

# **Urban Poverty Alleviation Programmes In India: An Overview**

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.

Against this view point present paper purports to analyze perspective of urban poverty, emerging trends, dimensions, poverty alleviation programmes and to suggest strategies for formulation of micro action plans.

### **Conceptualization:**

Poverty generally arises from lack of income or assets. The low income of the poor can be attributed to the following problems facing them (Venkateshwaraloo, 1998): (i) Low access to financial resources and production assets which are necessary to sustain the micro-enterprises beyond day today basis, (ii) Monopolistic control over micro-enterprises by larger entities which, through control over inputs and/or insecurity of wage employment, compel the poor to accept lowest wages and to work overtime without pay. The urban poor have low access to formal education, health services, shelter and safe living environments. Moreover, poverty is also perpetuated by division of labour and time, away from income earning uses and towards daily physical, environmental and energy management tasks, necessary to sustain life itself. This diversion further limits chances of investing household resources in skill attainment and enterprises.

Poverty has been measured on the basis of nutritional requirement, monthly per capita expenditure and housing conditions. Thus income-based poverty lines set for the whole country do not allow for high costs of living in cities. No single poverty line can take into account the large differences in the availability and cost of food, shelter, water sanitation and health care services. Housing poverty has been defined by UNCHS as lack of safe, secure and healthy shelter with basic infrastructure like piped water and adequate provision for sanitation, drainage and removal of household's wastes. The definition of poverty line in India was set for the first time in 1962 by a working group after taking into account the recommendations of the Nutrition Advisory Committee of the Indian Council of Medical Research

(1958) regarding balanced diet. The working group proposed the poverty norm in money terms in urban and rural areas. It was based on broad judgment of minimum caloric need. Importantly, the Planning Commission in 1977 constitutes a Task Force on projections of Minimum Needs and Effective Consumption Demand. It defined the poverty line as a per capita consumption expenditure level which meets the average per capita daily caloric requirement of 2400 calories in rural areas and 2100 calories in urban areas long with a minimum of non-food expenditure. The Planning Commission constituted the Expert Group on estimation and number of poor in 1989. It did not redefine the poverty line but estimated separate poverty line for each state by desegregating the national level poverty line. It used the state-wise consumer price index of industrial workers for updating urban poverty line (Singh and Mitra, 2000).

State-wise specific poverty lines are shown in Table 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: 1**  
**State-Specific Poverty Lines 2004-2005**  
**(Rs. Per Capita per month)**

<b>State</b>	<b>Rural</b>	<b>Urban</b>
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 (World Bank, 2002). 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 (Unni, 1998; Dreze, 1990). 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 programmers, 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.

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 majority of the urban poor tend to fall within the following generic occupational categories (Oxfam, 1997):

- (i) Casual workers, unskilled, non-unionized wage workers;
- (ii) Unskilled, non-unionized service industry workers;
- (iii) Street vendors;
- (iv) Construction workers;
- (v) Rickshaw pullers;
- (vi) Sweepers;
- (vii) Domestic workers;

- (viii) Rag pickers;
- (ix) Sex workers;
- (x) Beggars.

In the housing category of poverty based on physical conditions and environment, urban poor may include:

- (i) Pavement dwellers;
- (ii) Nomadic pavement dwellers;
- (iii) Recognized slum dwellers;
- (iv) Unrecognized slum dwellers; and
- (v) Squatters.

Three groups tend to be most vulnerable in urban context-women, children and minorities. In general women and children fall at the bottom end of the sub-contracting chain, performing the lowest paid activities such as home based piece work and domestic services. In urban settings, the family support chain often breaks down with women facing particular stresses as they attempt to balance their work and domestic tasks. The impact of media, alcohol, drugs etc. on conditions of worsening deprivation of women tend to face harassment and physical abuse from within the households, the community and from employers. The health status of women and children, is also particularly bad in relation to men. Women are forced into becoming sex workers as a result of their economic circumstances, in turn making their health extremely vulnerable (Oxfam, 1997).

