth on various parameters as has been applied for arriving at the housing shortage as on 2007 assuming that the rates will not change drastically during the 5 years. Thus, the housing shortage will be 24.71 million. The housing shortage during the XIth Plan Period (2007-12) including the backlog can be computed as 26.54 million.

About 99 per cent of housing shortage of 24.7 million at the end of the 10th Plan pertained to the Economically Weaker Sections (EWS) and Low Income Groups (LIG) sectors. The issues of affordability have critical significance. Non-affordability of housing by economically weaker sections in urban areas is directly linked with the magnitude of urban poverty. The urban poor have low affordability of housing but also have limited access to basic service and housing amenities. According to 2001 census, there is a 9 per cent deficiency in drinking water, 26 per cent in toilets and 23 per cent in drainage. It is quite understandable that most of this shortage pertains to slums.

The physical and financial progress of the programme in urban areas is shown in Table – 4.7.

Table: 4.7
Details of Two Million Housing Programme in Urban India

Year	HUDCO		Housing Finance Institutions & PSB's		Cooperative Sector	
	Dwelling Units	Amount Sanctioned (Rs. Crore)	Institution Dwelling Units	Amount Sanctioned (Rs. Crore)	Dwelling Units	Amount Sanctioned (Rs. Crore)
1998-99	430399	1193.35	193671	6123.05	174944	1205.88
1999-2000	460218	1159.11	226495	5639.39	88218	1240.86
2000-01	470881	578.87	333736	8871.66	80899	1367.72
2001-02	401078	450.48	458615	12870.12	73659	1392.90
2002-03	459969	2792.91	637091	19148.71	73461	1287.09
2003-04	427455	685.77	621331	22491.35	89948	1538.93
2004-05	254885	1055.52	434675	21016.98	71280	1782.16
2005-06	86378	480.83	134601	8637.35	-	-
Total	2991263	8396.84	3040215	104798.61	652409	9815.54

Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India

During 1998-99 to 2005-06, HUDCO, HFI's, PSB's and cooperative sector constructed about 6.68 million dwelling units in urban areas which required the investment of Rs. 1230109 million. During Xth Plan period, the programme sanction of dwelling units was reported slightly higher than the targets. Overall, 3.62 million units were sanctioned with the investment of Rs. 94701.56 crores (Table -4.8).

Table: 4.8

Physical and Financial Progress under Two Million Housing Scheme

Organisation	Target for DU's Minimum Areas (2002-07)	Progress Reporting (2002-07)	Sanctions	
			DU's in Urban Areas	Amount (Rs-Crores)
HUDCO	20,00,000	31 st May, 2006	1330271	5307.34
		2002-06		
HFI's & Public Sector Bank	Total	31 st March, 2006	2010174	84786.04
	HFI's	Do	1010,015	50610.46
	Public Sector Banks	Do	10,00159	34175.58
		2002-05		
Corporate Sector (Urban)	500,000	31 st March, 2006	280413	4608.18
Total	3500,000	-	3620858	94701.56

Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India

Government of India had launched VAMBAY scheme in 2001 with a view to ameliorating the conditions of urban slum dwellers living below poverty line that do not possess adequate shelter. The scheme had the primary objective to facilitate the construction and upgradation of the dwelling units for the slum dwellers and to provide health and enabling environment through community toilets under Nirmal Bharat Ahiyan, a component of the scheme under the scheme, 50 per cent subsidy was provided by Government of India while the balance was to be borne by the state government with ceiling costs of dwelling units and toilet. During 2001-02 to 2005-06 0.44 million units were sanctioned with allocation of Rs. 1093.93 crores (Table 4.9) with the launch of JNNURM, the VAMBAY scheme has been discontinued. It has been merged in IHSDP.

Table: 4.9
Details of VAMBAY Scheme

Year	Allocation (Rs. Lakh)	Subsidy Released (Rs. Lakh)	No. of Dwelling Units for Construction/ Upgradation	No. of Toilet Seats for Construction
2001-02	6900.00	7356.00	25280	4212
2002-03	25685.01	21835.03	105444	21398
2003-04	23850.00	23538.00	108172	3170
2004-05	28058.00	26935.69	112143	35086
2005-06	24900.00	16713.42	91330	1420
India	109393.01	96378.14	442369	65286

Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India

The Government has introduced Interest subsidy to provide an interest subsidy of 5 per cent for annum for a period of 5 years only to commercial lenders for lending to the EWS (monthly income upto Rs. 3300) and LIG (monthly income ranging in between Rs. 3301 to Rs. 7300) segments of the urban poor. Interest subsidy is expected to leverage market funds to flow into housing for poor. An aggregate amount of Rs. 560 crores per annum as interest subsidy has been proposed by the working group on Housing in 11th Five Year Plan, however Rs. 1218.36 crores were allocated in 11th Plan for the scheme. Loan disbursement during X Plan was expected around Rs. 3.60 lakh crores (Table-4.10). Thus, institutional credit towards urban housing is found to be low.

Table: 4.10
Loan Disbursement during XIth Plan

Institutions	Total Housing Loan Disbursement (Rs. Crore)					
	2002-03	2003-04	2004-05	2005-06 (P)	2006-07 (P)	2007-08
Commercial Banks	23553	32816	50398	60,000	67000	77000
HFC's	17832	20862	26000	29500	32500	37500

Cooperative Institutions	642	623	421	500	500	500
India	42027	45301	76819	90,000	100,000	115000

Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India

Ministry of Housing & Urban Poverty Alleviation has set up a Task Force under the chairmanship of Secretary, with the objective to evolve formulations for a viable micro credit mechanism for urban poor/informal sectors. It is expected that about 10 million urban vendors would be benefited under National Policy on Urban Street Vendors. Urban vending is not only a source of employment but provide affordable services to the majority of urban population. The National Policy is aimed at providing a supportive environment for earning livelihoods to the street vendors, as well as ensures absence of congestion and maintenance of hygiene in public spaces and streets.

The Ministry has also set up a Task Force on Urban Poverty with the objective of in-depth systematic and comprehensive assessment and analysis of the issues relating to urban poverty and suggesting strategies in the national level to alleviate urban poverty in the country. The Ministry has also set up a Task Force on Land Tenure for in-depth systematic and comprehensive assessment and analysis of the issues relating to security of land tenure for the issues relating to security of land tenure for the urban poor specially with reference to provide them appropriate environment for facilitating micro credit to cater to their consumer and housing needs.

The JNNURM comprises two sub-missions – one for infrastructure and governance, and the other for basic services to urban poor. The programme is being implemented in 63 selected cities in the country. The sub-mission in Basic Services to Urban Poor (BSUP) is being implemented by Ministry of Housing & Urban Poverty Alleviation, Govt. of India.

For other than mission cities, IHSDP and UIDSSMT have been launched by Government of India. The erstwhile, VAMBAY and NSDP are subsumed in IHSDP. The IHSDP has been launched with the objective to strive for holistic slum development, with a healthy and enabling urban

environment by providing adequate shelter and basic infrastructure facilities to the slum dwellers of the identified urban areas.

The JNNURM and IHSDP schemes are reforms oriented. Three municipal reforms under NURM schemes directly impact the urban poor viz.:

- internal earmarking of funds for services to urban poor;
- provision of basic services to urban poor; and
- earmarking at least 20-25 per cent of developed land in all housing projects for EWS/ LIG category with a system of cross subsidization.

Internal earmarking of funds for basic services to the urban poor is one of the mandatory reforms under JNNURM. Under this, the urban local bodies are expected to allocate a specific percentage of funds in their budget for services delivery to the urban poor. One of the mandatory reforms at ULB's level are expected to update their database, prepare a comprehensive policy with stakeholder involvement on basic services to all urban poor including tenure security and housing at affordable prices, rank and priorities the poor settlements in a participatory manner to facilitate investment decisions and benchmark the services and prepare a time frame to achieve them during the mission period. Earmarking of developed land for poor is an optional reform under JNNURM. Under this at least 20-25 per cent of developed land in all housing projects both public and private sectors should be earmarked to the EWS/LIG's in order to meet the housing needs.

In order to involve urban local bodies massively in urban poverty alleviation programmes and empowerment of poor, the 74th Constitutional Amendment Act has made provisions in twelve schedule of two major functions to be carried out by the urban local bodies. These are slum improvement and urban poverty alleviation. Though most of the state governments have involved urban local bodies in the performance of above mentioned two functions, however still in most of the states, the State Urban Development Agencies function independently without major say of ULBs in implementation of urban poverty alleviation programmes. The status of functioning of above mentioned functions is shown in table. (Table 4.11)

Table: 4.11
States' Status on Functions

S.No.	States	Functions	
		Slum Improvement	Urban Poverty Alleviation
1	Andhra Pradesh	Yes	Yes
2	Arunachal Pradesh	NA	NA
3	Assam	Yes	Yes
4	Chattisgarh	Yes	Yes
5	Gujarat	No	No
6	Haryana	Yes	Yes
7	Himachal Pradesh	Yes	Yes
8	Jammu & Kashmir	Yes	Yes
9	Karnataka	Yes	Yes
10	Kerala	Yes	Yes
11	Madhya Pradesh	No	Yes
12	Maharashtra	No	Yes
13	Manipur	Yes	Yes
14	Nagaland	Yes	No
15	Orissa	Yes	Yes
16	Punjab	Yes	Yes
17	Rajasthan	Yes	Yes
18	Tamil Nadu	Yes	Yes
19	Uttaranchal	NA	NA
20	Uttar Pradesh	Yes	Yes

Source: Centre for Good Governance, Hyderabad

One of the major reforms of alleviating poverty is to ensure that access to be basic services is made available to the urban poor. The objective of JnNURM is to provide Basic Services to Urban Poor. Submission on basic services to urban poor has been constituted as a major part of JnNURM

implementation. Three reforms under JnNURM directly impact the urban poor viz. (i) internal earmarking of funds for services to urban poor (ii) provision of basic services to urban poor, and earmarking atleast 20-25 percent of developed land in all housing projects for EWS/LIG category with a system of cross subsidization.

Internal earmarking of funds for basic services to urban poor is one of the mandatory reforms under JnNURM. The urban local bodies are expected to allocate a specific percentage of funds in their budget for service delivery to the poor. Some states and cities have a policy to allocate resources to the poor either on their own or as per the state policy. In Kerala 2 percent of revenue receipts from ULBs is given to community based organization towards poverty alleviation fund. In Andhra Pradesh 40 percent infrastructure funds are allocated for the basic services to poor. In Gujarat, 10 percent of Municipal income is being used for urban poverty alleviation. 5 percent of own resources are earmarked in the budget for the delivery of services in addition to amount receive from state government towards grants for implementing various schemes in Madhya Pradesh. Karnataka state has introduced dedicated budget called comprehensive development of slums for which allocations are made based on demand. In Jammu and Kashmir 20 percent of budget allocation is provided for basic services to urban poor.

One of the mandatory reforms of at ULB level is provision of basic services to urban poor. The ULBs are expected to update their database, prepare a comprehensive policy with stakeholder involvement on basic services to all urban poor including tenure security and housing at affordable cost. Since most of the urban poor live in slums and we do not have the accurate database on slums, availability of services to urban slum dwellers cannot be examined properly. As we know that only 640 town/cities have reported the population of slums as against 5161 cities/towns in 2001. As per 58th round of NSSO survey (July-December, 2002) there were 51688 slums and out of them only 26166 were declared slums by the municipal authorities. Table 6 presents the data on distribution of slums by basic amenities for states as per 58th round of NSSO survey. As per data, 93.4 percent of slum

have the safe drinking water facilities, 69.1 percent slums have electricity and 66.6 percent slums have the toilet facilities (Table 4.12).

Table: 4.12

State wise Percentage Distribution of Urban Slums by Basic Amenities

States	Basic Amenities		
	Safe Drinking Water	Electricity both street light and household use	Toilet
Andhra Pradesh	91.5	86.3	79.7
Bihar	100	-	17.3
Gujarat	82.2	61.4	47.6
Karnataka	97.0	92.6	39.4
Madhya Pradesh	91.8	71.7	68.5
Maharashtra	96.2	71.5	79.6
Orissa	100	44.9	--
Punjab	100	5.7	20.7
Rajasthan	27.9	3.9	3.0
Tamil Nadu	92.3	81.4	48.7
Uttar Pradesh	100	48.4	63.5
West Bengal	93.3	73.6	80.6
Delhi	100	41.8	50.2
Jammu & Kashmir	100	9.5	33.0
Chhatisgarh	97.6	85.0	12.6
Pondichery	100	88.7	19.3
India	93.4	69.1	66.6

Source: 58th round of NSSO Survey, 2002

Table 4.13 provides an idea on wide variations between cities on access to basic services like water supply, sanitation, solid waste management & housing etc.

Table: 4.13

Basic Services to Urban Poor - Current Scenario

Services	Highest		Lowest	
	City		City	
Water Supply				
% of HSC's & PSP's	Coimbatore	100	Mathura	10
Hrs of Supply	Ludhiana	12 hrs/day	Kohima	30 min/day
lpcd	Agra	180 lpcd	Mumbai	45 lpcd
% without access	Mathura	90	Coimbatore	0
Sanitation				
% of HHs with individual toilets	Dehradun	80	Raipur	5
% of HHs with Community toilets	Coimbatore	95	Ludhiana	<5
% of HHs with open defecation	Bhubaneshwar	97	Bangalore	0
Housing				
% of HHs with Pucca housing	Nainital	90	Faridabad	0
SWM				
% access to SWM	Mumbai	99	**Bhopal	0

***Bhopal has mentioned no access so it has been taken as 0%.*

Source: Centre for Good Governance Hyderabad

The poor and low income groups are important constituents of the city development forces and they significantly contribute to the overall economic growth of the city and urban area. In order to promote sustainable cities, there is a need for provision of adequate housing and civic amenities, especially to the poor. One of the critical inputs for housing needs of the weaker section is access to land and infrastructure on affordable terms. India is confronted with housing problem of a very high magnitude. Housing deficit in urban areas is particularly much more severe for economically weaker section of population. The serious deprivation in the provision of basic services to large segments of urban population is the ground reality of present time (Table 4.14).