### **Social Aspect of Poverty:**

Poverty has been examined in mainly economic terms such as per capita income or calorie criterion. The social aspect of poverty, particularly the culture and value aspects, which poverty creates breeds and transmits and which have larger implications for the overall quality of life have not

been seriously examined (Thakur, 1998). Cities and towns generally show the following characteristics (OSD):

1. Very fast rate of population growth due to rural-urban migration for lack of adequate job opportunities in rural areas and small towns;
2. Rapid increase in the scale of urban poverty and deprivation;
3. Increasingly deficient infrastructure and services e.g. housing facility, water supply, sanitation, education, health etc.;
4. Growing shortage of productive jobs;
5. Chronic shortage of financial, managerial and technical resources and
6. Growing gap between the rich and the poor, between the urban elite and poverty stricken rural and urban poor.

There is general consensus that greater part of India's poverty is rural but urban and rural poverty are intimately connected. The problem of rural poverty is flowing into the urban areas (Dandekar and Rath, 1971). The larger cities are growing in the number of poor people (Desai, 1968). The urban growth is a result of population shift from poverty stricken hinterland to the cities (Kopardekar, 1986). Importantly, the vast majority of urban workers come from villages and continues to have their roots there. The poorest among them come from the most helpless strata of rural population (Thakur, 1988). Thus, the vast majority of the urban poor are migrants, rural poor, landless labourers and petty farmers. Acute impoverishment of these farmers, near hunger situation of rural landless labourers led to their distress and migration to cities (Jha, 1986). Interestingly, cities provide a market for their cheap labour and they cling to the city, developing a culture of survival. The culture of poverty has the following characteristics (Lewis):



- 1- Lack of effective participation and integration of the poor with the major situations of larger society;
- 2- Low wages, chronic unemployment and under unemployment leading to low income, absence of savings, absence of food reserves and a chronic shortage of cash;
- 3- Low level of literacy and education, no membership of labour union or any political party, no participation in the national welfare programme;
- 4- Community spirit in the slums and the slum neighbourhood;
- 5- The absence of childhood as a specially protected stage in the life cycle, early initiation into sex, a relatively high incidence of abandonment of wives and children;
- 6- Strong feeling of marginality, helplessness, dependence and inferiority;
- 7- High incidence of material deprivation, little ability to plan for the future, sense of resignation and fatalism.

Living in a state of perpetual poverty and deprivation, the poor generally develop and acquire habits, which may be characterized as their typical slum habits and which get transmitted to the children as well. These habits generally are (Thakur, 1988):

- (i) Idle gossiping;
- (ii) Backbiting, leg pulling and slandering;
- (iii) Gossiping about the affair of the neighbour;
- (iv) Quarrel over small matters;
- (v) Bearing tales and spreading rumours;
- (vi) Use of abusive language in minor incidents and quarrels among children or women;

- (vii) Little regard for public property not much hesitation in breaking street-light, removing lid cover of pit holes etc.;
- (viii) Mutual jealousy, suspicion;
- (ix) Smoking;
- (x) Tobacco, drug abuse, spitting in public places;
- (xi) Gambling;
- (xii) Playing cards; and
- (xiii) Little respect for other's viewpoints, opinion, comforts and time.

## **Poverty Estimates**

Poverty alleviation has been on the national policy agenda for more than 50 years. As early as 1938, the Indian National Congress constituted a National Planning Committee which had declared that social objective should be to ensure an adequate standard of living for the masses. The importance of reduction in poverty and provision of other basic needs has been emphasized in all the five year plans since Independence particularly since the 5<sup>th</sup> Five Year Plan. The estimates on poverty based on NSS data show that poverty in India in 1997 was around 37 per cent (rural poverty ratio was 38 per cent and urban poverty ratio was 34 per cent) (Dev, 2000). The concept of poverty is multi-dimensional viz. income poverty and non-income poverty. It covers not only levels of income and consumption but also health and education, vulnerability and risks and marginalization and exclusion of the poor from the mainstream of society (Dev, 2000). According to some researchers, reforms would benefit the poor in the medium and long run, although they may have adverse effect in the short-run (Bhagwati and Srinivasan, 1993, Tendulkar, 1998, Joshi and Little, 1996). Some others argue that reform package has internal contradictions and it might have adverse effect on the poor in both short and long run (Nayyar, 1993, Ghosh, 1995, Bhaduri, 1996). The pro-reformers argue that

the reforms would increase efficiency and higher growth and in turn reduce poverty. It is also argued that one has to look at counterfactual situation while analysing the impact of reforms.