Table: 4.14**Income-wise Distribution of Housing Requirement****(In million)**

Sl. No.	Category	Percentage	Total Housing Units
1.	Pucca Housing		14.22
	EWS	43%	6.11
	LIG	38%	5.40
	MIG	11%	1.56
	HIG	8%	1.14
2.	Semi-Pucca upgradation	100% EWS	0.67
3.	Kutcha Upgradation	100% EWS	0.06
	Total New Housing		14.95

Source: S.K. Singh, 2008

Earmarking of the developed land for the poor is one of the optional reforms under JnNURM. Under this at least 20-25 percent developed land in all housing projects-both public and private sectors should be earmarked to EWS and LIG in order to meet the housing needs. The current status on earmarking of developed land for the urban poor in some states is shown in Table 4.15. States like Haryana, Karnataka, Andhra Pradesh, Jammu & Kashmir and Madhya Pradesh earmarked a specific percentage of developed land in all housing projects to EWS and LIGs in order to meet the housing needs as per mandatory reforms.

Table: 4.15**Current Status on Earmarking of Developed Land for the Urban Poor in Some States**

S.No.	State	Mandatory Reforms	% Of Reservation of Developed Land	Applicable for Govt. & Pvt.	Remarks
1	Haryana (Faridabad)	Yes	20%	Both	
2	Kerala (Thiruvananthapuram)	No	-	-	

3	Karnataka (Bangalore)	Yes	25% in case of joint venture project of KHB 30% by Urban Development Authority	No	
4	Andhra Pradesh (Vijayawada)	Yes	20 – 25% of land in all housing projects	Both	Reform under implementation
5	Jammu & Kashmir (Srinagar)	Yes	25%	No	
6	Tamil Nadu (Chennai)	-	-	Both	State Govt. has set up committee for the implementation of this reform
7	Maharashtra	No	-	-	-
8	Uttar Pradesh (Allahabad, Varanasi)	No	-	-	-
9	Chattisgarh (Raipur)	No	-	-	-
10	Gujarat	-	-	-	-
11	Madhya Pradesh	Yes	20% of land in all housing projects	Both	-

Source: Centre for Good Governance Hyderabad

State-wise status of DPRs under basic services to urban poor is shown in Table 20. At the national level 393 DPRs were received from 61 cities upto 20th Jan. 2009 and only 293 projects were approved with the project cost of Rs. 18193.20 crores. The highest number of DPRs received has been reported in the state of West Bengal (83) followed by Tamil Nadu (60), Maharashtra (43) and Madhya Pradesh (34). Similarly, highest numbers of projects were approved in the state of West Bengal followed by Maharashtra, Tamil Nadu, Madhya Pradesh and Andhra Pradesh.

State-wise status of DPRs received and approved under IHSDP is shown in Table 4.16. The highest numbers of projects were approved in the state of Uttar Pradesh, followed by West Bengal, Maharashtra, Andhra

Pradesh, Tamil Nadu, Rajasthan and Madhya Pradesh. The total approved central assistance was released Rs. 1739.93 crores against the total approved cost of Rs. 3614.80 crores.

Table: 4.16

**State-wise Status of DPRs Received Under
Basic Services to the Urban Poor
(As on Jan. 20, 2009)**

(Rs. In crores)

State	DPR Received			Project Approved				Total ACA released
	No. of cities from DPRs received	No. of DPRs received	Total Project Cost	No. of Project approved	Project Cost approved	Central Share	No. of Dwelling Units approved	
Andhra Pradesh	3	35	3,073.50	19	1707.78	846.92	93995	435.03
Arunachal Pradesh	1	2	11.62	1	4.10	3.36	100	0.84
Assam	1	7	124.69	1	53.95	48.56	1232	12.14
Bihar	2	9	356.87	9	367.72	179.54	14596	44.89
Chhatisgarh	1	4	390.90	4	391.45	312.18	27976	78.05
Gujarat	4	13	1270.09	13	1268.87	612.93	87504	235.85
Haryana	1	3	123.66	2	64.23	31.18	3248	23.38
Himachal Pradesh	1	2	27.90	2	24.01	18.27	636	4.57
J & K	2	2	98.27	2	105.17	84.88	5208	21.22
Karnataka	2	13	676.78	7	510.27	272.97	21846	68.24
Kerala	2	6	344.31	6	304.12	202.39	22208	50.65
Madhya Pradesh	4	34	1068.93	19	520.68	256.67	33289	74.13
Maharashtra	5	43	5131.01	36	4135.48	1932.11	130612	575.01
Orissa	2	5	67.67	5	67.17	48.77	2316	12.19
Punjab	2	3	77.38	2	72.43	36.15	5152	9.04
Rajasthan	2	2	277.05	2	277.14	169.20	17337	42.30
Tamil Nadu	3	60	2380.80	27	2138.38	949.41	85808	252.10

Uttar Pradesh	7	22	792.37	19	663.77	308.15	23868	140.92
Uttarakhand	3	5	520.55	4	22.88	18.08	524	4.52
West Bengal	2	83	3236.71	78	2526.71	1224.25	119398	308.23
Jharkhand	2	9	299.97	8	260.04	171.62	9188	42.90
Total	61	393	23448.76	293	18139.20	9104.40	808052	2634.80

Source: Ministry of Urban Development, Govt. of India

Table: 4.17
State-wise Status of DPRs Received & Approved
Under IHSDP (As on Jan. 20, 2009)

(Rs. In crores)

State	DPR Received		Project Approved				Total ACA released
	No. of DPRs received	Proposed Project Cost	No. of Project approved	Project Cost approved	Central Share	No. of Dwelling Units approved	
Andhra Pradesh	100	1374.61	65	725.33	541.34	29257	298.04
Arunachal Pradesh	6	182.78	1	9.95	8.66	176	--
Assam	17	103.06	12	38.31	33.11	5393	16.55
Bihar	12	147.51	10	80.73	59.76	6500	29.88
Chhatisgarh	27	312.57	14	176.50	122.01	14846	61.00
Gujarat	25	247.31	23	227.49	153.13	18405	76.42
Haryana	60	576.23	15	238.84	182.96	14641	91.48
Himachal Pradesh	3	23.43	3	23.44	16.19	816	8.10
J & K	13	52.25	10	42.40	32.23	2654	16.12
Karnataka	46	654.66	25	240.27	145.76	13053	72.88
Kerala	28	148.31	28	150.07	114.22	23528	64.73
Madhya Pradesh	42	265.97	33	241.89	171.08	17164	85.54
Maharashtra	91	1285.84	69	88.93	598.98	52833	220.24
Orissa	16	83.07	15	83.63	59.13	4884	29.57

Punjab	3	74.41	3	63.42	32.62	4658	16.31
Rajasthan	48	480.30	34	418.82	287.90	25634	143.95
Tamil Nadu	241	535.02	37	295.22	215.27	24796	84.60
Uttar Pradesh	126	374.11	78	329.29	202.83	13776	113.85
Uttarakhand	2	6.34	2	5.85	2.91	231	1.45
West Bengal	81	778.61	76	733.52	529.86	41636	257.20
Jharkhand	6	117.95	1	19.67	15.58	1292	7.79
Total	1014	8097.12	566	5196.58	3614.80	311740	1739.93

Source: Ministry of Urban Development, Govt. of India

The analysis of the chapter, based on secondary data, brings out significant disparity in the availability of basic amenities across states and size class of urban centres. Developed states generally report a high percentage of households having access to drinking water, electricity and toilet facilities. Similarly, class-I towns, particularly the metropolitan cities, enjoy a distinctly higher level of these amenities compared to other urban centres. The capacity of urban poor to pay for basic services is likely to remain low in the coming years as the government is making serious efforts to involve private sector in the provision of basic services based on user charges principle. The role and functioning of centre/state government and public sector institutions sharing the responsibility of providing basic services in urban areas need to be altered to bring in pro-poor bias.

Tenure regularization for squatters in general has been undertaken as a welfare measure. Mostly tenure regularization has got limited to state government own /municipal land. Different states/cities have adopted different strategies for granting in situ tenure rights but these have rarely integrated into the city planning regulations. In some states, legislative provisions have been used for granting tenure to squatters and have been made operational by political initiatives and administrative orders. In Madhya Pradesh, land tenure for all the squatters on public land was regularized for cities with population of more than 0.1 million through a unique Act commonly known as 'Patta Act of 1984'. In Andhra Pradesh, house sites were given to landless families under AP Land Revenue Code through administrative order of the

state government. In Tamil Nadu, land tenure is regularized along with improvement inputs under the World Bank assisted project. Maharashtra has launched a scheme for provision of housing for urban poor living in squatter settlements notified as slums.

Since adequate and affordable formal housing supply for the urban poor is not a priority for most state governments, squatting appears to be the only housing options for the urban poor in the near future. The most local governments find difficult themselves in adequate land for the construction of housing for the urban poor. There has been sudden increase in the land property prices during the reform period. Land being a major and critical resource for infrastructure projects, reforms in land use planning is imperative.

Chapter: 5

Public Private Partnership

Public Private Partnership provides an opportunity for private sector participation in financing, designing, construction and operations and maintenance of public sector programmes and projects. This is high time to forge a greater interface between the public and private sector in a wide range of activities in the country. The overwhelming response of private sector, including civil societies in the Tsunami earth quake in India was an outstanding example of public-private partnership.

Most of the public services have been traditionally provided through in house facilities of governments, financed, and managed directly by them. Public Private Partnership is an approach under which services are delivered by the private sector while the responsibility for providing the services rests with the governments. This arrangement requires the government to either enter into a 'contract' with the private partner or pay for the services rendered by the private sector. Contracting prompts a new activity when neither the public sector nor the private sector existed to provide the service. Three things distinguished Public Private Partnership from direct provision of services by governments are (i) a partnership based on well articulated contact; (ii) a long term relationship between the public and private sector; and (iii) flexibility and responsiveness in decision making. The involvement of private sector participation for financing urban infrastructure and services, particularly water supply and environmental sanitation has not been very encouraging in India till recently. However, some private sector initiatives for financing long term capital investments in urban basic services, particularly water supply and solid waste management in recent years have indicated the potential of public-private partnership in delivery of services in urban sector. However, the basic hindrance towards the successful private sector participation in financing urban basic services is mainly, the failure of the governance system to create the conducive atmosphere in this regard rather than the failure of the initiative in itself. In order to derive the advantage

inherent in public sector as well as private sector enterprises, the role of public-private partnership is considered to have great potential in some important areas in delivery of municipal services. The partnership fall into five main categories viz. - (i) contract services; (ii) privatization of services; (iii) designing, construction and operation of facilities; (iv) project financing and; (v) merchant facilities. The partnership in municipal services is expected to reduce cost of maintenance, increase efficiency and timely completion of new projects while community participation in operation and maintenance of services is expected to be of great importance. Government of India is committed to remove the roadblocks in delivery of services and creating infrastructure in collaboration with private sector under Jawahar Lal Nehru Urban Renewal Mission. The Mission will have two main components, focusing on infrastructure and governance and services to the urban poor respectively. The government now recognizes that greater accountability for service delivery performance is a pre-requisite for improvement in the coverage and quality of services.

India introduced the globalization model for economic development in 1991. As a result of economic reforms or structural adjustment policy, the private sector has been involved in infrastructure finances. Government has issued guidelines for financial support to PPP in infrastructure in January, 2006. According to the guidelines, the Government of India would meet the total project cost other than the cost of the land for a particular PPP project. This scheme is administered by the Ministry of Finance and budgetary provisions are made in the annual plans to provide a one time grant as a viability gap funding to make the project commercially viable. The support is given by the Government in order to bridge the viability gap of projects undertaken through PPP. The total viability gap funding under the scheme is not to exceed 20 per cent of the project cost except that additional 20 per cent may be funded by the government. Economic Survey of India (2007-08) has referred a survey of PPP projects that was conducted by PWC at the instance of Department of Economic Affairs, recently for preparation of online data base on such projects. The total numbers of PPP projects were reported to be 221 and maximum numbers of projects were reported in the sector of roads.

The value of contracts covered by the surveyed projects amounted to a very sizeable figure of Rs. 129575 crores. More than 3/4th of the projects related to roads and little less than 1/5th to ports. Not much headway has act being made in respect of urban development and railway sectors. More than 90 per cent of the projects have been based on open and competitive bidding process (Table 5.1).

Table: 5.1

Public Private Partnership in India

Sector	Total Number of Projects	Total Number of Projects Based on Value of Contracts				Value of Contracts (Rs. In Crore)
		Less than Rs. 100 crore	Between Rs. 100 & Rs. 250 crore	Between Rs. 250 & Rs. 500 crore	More than Rs. 500 crore	
Airports	5	--	--	1	4	19,111
Ports	38	3	5	6	24	60,487
Railways	3	--	1	2	--	1,007
Roads	170	74	20	51	25	47,091
Urban Development	5	3	--	1	1	1,879
Total	221	80	26	61	54	1,29,575

Source: Economic Survey, 2007-08

According to Economic Survey of India (2007-08), the Government of India has also identified the following major constraints in encouraging public private partnership initiatives:

- Policy and regulatory gaps – especially relating to specific sector policies and regulations.
- Inadequate availability of long term finance, both equity and debt.
- Inadequate capacity in public institutions and public officials to manage PPP processes.
- Inadequate capacity in private sector, both in forms of developer/investors and technical man power.

- Inadequate self of bankable, infrastructural projects that can be bid out to private sector.
- Inadequate advocacy to create greater acceptance of public private partnership projects by the public.

The application of public private partnership projects is mostly in the area of roads, ports, airports, railways and urban infrastructure etc. In order to encourage public private partnership initiatives, several states have made special provisions. Andhra Pradesh, Gujarat and Punjab have established specialized institutions and legislation like Andhra Pradesh Infrastructure Authority, Gujarat Infrastructure Development Board, and Punjab Infrastructure Development Board through their respective Acts. Some states like Karnataka, Rajasthan, Uttaranchal and West Bengal have developed cross sectoral facilitation entities without legislation. These states conduct their public private partnership projects through Infrastructure Development Corporations as a joint venture of different agencies and state governments. Madhya Pradesh, Maharashtra and Tamil Nadu are using sectoral and line agencies to implement the public private partnership projects. Projects like Madhya Pradesh Road Development Corporation, Maharashtra State Road Development Corporation and Mumbai Metropolitan Region Development Authority etc. Andhra Pradesh Government has enacted the Infrastructure Authority Act which covers infrastructure sectors of highways, bridges, airports, seaports, power, water supply and sanitation, telecommunication networks, gas distribution, waste management, urban infrastructure including housing, urban development, medical facilities and leisure facilities etc. Goa has established a Public Private Partnership Cell under the control of Chief Secretary. The Himachal Pradesh Infrastructure Development Board is the nodal agency for processing projects in sector of tourism, urban development, industries, power, roads and bridges. Jharkhand Infrastructure Development Corporation Ltd. is also engaged in promotion of public private partnership initiatives. Karnataka Infrastructure Development Corporation Ltd. is also engaged in conducting project development studies and developing public private partnership projects. Madhya Pradesh has constituted its own Infrastructure Investment Fund Board for managing the public private

partnership projects. The Industrial Policy Resolution, 2001 of Orissa has highlighted the priority for development of physical and social infrastructure through public private partnership. Punjab Infrastructure Development Board constituted under Punjab Infrastructure (Development and Regulation) Act, 2002 is responsible for overall planning of infrastructure sector in the state, policy formulation and regulation, single window approvals and award of concession. Rajasthan has become the first state to formulate policy for BOT projects in 1994. There is state level Economic Policy and Reforms Council headed by Chief Minister having a board of infrastructure development and investment as an empowered committee, bureau of investment promotion as a single window agency and empowered committee on infrastructure development as a nodal agency for approving projects. Uttar Pradesh has initiated a policy on promotion of private partnership in the development of hi-tech townships, road, IT, power, sugar, food processing, industrial infrastructure and service sector. For this purpose, the state has established an empowered authority to oversee development and provide single point approvals to issue policy guidelines, project selection, financial approval and implementation and to resolve inter-departmental matters.

Public Private Partnership Projects in ULBs

In order to bridge the growing gap of availability and demand of urban infrastructure and services, Government of India has launched Jawaharlal Nehru National Urban Renewal Mission in selected 63 large cities besides UIDSMMT and IHSDP in other cities and towns in India in 2005. The Mission provides financial support to the urban infrastructure projects and for improving governance to the urban local bodies however, the scheme is reforms oriented and highly focuses on resource mobilization by the concerned local bodies and state governments through public private partnership initiatives. There have been successful public private partnership initiatives in urban sector which were implemented through urban local bodies. However, most of the projects are confined to solid waste management, sanitation and water supply, drainage, transportation, and housing sector. Alandur Municipality in Tamil Nadu has the best practices of

public private partnership project. The municipality developed the project with assistance from the Tamil Nadu Urban Development Fund and the Government of Tamil Nadu. The municipality mobilized resources from private sector, community including tax payers and implemented successfully the projects on water supply, waste water treatment as well as solid waste management. The Indore City Transport Model is a city bus system which makes use of new technologies and a transparent contract arrangement with different service providers to provide an efficient service. Similarly, multi model transport system of Hyderabad is likely to bring consistency and transparency in the execution of urban transport projects. Rail based urban transportation in metropolitan cities like Mumbai, Kolkata, Hyderabad, Chennai and Delhi has emerged well run, comfortable and cost effective transport system. The Sukhobrishti Model of West Bengal has presented a case for leveraging of regulatory assets of the government in the form of land to develop commercial infrastructure elsewhere and provide infrastructure facilities such as piped water and electricity to urban dwellers. Urban Mass Transport System for Hilly areas particularly in Uttarakhand has widened the scope of tourism development based on public private partnership model. Mumbai Trans-Harbour Link is likely to decongest Mumbai and help in dispersal of population, catalyzing the development of Navi Mumbai by promoting horizontal growth and economic integration of Mumbai in land and main land. Sukhobrishti model of affordable housing and new townships developed by West Bengal Housing Infrastructure Development Company and the West Bengal Shapoorji Housing Development Private Ltd., is constructing low cost houses in new towns (Rajarhaat), Kolkata for 20000 families. The model attempts to capture the organic growth of urban centres near existing cities and provide mass housing for the emerging middle class. Suryapet, Gandhi Nagar, Ahmedabad, Shimla, Bangalore, Chennai, Surat, and several other cities have also developed public private partnership projects for solid waste management. Rajiv Gandhi Super Specialty Hospital at Raichur in Karnataka is the best example of public private partnership in health care services. Similarly, Sikkim Manipal University of Health, Medical and Technological Sciences, Gangtok is operating a non-profit central referral hospital at Gantok for providing health care services. A number of hospitals in

India, starting with the Christian Medical College, Vellore, offer even high end expensive services such as cardiac surgery free of cost. Several corporate houses such as ICICI Lombard, Bajaj Allianz, Royal Sundaram, Tata AIG, Chola Mandalam, HDFC, etc. have introduced several private health insurance schemes.

Role of Corporate Sector

Social development initiatives led by corporate sector in India have been praiseworthy and in the context of changing business environment, the concept of corporate social responsibility is getting momentum. J.R.D. Tata has opined that 'every company has a special continuing responsibility towards the people of the area in which it is located and in which its employees and their families live. In every city, town or village, large or small, there is always need for improvement, relief, leadership and guidance'. The subject of corporate social responsibility has risen to the top on the agenda of policy makers, managers and social activists in the recent time. The European Multi Forum, an outgrowth of The 2000 Lisbon Summit, where the European Council first pushed for the adoption of corporate social responsibility principles by business, adopted this in its final report on corporate social responsibility. Though, corporate social responsibility is a recent phenomena however, in India J.R.D. Tata was personally enthusiastic about all aspects of labour welfare, including family planning in pre-independence India, long before all these become part of the corporate house. The group introduced a notion of minimum wage, provident fund, insurance, old age pensions, housing, health, education, etc. There have been successful initiatives of corporate social responsibility in India. Prem Ji Foundation (Wipro) has chosen the backward region of north-east Karnataka to kick off the pilot phase of the learning guarantee programme. The Foundation is working in partnership with the Government of Karnataka and Andhra Pradesh. Ambuja Foundation (Gujarat Ambuja Cement Ltd.) has initiated project in Sourashtra Region of Gujarat to help villagers in the vicinity of the companies cement plant at Kodinar in generating livelihood, natural resource management and community development. The Foundation has helped in the construction of

water harvesting restructures. Parikrama Humanity Foundation is working for holistic development on the marginalized sections of the society in Bangalore. The Foundation has three schools catering to 450 children and closed with 15 communities and indirectly with about 1.8 lakh people. Tata Steel has initiated several developmental projects across diverse areas such as environmental management, employee relations, economic development, civic amenities and community services, population management, sports and adventure, health care, response to natural calamities, education, arts and culture and social welfare. Tata Steel Rural Development Society, Tribal Cultural Society, Tata Steel Foundation for Family Initiative, National Association for Blind, Mehra Bhai Tata Memorial Cancer Hospital, Shishu Niketan School of Hope, Centre for Hearing Impaired Children and the Indian Red Cross Society are some of the social welfare organizations supported and managed by Tata Group. Intel, a US based corporation is managing to build synergy between growing business and spreading computer education among communities. For the spread of computer education alone, the company spent about \$ 100 million every year. Similarly, Microsoft Potential Unlimited is the major initiative of Microsoft to provide computer education to the young generation belonging to weaker sections of the society. Canara Bank has established KPT Prabhu Artisans Training Production and Marketing Centre near Bangalore in Karnataka. The centre is imparting training to local artisans for share crafting. The bank is promoting entrepreneurial skills, vocational training and courses for women and the backward classes. BATF, Bangalore Agenda Task Force is one of the examples that were tried up by the then Chief Minister of Karnataka Shri S.M. Krishna. Nandan Nilekanai, the CEO of Infosys was appointed as the Chairman of the BATF. The achievements of Task Force included (1) tax collection grew from Rs. 100 crore to Rs. 200 crore within a four years as a result of citizen friendly self assessment scheme (2) Bangalore Development Authority become firmly vibrant and developed quality city infrastructure (3) Bangalore Police created professional innovative solutions to address the city's traffic problems (4) Public sanitation measures through 23 clean public toilets were built with public private contribution (5) City beautification measures through standard bus shelters, road signage and adopt a park scheme of the Bangalore City Corporation were taken. Dr.

Reddy's Laboratories founded Dr. Reddy's Foundation for Human Social Development for livelihood development and provided education to deprived children and youth in Rangareddy and Hyderabad District of Andhra Pradesh. Reliance Energy Ltd. has formulated policies for social development to address the issues of sustainable development and social upliftment. McDonalds has also made investment in social development and has initiated activities for animal welfare, conservation, education and health care.

In the recent period, corporate houses have either established their own Trust and Foundations or ventured upon the task of social responsibility with the local non-government organizations. Most of the corporate houses have their own foundation and trust and thus, they plan and implement their own corporate social responsibility projects in their jurisdiction area. However, some of the corporate houses have invested funds for social development and projects have been sponsored to local development organizations. Thus, there is growing scope and relevance of enhancing the role of corporate houses in social development particularly reducing poverty and empowering urban poor.

Though, the PPP is relatively a new approach to procurement, lessons could be drawn from the experiences of developed and developing countries as well as different parts of the country on the conditions for its success. We can learn and benefit from the lessons on the following ways:

- There is a need for detailed policy and planning to bolster confidence and attract the participation of private investors and commercial vendors. The government should develop a policy on unsolicited proposals from the private sectors.
- Strategic planning and management by government is essential so that public private partnership projects can succeed and they should be managed by expert teams. Government also needs to use technical and financial advisors to match the advantages of private sectors.
- Proper allocation of risks between the public and private sectors is also imperative. Optimum assignment of risks is the principle that needs to be adopted.

- Adequate protection of lenders should be provided to debt services against non-commercial risks related to force majeure, regulatory changes, contract termination, etc.
- Renegotiation and midway changes to save costs and delays should be avoided. A concession agreement should be structured in such a manner as to cover all possible causes of later adjustment, leaving a minimum room for renegotiation.
- There is an imperative need of national and state level policy for promoting public private partnership besides there is also need for institutional framework for implementing the public private partnership projects.
- Development of public sector capacity to prioritize, plan, appraise, structure, bid and financially close public private partnership remains the top most challenge for mainstreaming of PPP at the state as well as centre level.
- Full and clear support by government is imperative for promoting public private partnership initiatives. A strong political will is the essential in overcoming resistance.
- Proactive public communication and stakeholder management are also essential. Feed back and consultations with citizens, labour unions, relevant government agencies, private investors, civil society organizations and media will ensure support, client focus and improved overall coordination of the project.

Public Private Partnerships can be considered a contribution to the achievement of the Millennium Development Goals, giving the financial and skill bottlenecks for fulfillment of these goals in basic services. PPP's may also be considered an alternative way of financing initiatives, which would otherwise not be realized. The main reasons usually put forward to involve the private sector in basic services to urban poor include (i) complicated projects, (ii) inadequacy of finances with government, (iii) inefficiency of government, (iv) government failure to deliver the services in past, (v) time and cost over run in government projects, (vi) complementary expertise, complementary

resources, (vii) inability of government to take risk. Thus the public private partnership may ensure improving the quality of service with adequacy and reliability, effective use of infrastructure, introducing expertise to the sector and improved commercial management, enhance efficiency and system performance, reducing political interventions in utility operations and subsidies, expanding service coverage to more customers including the poor.

Urban Micro Finance:

Financial services to poor and low income households have revolved around the rural population. Almost all the schemes and policies introduced by the government and non-government agencies including banks of the country dealt with micro financing in rural areas only. However, the credit needs to the urban households has grown tremendously. Credit schemes for the urban poor are expected to address the problems of financial exclusion of the urban poor. Targeted schemes for the urban poor are shown in the Table 5.2. As far as urban poverty alleviation is concerned, SJSRY directly focuses on improving access to micro finance through developing thrift and credit societies. The revised guidelines of SJSRY have made provision for self help group based micro financing for urban poor also.