The trends during 24 years of pre-reform period (1951 to 1973-74) show that the (a) rural poverty varied between 44 per cent and 64 per cent and (b) urban poverty varied between 36 per cent and 53 per cent. Both rural and urban poverty showed a decline in the late 1970's and in the 1980's. The estimates for the period 1960-61 to 2004-2005 are given in Table 2.

**Table: 2**  
**Urban Poverty in India**

Year	Poverty Ratio (%)	Number of Poor (Millions)	
		Urban	Total
1960-61	40.4	32 (18.50)	173
1961-62	39.4	32 (18.08)	177
1963-64	42.5	37 (17.79)	208
1964-65	45.7	42 (18.58)	226
1965-66	46.4	44 (18.80)	234
1966-67	48.4	47 (16.91)	278
1967-68	48.3	49 (17.19)	285
1968-69	45.5	47 (17.80)	264
1969-70	44.4	48 (18.32)	262
1970-71	41.5	46 (17.97)	256
1972-73	44.6	53 (18.93)	280
1973-74	49.6	60 (18.69)	321
1977-78	45.2	65 (19.76)	329
1982-83	40.8	71 (21.98)	323

1987-88	38.2	75 (24.43)	307
1993-94	32.4	76 (23.75)	320
1999-2000	23.6	67 (25.77)	260
2004-2005	25.7	81 (26.82)	302

Figures in parentheses denote percentage to total number of poor.

Source: Hand Book of Urban Poverty in India, OUP, Delhi, 2006.

The above table shows that rural poverty declined in the 1980's but it increased to above 40 per cent in 1992 and 1994-95. On the other hand, urban poverty declined significantly in the 1990's. The urban poverty in 2004-2005 was reported 25.7 per cent which is slightly higher than the poverty ratio reported during 1999-2000. The number of urban poor has increased from 67 million in 1999-2000 to about 81million in 2004-2005.

Again, 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 3. Largest numbers of urban poor were reported in Maharashtra followed by Uttar Pradesh, Madhya Pradesh, Tamil Nadu, Karnataka, Andhra Pradesh and Rajasthan (Table 3).

**Table: 3**  
**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
	<b>All India</b>	<b>2209.24</b>	<b>28.3</b>	<b>807.96</b>	<b>25.7</b>	<b>3017.20</b>	<b>27.5</b>

Source: Planning Commission, Govt. of India, 2007.

## Incidence of Poverty

Poverty is a complex, deep-seated pervasive reality. Virtually half of the world lives on less than US \$2 a day. More than 1.2 billion people struggle on \$1 a day or less. A further 1.6 billion people live on \$1 to 2 a day and are thus also poor, insecure and at risk of falling to the level of bare subsistence (ILO, 2003). About half of the people living in poverty are of working age (between 15 and 64 years). Although most family members have to contribute in one way or another to the household's welfare, the earning power of adults is a critical determinant of the well being of the family. For individuals, poverty is a nightmare. It is vicious circle of poor health, reduced working capacity, low productivity and shortened life expectancy. For families, poverty is a trap. It leads to inadequate schooling, low skills, insecure income, early parenthood, ill health and an early death. For nations, poverty is a curse. It hinders growth, fuels instability and keeps poor countries from advancing on the path to sustainable development (ILO, 2003).

There is another face of poverty. People living in conditions of material deprivation draw on enormous reserves of courage, ingenuity, persistence and mutual support to keep on the thread mill of survival. After all, for most people living in poverty, there is no safety net and little state support. However, poor do not cause poverty. Poverty is the result of structural failures and ineffective economic and social systems. Thus, the poverty may be alleviated only through institutional support, political will and effective administrative machinery for social safety net and creation of employment opportunities.

India has made significant progress in reducing poverty at the national level during the period 1956-2000. Poverty has declined in all states, with substantial differences across states. The absolute number of rural poor, which accounted for about three-fourth of the country's poor rose from 182 million in 1956-67 to 261 million in 1973-74, accounting for nearly half of the additions to the rural population during the period. In the second phase, from the mid 1970s to the close of the year 2000, the country achieved substantial reduction in the incidence of poverty. However, 302 million poor were reported in 2004-2005 and most of them were from rural areas (221 million). The number of urban poor has increased from the previous surveys.