Table: 5.2

Targeted Credit Schemes for the Urban Poor

Scheme	Year of Introduction	Provisions
Differential Rate of Interest (DRI) Scheme	1977	Credit from commercial banks at subsidized rates of interest; repayment in 2-5 years.
Urban Basic Services Programme (UBSP)	1986 revised in 1990	
Nehru Rozgar Yojana (NRY)	1989 (recast in 1990)	
Scheme for Urban Micro Enterprises (SUME)		Credit support up to Rs. 15,000 from commercial banks without collateral or third-party guarantee to set up micro-enterprises. Subsidy for micro-enterprises up to 25% of project cost (ceiling of 4,000 to 5,000).

Scheme for Wage Employment (SUWE) Scheme for Housing and Shelter Upgradation (SHASU)		Credit support for construction of houses by economically weaker sections (EWS) up to Rs. 9,950 and subsidy up to Rs. 1,000. Supplementary loan up to Rs. 19,500 from the Housing and Urban Development Corporation Limited (HUDCO). Repayment period, 10 years.
Scheme for the Liberation and Rehabilitation of Scavengers (SLRS)	1993	Credit support up to Rs. 6,500 under DRI. 50% subsidy. Repayment period 3-7 years.
Prime Minister's Urban Poverty Eradication Programme (PM-UPEP)	1995	Credit support up to Rs. 100,000 for setting up of micro-enterprises. Subsidy of 15% (max. ceiling Rs. 7,500). 5% margin money. Repayment period 3-7 years. Moratorium of 6-18 months. Some provision for skill development and environmental improvement through basic physical amenities in slums. Financial support for shelter upgradation. Direct participation of targeted groups through community-based organizations.
Swarna Jayanti Shahri Rozgar Yojana (SJSRY) (SJSRY subsumed all the three urban poverty alleviation schemes, UBSP, NRY, and PM-UPEP)	1987 (Restructured in 2009)	
Urban Self Employment Programme (USEP)		Loan up to Rs. 200,000 to meet the project costs for urban youth to set up petty business. Subsidy of 25% (max. ceiling Rs. 50,000). 5% margin money. Repayment period 3-7 years. Moratorium of 6-18 months. Loans up to Rs. 100,000 for shelter upgradation. 25% (up to Rs. 25,000) as subsidy.
Development of Women and Children in Urban Areas (DWCUA)		Financial support to women's groups (maximum of 5 members) to set up self-employment ventures. Ceiling of subsidy upto Rs. 3,00,000 or Rs. 60,000 to each member. Rs.2000 grant to each member for thrift and credit groups as revolving fund for purchase of raw materials and marketing, infrastructural support, etc.
Urban Wage Employment Programme (UWEP)		

Source: Tara S. Nair, 2009

Micro financing in urban India has been reported to be limited in most of the states. However, it has grown tremendously in the southern states in view of the growing importance of micro financing in the rural areas as an effective instrument of poverty alleviation. The credit flow from formal financial institutions to urban poor and low income groups has steadily increased in India. However, this has found concentrated in large cities only. Urban poverty being complex phenomena which combines economic deprivation and social and human development, demands for micro financing interventions for improving the access of poor to credit for developing micro enterprises and livelihoods.

In the changed policy and business environment, it is imperative to mobilize private sector and particularly the corporate sector for improving the delivery mechanism for providing services to urban poor. The private sector may significantly contribute in the housing construction for the urban poor and other low income groups. Similarly, the corporate sector may evolve a suitable strategy and mechanism for providing social and economic benefits to the urban poor as corporate social responsibility is gaining momentum. Government – Civil Society Partnership for improving the skills, entrepreneurship and capacity of urban poor as well as delivering services to them is imperative which may be strengthened through evolving a state level policy. The civil societies may also strengthened the credit delivery system for providing micro finance to the urban poor through formation and effective functioning of SHGs of urban poor as well as improving their access to banks for availing micro finance to develop and strengthen livelihoods.

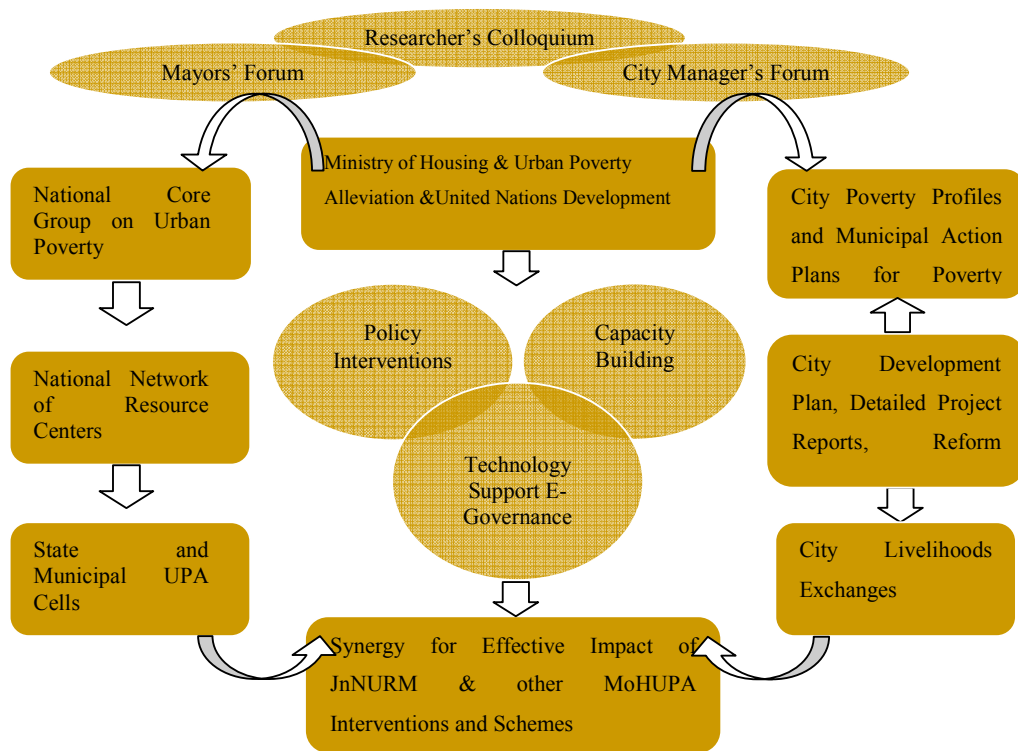
Chapter: 6

State Level Urban Poverty Alleviation Strategy

Urban poverty is a major challenge before the urban managers and administrators of the present time. Though the anti poverty strategy comprising of a wide range of poverty alleviation and employment generating programmes has been implemented but results show that the situation is grim. In order to alleviate urban poverty, state governments have launched urban poverty alleviation and employment generating programmes for the urban poor besides centrally sponsored schemes and programmes for urban poverty eradication.

National strategy for urban poor project is a joint initiative of the Ministry of Housing and Urban Poverty Alleviation, Government of India and UNDP. It envisages addressing the key concerns in promoting urban poverty eradication and sustainable urban livelihoods. The project emphasizes on institutional reforms for improving efficiency and accelerating progress towards human development. The project is strategically positioned in the Ministry with National Core Group on Urban Poverty, State Governments, ULBs, Network of National, Regional and Local Resource Centers on Urban Poverty and Slums, Training Institutions, Civil Society etc. Capacity development is critical for successful implementation of JnNURM and urban poverty alleviation programmes. As part of the strategy the Ministry has started several initiatives, which are presented in Figure 1 below.

Chart-1



Source Ministry of Housing & Urban Poverty Alleviation, Govt. of India

JnNURM is the single largest initiative by the Government of India to address the problems of infrastructure and basic services to the poor in cities and towns in a holistic manner. It envisages reform driven planned development of the cities with the focusing on improving the efficiency in the urban infrastructure and service delivery mechanism through participation of private sector, community and of course ULBs. JnNURM comprises to broad segment, namely- 1) Urban infrastructure and governance, 2) Basic services to urban poor. The Mission is being implemented only in 63 identified cities and other non Mission cities and towns are covered under UIDSSMT and IHSDP. The BSUP and IHSDP aim at integrated provision of basic services and amenities to the poor including slum dwellers: 1) Security of tenure at affordable prices, 2) Improved housing, 3) Water supply, 4) Sanitation, 5) Education, 6) Health, 7) Social security.

In order to improve basic services to urban poor, establishment of Community Development Network has been initiated by Government of India. The CDN initiative aims at ensuring the involvement of the poor in the provision of basic services through the creation of a network of community development societies, self help groups and other civil society organizations for poverty reduction and livelihood development. CDN also envisages capacity building support to these organizations through a network of resource institutions dealing with urban poverty, slums and livelihood issues of the urban poor.

Ministry of Housing & Urban Poverty Alleviation, Government of India has recently made provision under SJSRY to establish a community development network for empowerment of the urban poor so as to plan and execute programmes for sustainable urban poverty alleviation. Ministry is also contemplating a programme for skills training for employment promotion amongst the urban poor. Community Participation Fund has been created under JnNURM which anticipates greater decentralization and citizen participation in civic affairs. Funding support under Community Participation Fund is meant for projects conceived and designed by the local communities, their organizations and resource institution, which can be submitted either by Area Sabha or Community Development Network. Community Development Network also includes Neighborhood Groups, Neighborhood Committees and Community Development Societies that are responsible for implementation of SJSRY.

Urban management problems can not simply be addressed at the city level. They require an engagement with the broader policy and institutional environment which shapes city managers and city management systems. DFID supported Andhra Pradesh Urban Services for the Poor project seeks to provide additional resources to those who are able to demonstrate that plans are in place which address the real needs of poor people, and which cater for operation and maintenance cost. Improved urban management also means better linkages between different funding sources, including convergence between aims and objectives as well as targeting. DFID has suggested a policy framework for urban poverty reduction as shown in Table 6.1.

Table: 6.1

A Possible Policy Framework for Urban Poverty Reduction

	Development	Social Protection
Macro (states and markets and formal arrangements)	<ul style="list-style-type: none"> • Education and skill training • Regulate markets to ensure economic development also benefits poor people • Political representation in decision making 	<ul style="list-style-type: none"> • Social insurance and pension schemes; laws to outlaw of discrimination • Laws to support labour standards, and to protect employee rights to combine in unions. • Disability, housing and banking policies. • Provision of services – health, basic education, water, energy, sanitation, etc.
Meso (local governments and local markets – formal and informal arrangements)	<ul style="list-style-type: none"> • City level planning, which takes account of needs and interest of the poor. • Improved convergence of programmes for the poor, and increased allocation of resources. • Collaboration with range of agencies (municipalities, NGOs, etc.) • Targeted pro-poor initiatives • Improved accountability systems 	<ul style="list-style-type: none"> • Ensuring the needy receive their entitlements to e.g. pensions, health care etc. • Improvements in quantity and quality of service provision and on-going maintenance. • Identification and implementation of programmes to reduce risks.
Micro (communities and households- informal arrangements)	<ul style="list-style-type: none"> • Participation in community groups (social capital), informal labour arrangements/protecting access to jobs and markets); organization of crèches so that women can work, etc. 	<ul style="list-style-type: none"> • Kinship groupings; extended families, marriages; thrift and credit groups; tenancy arrangements between households; leaders/ representatives aware of legal rights; informal support to those in need (charity); % maintenance of basic infrastructure

Source: DFID, India

Chhattisgarh:

Government of Chhattisgarh has implemented six programmes and schemes supported by Central Government these include mainly SJSRY, Clean Chhattisgarh Scheme, JnNURM, UIDSSMT, IHSDP. BSUP under

JnNURM and IHSDP schemes directly focus on empowering urban poor and improving basic services to them. The State Government is also in process to establish Project Management Unit and Project Implementing Agency at the State Level in order to ensure effective implementation of centrally sponsored programmes and schemes particularly JnNURM, UIDSSMT, IHSDP. All these centrally sponsored schemes are being implemented by State Urban Development Agency.

State Government has also introduced 14 state sponsored schemes which focus on urban development and particularly infrastructure development and empowering urban poor. These schemes include: 1) Pushp Vatika Udyan Yojana, 2) Unmukt Khel Maidan Yojana, 3) Sarovar Dharohar Yojana, 4) Gyansthali Yojana, 5) Mukhyamantri Swawlamban Yojana, 6) Minimata Shahri Nirdhan Bima Yojna, 7) Gokul Nagar Yojna, 8) Transport Nagar Yojana,, 9) Pratiskha Bus Stand Yojana, 10) Sarvjani Prasadhan Yojana, 11) Mukti Dham Yojana, 12) Kushabhai Thakre Yuva Vikas Yojana, 13) Hat Bazar Samridhi Yojana, 14) Sanskritk Bhawan Nirman Yojana. All these schemes are being implemented by State Urban Development Agency. The schemes are meant for improving infrastructure, creating self employment opportunity for youth, conservation of culture and natural heritage, developing basic amenities at bus stand, funeral places, markets and improving sanitation and environmental services. The progress of state sponsored schemes is shown in Table 6.2.

Table: 6.2

Physical and Financial Achievements of State Sponsored Schemes

Sl. No.	Name of Scheme	Sanctioned Projects	Completed Projects	Expenditure (Rs. Lakh)
1	Pushp Vatika Udyan Yojana	184	116	1352
2	Unmukt Khel Maidan Yojana	137	84	1207
3	Sarovar Dharohar Yojna	325	178	3266
4	Gyansthali Yojana	890	647	2509
5	Mukhyamantri Swawlamban Yojana	7925 (Shop) 2795 (Platform)	5128 (S) 1468 (P)	2015
6	Gokul Nagar Yojana	-	-	1233

7	Transport Nagar Yojana	-	-	898
8	Pratisha Bus Stand Yojana-I	44	19	792
	Pratisha Bus Stand Yojana-II	68	14	1188
9	Sarvjani Prasadhan Yojana	219	109	1572
10	Mukti Dhan Yojana	156	57	1119
11	Hat Bazar Samridhi Yojana	47	-	-
12	Sanskritk Bhawan Nirman Yojana	49	-	-

Source: SUDA Government of Chhattisgarh

The state government has created a strong community development network under SJSRY. Community Development Societies formed and strengthened under SJSRY have been empowered financially and technically by the state government through providing them financial support for undertaking centrally and state sponsored schemes. Even in some districts, the CDS's have been given the task of sanitation, solid waste management, and construction of low cost houses for poor, capacity building and training of beneficiaries under different schemes as well as providing mid-day meal to schools located in urban areas. Thus, the CDS's are hiring the services of technical and managerial professionals for undertaking the assigned work. This has also ensured community involvement and participation in development process along with empowerment of urban poor.

Madhya Pradesh:

Government of Madhya Pradesh is implementing several programmes and schemes, supported by international donor agencies, Central Government and State Government. SJSRY, JnNURM, UIDSSMT, IHSDP and NUIS are the centrally sponsored schemes. JnNNURM is being implemented in Indore, Bhopal, Jabalpur and Ujjain. NUIS is being implemented in 7 cities of M.P. viz 1. Devas, 2. Gwalior, 3. Jabalpur, 4. Sagar, 5. Satna, 6. Ujjain, and 7. Bhopal. GIS database is being prepared under the scheme. Ministry of Panchayati Raj, Government of India has also implemented Backward Region Grant Fund in 176 ULBs in 22 districts of M.P. in order to bridge the critical gap of infrastructure development and capacity building of people's representatives and concerned officials.

Asian Development Bank has approved a project of Rs.1366 crore for water supply and sanitation in Bhopal, Indore, Gwalior and Jabalpur cities. The scheme envisages developing infrastructure and improving services of water supply, sanitation, solid waste management, drainage etc. The scheme also envisages ensuring construction of classrooms, gender mainstreaming through poor centric governance and user charges based sanitation. In view of the importance of the scheme Urban Development Policy, Urban Land Policy, Municipal Services Regulatory Commission and Urban Water Supply and Sanitation Board have been established in order to ensure institutional reforms.

DFID, British Government has also sanctioned a project for Basic Services to Urban Poor in September 2006 with the financial support of Rs.350 crores. The programme is being implemented in Bhopal, Indore, Jabalpur and Gwalior cities. The participation of Urban Poor has been ensured through introducing Urban Planning and Management Process. Municipal Strengthening Unit has also been established for effective implementation of DFID sponsored projects.

State sponsored schemes include Mid-Day Meal Scheme, Environment Improvement Scheme, Urban Water Supply Schemes etc. Besides, Ayodhya Basti Yojna is being implemented since October 2004 for the integrated development of the slums in Indore, Bhopal, Jabalpur, Gwalior and Ujjain. Street Vendor Scheme is also implementing in urban areas of the state. Under the scheme 966 hawkers' zones have been developed for providing benefits to the hawkers.

Madhya Pradesh has launched an innovative programme called Ashray Nidhi or Shelter Fund to ensure that the economically weaker sections of the society gain access to residential plots or houses. Rule 10 of the Madhya Pradesh Nagar Palika (Registration of Coloniser, Terms and Conditions) Rules, 1998, as amended in 2000, seeks to ensure the availability of Plots/ Houses for the economically weaker sections (EWS) of the society. The specific provisions include:

1. In every residential colony developed by private colonizers/developers, 15% of the total developed area having fully developed plots equal to

the size of 32 to 40 sq.m. area shall be reserved for persons belonging to EWS.

2. The colonizer can construct houses of 20-24 sq.m. size in 25 % of the developed area instead of developed plots in the colony for the EWS.
3. The colonizers who don't want to opt either of the above two options have to deposit shelter fee in the Ashraya Nidhi (Shelter fund) for the total area of the colony at the rates (i) For towns having population upto 3 lakhs: @ Rs 40 per sq.m. (ii) For towns having population of 3,00,000 to 5,00,000: @ Rs. 60/- per sq.m., and (iii) For towns having population of more than 5,00,000: @ Rs. 100/- per sq.m.

The shelter fee so collected is deposited in a joint account of the district collector and Project Officer of District Urban Development Agency. The Fund can be used for the purposes of as an interest free loan to Local bodies / Madhya Pradesh Housing Board / Madhya Pradesh Slum Clearance Board / Development Authority, as margin money to obtain loan from financial institutions for the construction of houses for EWS for providing basic services like sewerage, drinking water, public toilets etc in the slum areas. The scheme affords scope for mobilizing additional funds for housing and water and sanitation projects in slum areas. Experience so far shows that in larger cities the colonizers preferred using the Shelter Fund option only.

Indore is one of the largest cities in Madhya Pradesh state, central India. With a growing population, close to touching one million, the city's slums were proliferating and the urban poor living in these faced the consequences of poor living conditions. It was in this scenario that the Indore Habitat Project was taken up in 1990, with the objective of reducing the serious deficit in urban shelter and services in Indore. The eight-year project, which was implemented in 183 slums, demonstrated the potential of improvement of slums, rather than their clearance as a leading Industrial city. Due to the natural increases in population, it has lead to the growth of slums with unhygienic living conditions. Although the city population doubled from 1971 to 1991, the slum population almost quadrupled over the same period. The city population as per census 2001 was 16,39,000 out of which slum

population accounted for about 2,59,577 in 637 slums. As per a 1990 survey, over two thirds of the slum families lived below the poverty line earning less than Rs.1000 per month. Although 86 percent of the slum families were served by the public water distribution system, the supply was mainly by the public taps and not individual connections. Others used alternative sources of water such as wells, hand pumps. Public or individual toilets theoretically served about 76 percent of families. However, most of the public toilets, which served 68 percent of the household, were ill maintained and unusable.

According to the project plan, individual toilets were to be connected to the underground sewage system and individual water supply connected to a piped network. Individual toilets, constructed for about 80,000 families, took into consideration the fact that these provided greater dignity in use, and responsibility in maintenance, than community toilets. Cost-effective mechanisms were used for construction. To keep costs low while providing individual water connections, first a network of water mains was laid, and then the existing sources integrated with it. In order to facilitate drainage, contrary to common engineering practices, the roads were placed in a slight excavation with positive downward slopes from high points to the drainage courses. These roads functioned to carry away most of the storm water, thus attenuating the rain peak. Storm drains were also built, but they were cheaper to construct than normal as their length and depth were reduced because their function was partly taken over by the roads. The project also envisaged a substantial amount of soft landscaping. This meant that only part of the overall ground within the slum was paved and the rest left for landscaping at the initiative of the community.

The slum-networking project has been implemented through a synergistic partnership between the State Legislative Assembly, community members, and private stakeholders. The direct beneficiaries have contributed considerably to the programme. All families contribute a proportion of the sewerage costs by paying for the house connections from the main line. The beneficiaries through self- help groups and largely at their own expense directly execute the earthworks and landscaping. The health, educational and social components are run at the grass root level by community volunteers. Cooperative groups of community members operate revolving fund schemes.

Linkages have been formed between individual families and societies; with established financial institutions e.g. Self-Employed Women's Association (SEWA) among others, while the Housing and Urban Development Corporation (HUDCO) financed housing provision and improvement in the area.

A midterm evaluation of the Indore project showed that 79 Neighborhood Committees have already registered under the Societies Registration Act and 70 Youth Clubs formed. Many slums are heading towards full literacy, frequency of epidemics has dramatically reduced, and incomes, particularly of women, have increased. Indore shows that it is possible to address the problem of the urban poor, in terms of the physical and socio-economic environment and at micro and macro scales, parallel to infrastructure and environmental improvements of the city as a whole. In a project executed by Indore Development Authority, and financed by Overseas Development Aid UK, the slum-networking concept has been demonstrated successfully in the city of Indore. Over a period of six years, the slum matrix of the city covering 4,50,000 persons has been upgraded with high quality environmental and sanitation improvement together with extensive community development programme related to health, education and income generation. The quantum of physical work in each slum pocket may be small but the aggregate impact of all the interventions is high on the city as a whole. A basic framework was thus provided for the transition of the whole city from open gutters to an underground sewage system. Slum Networking helped considerably in making this happen because it utilized topographic advantages for routing the drainage courses, and by providing effective linkages from in-between the slums, avoiding expensive and time-consuming processes of land acquisitions and demolitions.

Bihar:

Bihar Government is implementing successfully the centrally sponsored schemes and programmes. The government has established a separate Directorate of Urban Poverty Alleviation with Director and Deputy Director to look into the affairs. Bihar Urban Development Agency and District

Urban Development Agency are also looked by the Deputy Director of the Directorate. Bihar is one of the leading states who have introduced municipal reforms including Model Municipal Act. Government has also approved the creation of the post of the City Managers who will be MBAs to assist and facilitate Executive Officers of the ULBs in their civic affairs. Government is also planning to create the post of Jan Sevika for community mobilization and community participation in slum areas. The Community Participation Law has already been introduced by the Government. Public Discloser Law is likely to improve the governance through maintaining transparency and accountability.

The state government has introduced Chief Minister integrated Urban Development Scheme during 2008 with the financial provision of Rs.100 crores. The scheme envisages developing and improving the urban infrastructure, sanitation, conservation of water bodies, conservation of natural and cultural heritage and urban renewal. It will also promote tourism and reduce the burden of traffic congestion and environmental pollution. In order to implement the scheme, a Regulation/Implementation Committee with Member Secretary of District Magistrate has been created. A district level fund has been created for the implementation of the scheme. The scheme is to be implemented through District Urban Development Agencies. About 75 percent of the year mark fund is to be spending on provision of roads, drainage and the remaining amount will spent on conservation and maintenance of natural and cultural heritage.

The government is already in process to initiate projects for the empowerment of the urban poor, capacity building and improving infrastructure including basic services to the urban poor in collaboration with DFID and ADB. The financial and technical support extended by these international agencies is likely to give additional input to the state government to boost up the infrastructure development and improving the services to urban poor.

Uttarakhand:

Uttarakhand Government is implementing both centrally and state sponsored schemes for the empowerment of urban poor and improving their

living conditions. The State Government has initiated Universal Employment Scheme for creating self-employment opportunities in urban areas. The scheme targeted towards educated, skilled, unskilled and illiterate youth for starting self employment enterprises. The scheme is being implemented only in urban areas. Those persons who have not received any benefits under any schemes of government will be eligible for the scheme. There is also provision of reservation for women (33%), schedule caste (19%), schedule tribes (4%) and disabled (3%). The beneficiaries will get the subsidy of Rs. 7,000/- per person in the first year for starting self employment venture. The subsidy amount will be Rs. 5,000/- in second year and Rs. 3,000/- in third year for running the enterprise as a incentive grant. Most of the self employment enterprises include the micro enterprise including the service sector. District Magistrate is the nodal officer for the implementing the scheme while the nodal department is State Urban Development Agency. In order to seek cooperation from the banks and District Industries Center, the membership of General Manager, DIC and lead bank manager has been ensured in the Committee of scheme implementation under the chairmanship of DM/CDO. Capacity Building of beneficiaries is also being ensured and 5% of the budget has been earmarked for the provision of training and capacity building.

Uttar Pradesh:

Government of Uttar Pradesh has initiated a few state sponsored schemes for the empowerment of the urban poor as well as urban development. The government has already created a separate department for Urban Employment and Poverty Alleviation Programme besides the Department of Urban Development. Most of the schemes oriented for urban poverty alleviation are being implemented through State Urban Development Agency. State Government has successfully implemented centrally sponsored schemes for the empowerment of the urban poor and improving their living conditions. These schemes include mainly JnURM, UIDSSMT, IHSDP and Low Cost Sanitation Scheme. The government was also supported by UNDP under its Decentralized Urban Governance Project which was implemented in four major cities of the state. The project envisaged capacity building of the

ULBs along with introducing of GIS based property tax reforms and double entry accounting system.

State government has introduced Kashi Ram Shahri Samgra Vikas Yojana in 2007. The scheme envisages planned and integrated development of the cities with major emphasis on infrastructure development, providing social security and employment besides delivering of basic services to urban poor. The scheme has to be implemented in 12 Municipal Corporations, 194 Nagar Palika Parishad and 421 Nagar Panchayats in different stages. However, in the first stage, only 4 wards in each Municipal Corporation have been selected for implementation of the scheme. The selection of local bodies and wards in different stages is shown in Table 6.3.

Table: 6.3

Number of Wards in the Kashi Ram Shahri Samagra Vikas Yojana

Stage and Period	Municipal Corporation (Wards)	Nagar Palika Parishad (Wards)	Nagar Panchayats
First Stage January, 2008 to March, 2008	4	4	70
Second Stage April, 2008 to March, 2009	8	8	70
Third Stage April, 2009 to March, 2010	8	8	70
Fourth Stage April, 2010 to March, 2011	8	8	70
Fifth Stage April, 2011, March, 2012	8	8	70

Source: Department of Urban Development, Govt. of U.P.

Under the scheme, about one lakh housing comprising of two pucca rooms were supposed to be constructed for the urban poor. The construction of housing also included the provisions of toilets, water supply, electricity connection and connectivity of the road. The scheme also envisages selection of urban poor on three important criterions: (1) Destitute widow (2) Destitute disabled and (3) Urban poor living below poverty line. The scheme is being

implemented through SUDA, DUDA, U.P. Housing Development Board and other development authorities.