The proportion of the country's population living in poverty declined from half to one quarter. Due to methodological changes, in the collection of NSS data in the 55<sup>th</sup> Round (1999-2000), comparison of the pre and post-reform period growth rate is problematic. Undoubtedly, India has made substantial progress in the reduction of poverty. Yet, as many as 260 million persons are living below the poverty line. According to UNDP's Human Development Report, 2003, India has the target number of poor among the countries of the world and is home to one fourth of the World's poor. A large number of hardcore poor are located in remote and inaccessible areas. The problem of poverty alleviation is going to be far more difficult than in the

past. Since, those who were near the poverty line might have crossed it (Radha Krishnan and Rao, 2006). The regional differences in poverty reduction are substantial. The decline between 1973-74 and 1999-2000 in state's incidence of poverty in rural areas ranged between 12-50 percentage point during 1973-2000 and 20-40 percentage points in urban areas.

The inter-state variations in the rural poverty reduction during 1957-90 have been attributed to the variations in their agricultural productivity improvement (Datta and Ravallion, 1992). 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 4).

**Table: 4**  
**Change in Poverty Ratio in Urban India**

(Percentage distribution)

<b>State</b>	<b>1973-74</b>	<b>1983</b>	<b>1993-94</b>	<b>1999-2000</b>	<b>2004-2005</b>
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
<b>India</b>	<b>49.01</b>	<b>40.79</b>	<b>32.36</b>	<b>23.62</b>	<b>25.7</b>

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

The composition of the poor has been changing. The rural poverty is getting concentrated in the agricultural labour and artisan households while urban poverty is concentrated the casual labour households. The share of agricultural labour households, which accounted for 41 per cent of rural poor in 1993-94 increased to 47 per cent in 1999-2000 (Radha Krishnan and Roy, 2004). In contrast, the share of self employed in agriculture in rural poor dropped from 33 to 28 per cent. Casual labour households accounted for 32 per cent of the urban population living in poverty in 1999-2000, increasing from 25 per cent in 1993-94. The increase in its share was due to both the increased dependence of urban households on urban casual labour market as well as higher incidence of poverty among casual labour households. It needs to be recognized that increased dependence of rural and urban households on casual labour market exposes the poor to market risks and tends to increase transient poverty, whereby households move in and out of poverty due to fluctuations in the labour market.

The urban poor have been increasingly concentrated in Uttar Pradesh, Maharashtra, West Bengal, Madhya Pradesh and Andhra

Pradesh. Their share in all India urban poverty rose from 56 per cent in 1993-94 to 60 per cent in 1999-2000. Scheduled Castes, Scheduled Tribes and backward castes accounted for 81 per cent of the rural poor in 1999-2000, considerably more than their share in the rural population. The poor among the Scheduled Castes in rural areas were concentrated in Uttar Pradesh, Madhya Pradesh, Bihar and West Bengal. These states accounted for 58 per cent of the Scheduled Castes population living in poverty. In urban areas, Madhya Pradesh and Uttar Pradesh accounted for 41 per cent of the Scheduled Castes population living in poverty. The incidence of poverty among Scheduled Castes was higher in Bihar, Madhya Pradesh, and Uttar Pradesh in both rural and urban areas. The proportion of Scheduled Tribes among the rural population living in poverty has been increasing rapidly from 14.8 per cent in 1993-94 to 17.5 per cent in 1999-2000. The poverty levels of Scheduled Tribes in rural areas were high in Orissa, Bihar, Madhya Pradesh and West Bengal while in urban areas poverty ratio among Scheduled Tribes was reported high in Orissa, Karnataka, Andhra Pradesh and Bihar. In the terms of human deprivation or poverty, (education, health, etc.) the Scheduled Tribes are at the bottom.