Government of Uttar Pradesh has also introduced Sarv Jan Hitai Gareeb Awas (Slum Area) Malikana Haq Yojana for providing tenure of house to urban poor. The scheme is called for urban housing for poor which directly emphasizing on in situ development of the land and construction of houses for the poor. The beneficiaries of the scheme are mainly those who are residing in the slums situated in the government estates and nazul lands. The area of house will be maximum of 30 sq.mt., and minimum of 15 sq.mt. Those who have already benefited under any housing schemes of state government will not be beneficiaries of the scheme. The cut off date for the domicile of the urban poor in the slum area has been decided 15th January, 2009.

UNICEF in collaboration with RCUES Lucknow has also drafted State Urban Sanitary Policy which has been submitted to the state government. The sanitation policy envisages improving the environmental services to urban poor and convergence of dry toilets.

Andhra Pradesh:

Andhra Pradesh Urban Services for the Poor Project is a state level project with a comprehensive agenda to improve the access of the urban poor to sustainable services in 32 Class-I towns and is now being extended to 10 more cities. The seven year project began in mid 1999. Besides municipal reforms and making municipal agencies responsive to the needs of the poor, the project aimed at the supply of improved environmental infrastructure – water supply, sanitation, solid waste management, drainage, roads/footpaths and street lighting – to the poor on a sustainable basis. It also aimed at other poverty reduction measures with the active participation of the poor and the civil societies. Under the project, each municipality was required to prepare a Municipal Action Plan for Poverty Reduction to define how to achieve the objectives. The plans are prepared with extensive community involvement. The project comprises three major components viz. (1) municipal reforms;

(2) environmental infrastructure and (3) working with civil society organizations.

Andhra Pradesh made concerted efforts to provide basic services to the poor through the Andhra Pradesh Urban Services for the Poor (APUSP) project – an externally aided Project supported by DFID, UK - in the forty-two class 1 city in the state. The Project aims at 'sustained reduction in vulnerability and poverty of the urban poor' and to benefit the poor from improved access to more appropriate and sustainable services. APUSP comprises three distinct linked and complementary components viz., reforms, infrastructure provision and strengthening civil societies. Participatory processes in planning and implementation, performance based fund releases, capacity building, preparation of Municipal Action Plan for Poverty Reduction (MAPP) and poor settlement matrix prioritizing the slums, micro planning, and convergence are its key features.

The preparation of MAPP involves a nine-stage process in a participatory and transparent way. Community involvement is very extensive in the first five stages and the remaining stages involve preparation of MAPP document, appraisal and approval, preparation of detailed estimates, review and fund release.

The heart of APUSP is preparation of a poor settlement matrix based on two indicators viz., poverty - BPL and the number of SC and ST population and infrastructure - like water, roads, drains, etc., deficiency in the slums. All the poor settlements are ranked in order of priority by the communities contributing to greater ownership and acceptability to the prioritisation. Slums are selected for development from the matrix based on availability of financial resources. This process is objective, participatory and transparent.

Action plan for slum development is prepared through a participatory process by the community groups incorporating infrastructure and human development needs like education, health, livelihoods, SHGs, vulnerable groups, etc., through micro-planning process involving all members of the community. The micro-plans of different poor settlements are consolidated at the city level, to make it city level action plan for poverty reduction. The MAPP consists of three components viz., reform, infrastructure and social

development. The reform action plan covers financial improvement plan, institutional development plan, communication strategy and capacity enhancement plan. Infrastructure plan includes general town plan and O&M plan and plan for the development of identified poor settlements. The social development plan covers health, education, vulnerable groups, strengthening community-based organizations, etc.

Livelihood development is another important component of APUSP undertaken through UPADHI – Urban Programme for Advancement of Household Incomes. One significant feature of livelihoods development is the market scan, which surveys the local economy, skill requirements of the economy and available skills in the communities. The skill training is imparted based on employment potential and local market needs. While selecting the people for training poorest of the poor are given priority. Strengthening self-help groups and providing linkages with the banking institutions to support livelihood activities and micro-enterprises is another project taken up under APUSP. Three important features of implementation of APUSP are focus on community contracts, community monitoring of the implementation and third party quality assurance.

APUSP made significant impact on local institutions and poverty. Reforms streamlined the financial management including audit and accounts, improved finances of the municipalities; build the capacities of the officials, elected functionaries and communities. MAPP process – participatory planning, matrix preparation, micro planning, UPADHI, strengthening SHGs, etc., have been extended to all the local bodies in the state. Transparent and participatory decisions; resource allocation based on analysis and prioritization, active civic engagement in city governance, etc., are its other significant contributions. The Andhra Pradesh poverty reduction strategy, which is based on the APUSP experience, is holistic, participatory, and convergent and process oriented.

Rajiv Grihkalpa is a dream come true for economically weaker section families of urban areas of Andhra Pradesh. There is a wide gap between demand and supply of good quality housing for lower income groups. In order to improve the quality of urban life and to provide affordable houses with improved infrastructure to the urban poor, the government of Andhra Pradesh

formulated a project called 'Rajiv Grihkalpa, an innovative and first of its kind programme in the country. Its objectives are construction of housing stock for the poor and lower income groups. The Andhra Pradesh Housing Board and Andhra Pradesh State Housing Corporation are implementing the project. In order to build in community mobilization component, as an innovative measure Non-Governmental Organizations (NGOs) with known track record will be working in tandem with the Government as facilitators to liaise with individual beneficiary and groups for timely repayment and community building.

In the context of urbanization of poverty in India there is an emergent need to address the employment gaps among the most disadvantaged youth - women and men. In recent years a livelihood-training model in the age group of 18-35 years from economically weakest sections enabling them to gain access to opportunities for sustainable livelihoods and growth in the new economy is emerging.

The program supports both employment opportunities oriented workforce preparation as well as micro-enterprise development, specifically oriented towards identified labor market requirements and opportunities. It bridges the emerging demands in the new economy with changes that need to happen in the educational pipeline for workforce preparation in the country. This implies involvement of business and industry professionals in developing integral components to education reform including contextual employability competencies; work based learning, career academies, acquiring workplace skills and advancement of employability competencies. Core principles and strategies indicate paradigm shift in workforce development. The projects are designed to address the key gaps in education and vocational training, demand and supply of work force development and employment, coverage and equity in training and employment opportunities, employability training and employment industry interface and courses and certification of new entry level competencies for service industries. Linking learning with livelihoods' is one of the key strategies that promotes inspirational and flexible learning module to facilitate educationally disadvantaged youth to become life long learners and move towards security and growth stages in their career.

The state government has implemented four state sponsored programmes in 116 ULBs in 1998. These include community based solid waste management, community contracting of urban infrastructure services, own your tap scheme: water supply for poor and low cost sanitation. ULBs play a critical role in implementation of these programmes. The active involvement of the community and CBOs concerted efforts of the state government, assignment of responsibilities to individuals and institutions, simplification of sanctioning procedures, and close and periodic monitoring by public officials are critical to programme success.

In Andhra Pradesh, 73 percent urban population has access to water supply - 50 percent through house service connections (HSC) and 23 percent through public stand posts. The remaining largely depends on unsafe sources like bore wells, tube wells, open wells, etc. Though there are several legal, political and economic barriers to get water connections to the poor households, high connection cost - euphemistically called 'donation'- is the most critical. The policy makes no distinction between the poor and the non-poor and the households has to pay an amount of Rs. 6,000 to Rs.10,500. Because of high connection costs, the poor are unable to access water connections. To ensure access to the poor to potable water, Government initiated several policies, which include (i) Subsidy to the poor to access to HSC, (ii) Notification of non-notified slums, which facilitates slum communities to access the basic services to which they are not, entitled without notification. (iii) Allocation of 40% of net municipal funds for slum improvement and accordingly priority to water and sanitation services.

The Government in 1998 subsidized the connection cost to the poor by 50 percent through NSDP funds. The number of connections to be given was predetermined by the government based on the funds available under NSDP. As a result, only the 'better off' among the poor - only over a lakh households, covering about half a million poor population, gained access to water under the scheme between 1998-2004 and others continue on depend on public stand posts or other sources. The government in 2005 decided to extend HSC to BPL families at Rs.1200 with the option to pay the cost in twelve equal installments. Under the scheme the cost of the tap should be born by the

beneficiary and the connection costs such as pipes and road cutting charges, etc., by the ULB. About one lakh eligible BPL households applied for HSC under the scheme and the local bodies sanctioned over two-thirds of the applications and four-fifth got installed. The reasons for delay in providing HSC include approval from the PHED, limitations of water sources, awaiting completion of construction of ELSR and distribution lines, procurement delays, financial constraints, non-availability of distribution network, etc. Through the two schemes about 15-20 % additional BPL households gained access to HSCs.

The policy initiatives have a positive impact both on the poor and local bodies. After this initiative, potable water is available at the doorstep, heightened self-respect and dignity of the poor reduced expenditure of time and costs and increased work maydays. From the utility's end, enhanced image of the local body, less scope for pilferage and illegal connections, improved efficiency, reduced expenditure on adhoc arrangements, support for continuous water supply initiative, willingness to pay due to assured service, etc., are the benefits to the local bodies. However, with this initiative, the local bodies began to feel the immediate loss of revenue and increased expenditure on operation and maintenance due to lowered connection costs.

Kerala:

A multi-pronged bottom up approach to poverty reduction was launched in Kerala in early nineties and this evolved into Kudumbashree – considered a best practice in poverty alleviation by the United Nations. Kudumbashree is a community based, women oriented, participatory and convergent approach for poverty eradication. It aims at eradication of absolute poverty in ten years through concerted community action within the framework of local-self government institutions. It is envisaged as a step to further decentralization by enabling the organization of the poor to function as delivery system of poverty schemes. The philosophy of Kudumbashree is convergent community action and convergence with government departments and agencies like education, health, social welfare, municipal administration and rural development.

The government of Kerala has introduced a noble scheme of poverty alleviation based on micro credit and self help grouping. The Kudumbashree (prosperity of the family) scheme aims at improving the living levels of the poor women in rural and urban areas. It sees to bring the poor women folks together to form the grass root organizations to help enhance their economic security. The State Poverty Eradication Mission – Kudumbashree launched by the Government of Kerala in India is a massive poverty eradication programme in contemporary history. Kudumbashree is presently working as State Urban Development Agency and presents a unique model of participatory development with multi-pronged approaches and strategies for poverty reduction. It is a community based, women oriented participatory and convergent approach for poverty eradication. It aims at eradication of absolute poverty in 10 years through consulted community action within the framework of local self government institutions. In 1992, an innovative poverty eradication initiative was experimented in seven wards of Alappuzha Municipality with community participation. In 1994, the model was adopted in all 36 wards of the municipality. The success of the model persuaded the state government to scale up the model to the entire urban areas of the state in 1995. The strategies under the mission include formation of women's collective, training to share experiences and broaden outlook on health, education, social and economic status, skill upgradation to facilitate economic development and livelihoods; skill upgradation trainings, self employment opportunities and infrastructure development through wage employment schemes, development of micro enterprises, operation of thrift and credit societies and improving the living conditions. The model has adopted 9 parameters of poverty index for identifying the poor. Neighbourhood groups, area development societies, community development societies and promotion of thrift and credit societies for development of micro enterprises are some of the major thrust under the mission.

Kudumbashree enabled the communities particularly the women to participate actively and effectively in the development process. The development plans prepared by the communities are based on local needs and priorities through a bottom of participatory process and they are

consolidated at the municipal and district levels. The development of the micro enterprises by the Kudumbashree also demonstrates that women may be good entrepreneurs for initiating, development and running micro enterprises.

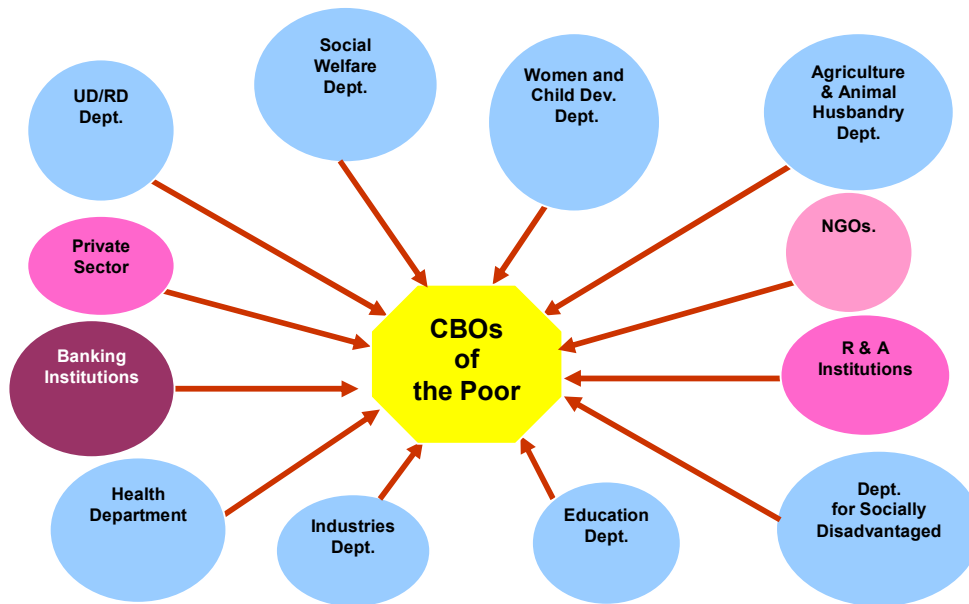
Convergence of various government programmes and resources, participatory anti-poverty planning and implementation, formation of thrift and credit groups and development and nurturing of micro-enterprises is central to Kudumbashree strategy. The other aspects of the strategy include:

- Formation of women collectives.
- Training to share experiences and to broaden outlook on health, education, social and economic status.
- Skill upgradation to facilitate economic development and livelihoods
- Skill upgradation trainings
- Self-employment opportunities and infrastructural development through wage employment schemes, development of micro enterprises,
- Thrift - credit operations and 24 hour banking system.
- Small savings generated at the families are pooled at various levels as thrift and used to attract credit from banks, which will operate as 24-hour bank for the poor, acting as a sub-system of the formal banks.
- Better living conditions - infrastructure facilities.
- The micro-plans formulated by the NHGs are integrated into mini plans at ADS level and action plan at city level. This will be the anti-poverty sub plan of the local body and this will facilitate convergent delivery of Government programmes meant for the poor. Kudumbashree promote self-help approach for building houses, toilets, water and sanitation facilities etc. Individual facilities are supported and strengthened by the common infrastructural facilities.
- Micro-enterprises for sustainable economic development.
- Kudumbashree gives necessary resource support and facilitate forward/backward linkages to promote micro-entrepreneurship among poor women.
- Power to the people; especially the poor women.

- The skill for identification of needs, fix priorities, availing resources, bridging gap between needs and resources in a cost effective manner are imparted to the women groups. In the decentralization pattern of Kerala, Kudumbashree acts as a healthy sub-system facilitating participation of poor women in planning, implementation and monitoring of the programme.
- Leadership - Decision making power.

One of the significant features of Kudumbashree is that it is a convergent programme. Convergence is achieved in planning and implementation through community based organizations. It mobilizes resources and other inputs from several convergent departments and agencies as shown in the Chart 2.

Chart 2
Convergent Model



Source: Kudumbasree, Kerala

Kudumbashree enabled the communities, particularly the women, to participate actively and effectively in the development process; particularly poverty reduction. The development plans prepared by the communities are based on local needs and priorities through a bottom up participatory process

and they are consolidated at municipal and district levels. Kudumbashree facilitated convergence of resources and services and their integration into anti-poverty plans. Another aspect of the programme is the community monitoring. The programme brought the local political functionaries, community based organizations and the poor into partnership. Scientific principles replaced patronage in the prioritization of needs and identification of beneficiaries. Both infrastructure and human development aspects are accorded high priority in the plans and the marginalized are included. Interaction in women collectives helped them to have a better understanding of the local situation contributing to the emergence of leadership. A large number of women trained in Kudumbashree are getting elected to the urban local bodies.

West Bengal:

The Government of West Bengal is implementing the Kolkata Urban Services for the Poor Programme in 40 ULBs with the population of 13 million, within the Kolkata Metropolitan Area, with the assistance of DFID, Government of U.K. The programme envisages at improving the quality of life of the urban poor, especially of those 2.4 million who are below the poverty line. It also aims at bringing about a positive change in urban planning and governance, enabling access to basic services for the urban poor, and promoting economic growth within the Kolkata Metropolitan Area. The project is being implemented by the Municipal Affairs Department, Government of West Bengal while sub-committees of Kolkata Metropolitan Planning Committee has created as a statutory body to oversee the project.

Open defecation is widely prevalent in the slums of Kalyani Municipality in West Bengal. These slum dwellers endure indignity, shame and sickness and suffer the daily humiliation of having to relieve themselves in public. They are afflicted with soil-transmitted helminthes, malnutrition, anemia, cognitive impairment and other infectious diseases. To overcome this problem and to make the city open defecation free, a pilot Community Led Health Initiative was conceived in late 2005 by the Chairperson of the Municipality Dr

Shantanu Jha supported by the Kolkata Urban Services for the Poor (KUSP) project.

The objective of the initiative is to empower the communities and enable them to work as pressure groups to initiate health and sanitation improvements. It also aims at mobilizing the communities towards achieving the sanitation objective of an open defecation free community. For piloting the project, the five poorest slums, with a 2500 population were selected. The municipality decided to stop individual household sanitation subsidies in favor of extending support and cooperation to colonies that stop open defecation and clean their neighborhoods.

The process started with an orientation on Community Led Total Sanitation (CLTS) approaches for Health Officers, HHWs, CDS members, NGOs, community leaders, ward councilors and ward committee members. Participatory approaches like PRA tools, defecation area mapping, transect walk, fecal oral contamination analysis, calculation of feces, etc., were extensively used. This was followed by a participatory sanitation profile analysis. Care was taken to avoid outside prescriptions for the problems of open defecation and the need to construct toilets. It was also made clear that there would be no subsidy for toilet construction and no toilet models were prescribed. Though initial efforts at Bhutta Bazar slum failed because the community was expecting a subsidy for toilet construction, the simultaneous efforts at Vidyasagar colony, Patal Khet, and Bidhan Pally succeeded. As the pilot was in progress, the idea gained momentum and other colonies began to spontaneously take interest. Subsequently, some of the trained HHW began to understand the approach and the shift in paradigm. They started motivating the local leaders and monitored their work rather than trying to direct it.

As the pilot gained momentum, communities began to participate extensively and made major progress toward the total elimination of open defecation. The experiment developed pride among the communities and leaders emerged to trigger the process and to eliminate the obnoxious practice of open defecation. It also motivated other communities to follow suit and eliminate open defecation through participatory efforts and without subsidies. Vidyasagar colony emerged as a living example of good community participation within a short period of three months. All the 213

households eliminated open defecation, and constructed/repaired toilets with their own resources. 69 hand tube wells were repaired with very minimal support from the municipality. Clogged drains were cleared of garbage and the road was repaired. They are planning to start a primary school for the colony children with local contributions.

Govt. of West Bengal has also introduced programmes on health and education for the empowerment of urban poor. Janani Suraksha Yojana, Shishu Shiksha Prakalp, Antyodaya Anna Yojana and Annapurna are state sponsored schemes being implemented by SUDA. Kolkata Urban Services for Poor (KUSP) supported by DFID in 42 municipalities, Water Supply and Solid Waste Management Project supported by Italian Government in 14 municipal towns, Urban Health Improvement Programme supported by World Bank in 126 ULBs. Kolkata Environment Improvement Project, supported by DFID is one of the externally added projects and schemes being implemented by SUDA, Govt. of West Bengal. These projects and schemes made effective dent on urban poverty and improved the functioning of Local Bodies. The urban infrastructure for the delivery of basic services to urban poor has also been improved.

Govt. of West Bengal has developed the concept of service DWCUA. A DWCUA group is actively engaged in running of canteen in Engineering Institute in Durgapur. Rs.40000/- as a loan were provided through CDS to a group of 10 women for running canteen. The women are active in bringing raw materials from market and managing the various activities of canteen. Similarly another DWCUA group comprising of 16 women has planted in 8 hectares of land with the financial support from a power plant in Durgapur. Another DWCUA was found involved in management of cycle/motorcycle stand at Kalyani in Nadia District. CDS is also found active in providing training to poor women in artificial jewelry, bed-side assistant through collaboration with ITI and district hospital.

Kalyani town has become India's first open defecation free city in India. The credit goes to community based Complete Sanitation Programme which was launched in January 2006 in five slum pockets in Kalyani. During 2009 Kalyani municipal area has been declared India's first open defecation free city. Community is actively involved in making the city open defecation free.

Under KUSP, pay and use community toilets have been constructed. CDS has created community awareness and sensitization and urban poor are mobilized for construction of household toilets.

Orissa:

Micro finance is emerged as an effective tool for poverty alleviation and empowerment of poor. Self help group based micro finance has been promoted in the state. Swayanshree is a model of SHG's federation formed and strengthened in Cuttack, Orissa for providing alternative banking services to urban poor under the aegis of CUSIP-DFID/CMC being inspired by Mumbai based NGO – SPARC in 1994. The federation comprises of more than 500 SHGs operating in the urban slums of Cuttak city. The federation has been primarily extending micro finance services for the urban poor in more than 100 slums of the city. The federation also provides vocational training and social services to its clients. It has formed 750 SHGs with membership of more than 10,000 urban poor. The assets of federation were valued at Rs. 1.34 crores during 2006. The federation has developed training modules and policy of micro finance.

Karnataka:

Karnataka Urban Infrastructure Development Project was implemented during 1996-2004 with the financial and technical support from Asian Development Bank. The project combined infrastructural and poverty alleviation components while promoting socio-economic development away from the rapidly expanding city of Bangalore. It recognized that poor, vulnerable groups residing in low income settlements lack capacity to absorbed the benefits of rapid urbanization. The project covered water supply, sanitation, road improvement, slum improvement and poverty alleviation. The latter components emphasized community development activities, of which the establishment of self help groups was an important one. The project was implemented in the towns of Mysore, Maddur, Mandya, Tumkur, Channapatna and Ramangaram, south and north-west of Bangalore at distances between 70 km. and 140 km.

The project increased entrepreneurial skills, access to credit, and establishment of micro enterprises. The project has also social impact in terms of increased mobility, exposure, awareness, decision making and social security. Karnataka Urban Infrastructure Development and Finance Corporation were established to extend credit facilities to the SHGs. SHG federation were also formed and strengthened. More than 12,000 women living in the slums were benefited under the project. The project also supported 660 SHGs with revolving funds of Rs. 5,000 each and thus, the total amount of revolving fund distributed by the project has been a modest of Rs. 3.3 million. The project also ensured the creation of micro finance management system for strengthening SHGs and micro enterprises.

Maharashtra:

The Society for the Promotion of Area Resource Centers (SPARC) is one of the largest Indian NGOs working on housing and infrastructure aspects for the urban poor. In 1984, when SPARC was formed, it began working with the most vulnerable and invisible of Mumbai's urban poor - the pavement dwellers. SPARC's philosophy is that if we can develop solutions that work for the poorest and most marginalized in the city, then these solutions can be scaled up to work for other groups of the urban poor across the country and internationally. Since 1986, SPARC has been working in partnership with two community-based organizations the National Slum Dwellers Federation (NSDF) and Mahila Milan. Together, they are known as the Alliance. Today, the Alliance works in about 70 cities in the country and has networks in about 20 countries internationally. The roles of each member of the Alliance are clearly defined. The NSDF organizes and mobilizes the urban poor and negotiates with resource providing institutions, Mahila Milan supports and trains women's collectives to administer and manage their community's resources and participate in NSDF activities, and SPARC provides the administrative, financial, policy, documentation and other support necessary for these processes to be successful on the ground.

Over the past twenty years, the Alliance has developed what is called the federation strategy to achieve its goal of ensuring secure housing and infrastructure for the urban poor. This involves:

- Setting up community centers, is called Area Resource Centers,
- Encouraging communities to join savings and credit groups that simultaneously builds trust within a settlement and strengthens the financial assets of participating families,
- Supporting communities to collect detailed information about themselves, which is called "Enumeration, Mappings and Surveys" so that they can negotiate with local authorities from an informed position,
- Facilitating communities to visit each other, share ideas and learn from each other's experiences and lessons through Peer Exchanges,
- Organizing Housing and Toilet Exhibitions, which showcase affordable housing and sanitation solutions to government authorities as well as local populations,
- Demonstrating through pilot or precedent setting projects the kinds of housing and infrastructure models that work for the poor as well as the city and can be scaled up substantially, and
- Finally, based on all our grassroots mobilization work and experience, advocating for pro-poor Policy Changes.

All these tools and strategies are geared towards strengthening bonds between poor communities and building their financial, managerial and organizational capacities so that they can take on not only housing and infrastructure projects themselves, but also participate in larger issues of city redevelopment and management.

Gujarat:

SEWA is an organization of poor, self-employed women workers. These are women who earn a living through their own labour or small businesses. Shri Mahila Sewa Sahakari Bank, a separate bank of poor self-employed women workers was established at the initiative of 4,000 self-employed women workers in 1974. The bank is owned by the self-employed

women and policies are made by their own elected board. Today it has large number of depositors and good working capital, which provides all finance-linked supportive services to its members and has started a work security insurance scheme and a housing programme.

A group of such self employed women first formed their own organization in 1972 when the Self Employed Women's Association (SEWA) was registered as a trade union in Gujarat, with the main objective of "strengthening its members' bargaining power to improve income, employment and access to social security." SEWA is not merely as a workers' organization, but is a movement. It is in fact, a confluence of three movements- labour, co-operative and women. Gandhian Philosophy is the source of inspiration for SEWA. SEWA has spread all over India today with its growing membership. Through its joint strategy SEWA has helped workers organize around various issues, resulting in their being able to raise these with Government as well as in the society in general.

Over the years, SEWA has organized for poor self-employed women using the dual strategy of struggle and development, thus enabling them to enter the mainstream of the economy. In this process, women have become more confident and autonomous. Through the initiative of the SEWA Bank, the poor women have been given control of natural and financial resources. This has, for example, helped them build their own water structures (like wells, ponds, hand pumps, etc.) By establishing a relationship of trust and getting involved with the whole life of the borrowers, high recovery rates have been established. This has not only enabled the members to come out of the clutches of private moneylenders, but has also enabled them to develop the skills of dealing with formal organizations. In the process, their self-confidence has been enhanced. The vicious circle of indebtedness and dependence on middlemen and traders has been broken. This has changed the bargaining position of these women. They can now organize themselves, bargain for higher wages and, in case of a need, form their own economic units like cooperatives. Most importantly, the Bank provides its members with monetary security (as the members have savings accounts in the Bank) and gives them a control over their own incomes. It has also provided the badly needed banking infrastructure that serves the self-employed and small businesses.

Gradually the members are trained in the habit of banking. This inculcates a sense of thrift and the members learn to make their money more productive.

The SEWA Bank has thus contributed directly in achieving, to some extent, the larger SEWA goals of organizing and creating visibility for self-employed women, enabling them to get a higher income and to have control over their own income. A large number of members now have their own handcarts, sewing machines, looms and tools of carpentry and blacksmith to work with. Many of them have upgraded their skills and developed more business. For example, vegetable vendors who used to sell their products with baskets on their heads and now have their own little street-corner shops with a municipal license. The SEWA Bank is innovative in many ways organizationally, institutionally, and financially. Its most important contribution has perhaps been to encourage the women to participate fully in all phases of banking, lending and saving activities. The SEWA Bank has targeted its efforts of banking not just towards the "symptoms" of homelessness or poverty and their alleviation, but on the structural causes, including long-term capacity building of the poor women and their institutions. Internationally, the SEWA bank is an inspiration for the Women World Banking.

The Ahmedabad Municipal Corporation (AMC) initiated the Slum Networking Project in the year 1998 in collaboration with SAATH and Mahila Housing SEWA Trust (MHT). The NGOs spearheaded the Project in the respective slums where they had organized and mobilized the communities. The Slum Networking Project aims at providing quality physical infrastructure facilities for the slum dwellers, laying stress on social infrastructure, and, hence, extensively improving the quality of life of the slum dwellers. In Ahmedabad, the slum networking approach was taken forward one stage further by replacing external aid by contributions from the city's industries so as to augment the resource needs of both the slum dwellers as well as the municipal corporation. Over 70 percent of the Ahmedabad slums are located on the private lands, the rest being on municipal and government lands. Although ownership of land is not to be made a precondition of the project, it avoids legal and administrative delays. Ahmedabad Municipal Corporation has the statutory right to install essential services in private lands. In this situation the corporation has passed the resolution not to evict the slum

dwellers for 10 years and at the same time to register them formally as ratepayers. These two measures imply sufficient perceived security of tenure for the slum dwellers to invest in shelter from their own resources. At a suitable juncture, the corporation will also consider bringing the private landowners and the slum dwellers on the same table to discuss land transfer on mutually agreeable terms.

The successful partnership of the Ahmedabad (Parivartan) slum up gradation programme reinforced and enhanced trust of the community in the approach of public-private partnership for service delivery. They realized that paying for the services would ensure delivery of quality services at their doorstep. The informal tenure comprising of non-eviction for 10 years provided by the Ahmedabad Municipal Corporation's Slum Networking Project increased their readiness to invest in their houses. Almost 90% of the residents in the Slum Networking Programme voiced their demands for the legal supply of electricity.

State of Gujarat has established Gujarat Urban Development Mission for implementation of centrally and state sponsored programmes and schemes. The Mission has created a resource centre for capacity building. UMEED is an employability training programme which aims to provide young adults from economically weak background, an opportunity to assimilate in to the competitive job market. It promotes customized programmes targeted for youth in the age group of 18-35 years from economically weaker sections and enables them to gain access to opportunities for sustainable livelihoods and growth in the new emerging economy.

Jharkhand

Since the creation of Jharkhand as a new state, there has been almost negative image of the state government as far as implementation of SJSRY is concerned. However state government is committed towards empowerment of urban poor through effective implementation of the scheme. State government has recently approved the report of Restructuring Urban Government prepared by RCUES, Lucknow. The government is thinking to create new municipal cadre along with creation of UPA cell in each municipality. The

government has also approached RCUES, Lucknow for the capacity building of people's representatives of different municipalities where municipal election have been held recently. All the people's representatives including Mayor, Deputy Mayor, Chairman, Deputy Chairman and Ward Councilors were provided orientation training regarding their rights and duties, the provision of Municipal Act, schemes of urban development including urban poverty alleviation schemes etc. so that they may extend their full cooperation for the effective implementation of programmes and schemes.

Jharkhand is the mother of corporate social responsibility as TATA group started its operation of business long back in early 1990s. The social welfare schemes launched for the employees of TATA paved the way for corporate social responsibility in the long run. TATA Steel was established in 1907 as a green field project in Eastern India. TATA Steel believes that the primary purpose of the business is to improve the quality of life of people. Various initiatives launched by TATA group over the period have positive impact on environment, employee relations, economic growth, civic amenities and community services, population stabilization, health, management of natural calamities, education, art and culture. Jamshedpur has become the major centre for the corporate social responsibility as TATA group has established a centre for excellence in education. Besides, TATA group has ventured upon the task of social welfare mainly for weaker sections of the society. The company is in the process of improving the primary education level through teachers training and better livelihood. It has provided support worth Rs.20.00 lakh for infrastructure to tribal schools in last five years. Project SAHYOG presently runs in five schools and caters to over 4000 SC/ST students annually. Scholarships worth of Rs.12.00 lakh are being awarded to SC/ST students annually under model endowment, six districts from Jharkhand and West Bengal. Under Jyoti fellowship more than 3000 SC/ST students have been given scholarships in the last 14 years.

Through its agency, Tribal Cultural Society, established in 1993, TATA steel has been working for the preservation of the rich tribal heritage and culture of the indigenous people of the state of Jharkhand. TATA steel also provides opportunities for the promotion of tribal sports and it creates opportunities for employment among tribals through promoting sports.

With the purpose of improving the health status of local communities in and around Jamshedpur, TATA steel's health care initiatives include health care for mother and child, safe drinking water and sanitation, curative health care and HIV/AIDS campaign. Through its Youth Access to Reproductive Health Services, TATA Steel Family Initiative Foundation has groomed tribal girls to voluntary work as peer educators for the improvement in reproductive and child health. The tribal girls are also been educated to work as community health providers.

Tejaswini project is a remarkable women empowerment initiative that provides opportunities to women to become as operators and drivers of heavy duty machinery and vehicles. Similarly TATA Steel Company has promoted self-help groups for the poverty alleviation and empowering poor women. Over 300 women SHGs are empowered by TATA group.

Corporate social responsibility is not confined to TATA group. Central Coal Fields Limited has already ventured upon the corporate social responsibility in the areas of environmental preservation, education, health care, people's empowerment, peripheral development, cultural efflorescence and relief in natural calamities. Central Coal Fields has always been sensitive of its corporate social responsibilities and such issues have always been taken priority areas. There has been increasing amount of work, no. of beneficiaries and expenditure during last years. The major activities include education, water supply, community centre, link roads, health, self employment, sports and cultural work.

Table: 6.4

CSR Activities by Central Cold Fields

Year	No. of works	Beneficiaries	Expenditure (in lakh)
2005-06	337	52165	202.91
2006-07	611	61531	294.99
2007-08	683	81,214	385.28
2008-09	850	1,31,000	725.00

The best practices of corporate social responsibility simply demonstrate that there is wide scope for partnership between government and corporate sector for improving the basic services and poverty alleviation in urban areas. TATA group has already established its strong mechanism and system for delivery of basic civic services such as water supply and electricity in Jamshedpur. The services of TATA group are not confined to the relatives of its employees but poor are also provided better opportunities for capacity building, and livelihood development as well as catering basic services to them.

The overall analysis of the state level initiatives, approaches and strategies for the empowerment of the urban poor and improving their living conditions simply demonstrates that there is no any single approach and strategy effective for poverty eradication in urban areas. Therefore, multi-pronged approach and strategies are to be evolved by the state governments, ensuring participation of all the stakeholders including community, CBOs, private sectors, etc.

Chapter: 7

Recommendations

- Skills are essential to improve productivity, incomes, and access to employment opportunities. Thus, poverty reduction strategy should focus on vocational education and training since vast majority people living in poverty cannot afford and have access to training opportunities, which are commercially managed. International Labour Organization has invested in the field of employment intensive infrastructure programmes. It has now widely recognized that these programmes are effective in bringing much needed income to poor families and their communities.
- Thus, financial investment in jobs and employment may create addition opportunities to poor youth. The labour intensive projects should respect standards, promote gender equality and encourage enterprise development through contracting systems. The entrepreneurship development may promote income generating enterprises and livelihood development. This will also promote self-employment among educated unemployed youth. Interestingly, it is impossible to build an enterprise without access to credit. Micro-finance activities should be promoted, strengthened and encouraged along with entrepreneurship for enabling poor to borrow for productive purposes.
- Moreover, participation and inclusion are central to new approach to poverty reduction. Cooperatives and people's associations including Self Help Groups are ideal instruments in such a strategy. Cooperatives have proved to be a key organized form in building new models to combat social exclusion and poverty. Similarly, SHG's are proving crucial instrument for availability of micro-finance and social empowerment of poor. Significantly, discrimination is a basis for social exclusion and poverty. Promoting gender equality and eliminating all forms of discrimination at work are essential to defeating poverty. Child labour is both a cause and a system of poverty.

- The importance of universal access to basic health care and primary and secondary education is well recognized by many countries. For a poor family, securing a basic income, basic health care and school places for the children is a foundation for participating productivity in society and the economy. The poor workers need protection from occupational health hazards, accidents, diseases etc.
- Thus, by focusing directly on creating the conditions for people living in poverty to work for a better future, the decent work approach mobilizes the broad spectrum of support across society is needed to maintain progress and harmony and should reach to all poor communities. Eradicating poverty calls for the coordination of policies that focus on different dimensions of the life of people living in poverty.
- In order to ensure effective functioning of SJSRY, formation and strengthening of community development societies is imperative. The community development structure may be formed and strengthened effectively only through community organizers and active role of non-government organizations including civil societies. Similarly, training and entrepreneurship development among the urban poor may be ensured through public private partnership involving non-government organizations.
- In order to promote livelihood development among the urban poor women, DWCUA groups should be effectively formed and strengthened. Thrift and credit activities should be encouraged by these groups also. The proper selection of trade and imparting training and entrepreneurial skills to the members of DWCUA groups is imperative for the effective functioning of the micro economic enterprises for promoting livelihood development.
- The state government should setup Urban Poverty and Slum Improvement Task Force. This task force may be allowed to give direction and control of the functioning of Urban Poverty Alleviation programme including JnURM and IHSDP. The state government may

also set up a separate Mission for the effective functioning of JnURM, IHSDP and UIDSSMT.

- The municipal administration should create and strengthen Urban Poverty Alleviation Cells at the municipal level. The Cell should have representation of all the services required by the slum dwellers as well as of the Community Development Societies setup under SJSRY, and NGOs/CBOs active in the field. The UPA Cell should be in overall charge of urban poverty and slum related programmes.
- The UPA Cell should draw up road map for city poverty alleviation plans in which community organizations of the urban poor formed under the SJSRY should be involved. The tasks of various agencies should be well defined and coordination should be effective. All the urban poverty related tasks should be performed by the local bodies while the parastatal agencies should actively coordinate with them for the delivery of services and performing the task.
- City-wide master plans for slum upgradation should be drawn up with the objective of removing the slum characteristics of the selected settlements. Slum mapping along with biometric survey is imperative for the inclusive development of the cities.
- Capacity building is essential for developing communication and interpersonal skills among the people responsible for providing for the needs of the urban poor, for improving the level of services and satisfaction of the beneficiaries, and for providing coordinated services from a number of line agencies.
- The wage employment component under SJSRY should be used only for building assets and infrastructure relating to the urban poor, and not for general municipal works. The requirement should be selected by the beneficiaries themselves and implementation should be from such lists of works identified by the beneficiaries.
- The urban poor can be effectively involved in municipal waste management activities. If these initiatives could be institutionalized in the

legal framework of the civic bodies, successful models could be developed and replicated. However, identification of urban poor, organizing them into formal micro enterprise groups, training them and contracting out labour dominated activities are imperative to ensure their mainstreaming into the formal system and improving the sanitation.

- Poverty elimination is impossible unless the economy generates opportunities for investment, entrepreneurship, job creation and sustainable livelihoods.
- People living below poverty need voice to obtain recognition of rights and demand respect. They need representation and participation in urban planning and implementation of urban poverty alleviation programmes.
- Skills are essential to improve productivity, incomes and access to employment opportunities. Therefore, it is imperative to have a major component of vocational education and training in poverty reduction strategies.
- Policies to reduce eradicate poverty need to address both the demand and supply sides of the labour market. Urban poverty reduction can not be possible without integrating the rural poverty. Thus, there is equally need of addressing poverty reduction and employment generation in rural areas to check the migration of rural poor to urban centres.
- Training systems need to become more flexible and responsive to rapidly changing skill requirements. Reform should focus on how learning can be facilitated, not just on training for specific occupational categories. There is also imperative need of increasing the investment in training and skill development for sustainable livelihoods.
- Small and micro enterprises constitute a large and growing share of employment and are generally more labour intensive. However, small business development requires management skills to survive and grow. Self help group based micro financing may be an effective instrument for empowering urban poor and promoting micro and small enterprises for livelihood development.

- Micro insurance should be promoted with the view of providing social security to the urban poor. Social insurance system needs to be supplemented with social assistance programme to provide for needs of those unable to contribute regularly. Support to various forms of micro insurance schemes and local mutual health organizations by the government and international agencies is imperative to supplement the development and promotion of micro finance activities
- Eradicating poverty calls for the coordination of policies that focus on different dimensions of life of people living in poverty. Coordination and cooperation among various stake holding agencies is imperative to effectively implement the urban poverty alleviation programmes.
- The Civil Societies and Public Sector Participation is imperative and it should be strengthened through community mobilization, participation and entrusting NGOs by government agencies.
- Public-private partnership is to be further strengthened through state level policy environment and support. The creative role of corporate sector in delivery of civic services and empowering poor may be explored through creating enabling environment and effective participation of corporate sector by providing incentives.
- The community participation should be ensured in planning and designing of the development projects including housing. The people's representatives should be taken into confidence in planning an preparation of DPRs; and CDPs.

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