The increasing concentration of poverty in tribals who suffer from multiple deprivations is a matter of concern. The incidence of poverty among females tended to be marginally higher in both rural and urban areas. The proportion of females living in poor households in rural areas was 37 per cent and 27 per cent in 1993-94 and 1999-2000, respectively with the corresponding percentage for urban areas being 34 and 25 per cent. In contrast, the percentage of males living in poverty in rural areas was 36 per cent and 26 per cent in 1993-94 and 1999-2000 respectively, while those in urban areas was 32 and 23 per cent, respectively. Females accounted for slightly less than half of the poor, about 49 per cent in both rural and urban areas in both the years. Importantly, child poverty is widespread in India both in rural and urban areas. The percentage of children aged below 15 years living in households below the poverty line in

rural areas was 44 per cent and 33 per cent in 1993-94 and 1999-2000, respectively while the corresponding percentages for urban areas stood at 41 and 33 per cent.

Among poor people, the share of children in rural areas increased from 44 per cent in 1993-94 to 46 per cent in 1999-2000 and in urban areas from 41 per cent to 42 per cent during corresponding period. The high level of child poverty would result in a high incidence of child malnutrition (Radha Krishnan and Rao, 2006).

The states with high incidence of human poverty, such as Bihar, Orissa, Madhya Pradesh, Uttar Pradesh and Rajasthan are found at the bottom on the Human Development Index ranking. Kerala was the best performer in both rural and urban areas and Bihar the worst performer in rural areas and Uttar Pradesh in the urban areas. Bihar, Orissa, Madhya Pradesh, and Uttar Pradesh consistently showed poor performance on three indices and Kerala and Punjab showed consistently better performance. Rajasthan performed better on poverty rank than HDI and HPI ranks. Tamil Nadu and Maharashtra performed better on HDI rank than poverty and HPI ranks.

The factors contributing to human poverty are not a unique set for the entire country, and vary from state to state and even across regions. The poverty reduction measures are generally focus on livelihood development, employment generation, skill enhancement, rights advocacy, strengthening cooperatives and people's associations and accessibility of micro credit, etc.

Analysis shows that poverty reduction has been uneven between the states. There is no correlation with per capita income or other development indicators like per capita consumption, levels of industrial and infrastructural development etc. in urban areas during the 1990's (Planning Commission, 2001). Again, rapid economic growth has not led to a

corresponding decline in poverty. Urban poverty thus, emerges as a more complex phenomenon than rural poverty.

The urban poor faces more problems related with housing amenities, urban infrastructure, size of town or city, and vulnerabilities—housing, economic, social and personal. The urban poor are characterized by deprivation and misery while they are classified as core poor, intermedial poor, and transitional poor. Another study classified them as declining poor, coping poor and improving poor, with different degrees of poverty for three basic needs of survival, security and quality of life.

## **Government Initiatives**

The government policies on urban poverty have followed three paths:

- (i) Those that seek to enhance productive employment and income for the poor;
- (ii) Those that are directed towards improving the general health and welfare services;
- (iii) Those that focus on infrastructure and built environment of poor neighbourhood.

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.

## **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 general directions for housing programmes in the Third Plan (1961-66) were 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.

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 11<sup>th</sup> 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.



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 UI DSSMT 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 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.

The comparative matrix of UPA initiatives under JNNURM is shown in Chart-1. Most of the cities are trying their best to ensure the compliance of municipal reforms for empowering urban poor and improving the efficiency in governance as well as delivery of municipal services.

**Chart: 1**

**A Comparative Matrix of UPA Initiatives & JNNURM**

S. No.	City	Emphasis on Urban Poor
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1.	Ahmedabad	Whether the CDP has been Participatory with respect to the Urban Poor.	Indirectly represented by NGOs
		Emphasis	Separate chapter on Urban Poor and housing given
		Population/ Households	Slum population-9 lakhs <b>No. of Slum Households</b> -1.76 lakh-1/4 <sup>th</sup> population or AMC and 1/5 of AUDA
		Access to basic Services	Details given, deficient in terms of basic services. Zero Open defecation envisioned.
2.	Surat	Whether the CDP has been Participatory with respect to the Urban Poor.	Indirectly represented by NGOs
		Emphasis	Separate chapter on Housing and Slums. Map provided.
		Population/ Households	<b>Slum population</b> -5.69 lakhs <b>No. of Slums</b> -312 <b>No. of Slum Households</b> -93655 19% of total population.
		Access to basic Services	Discussed, given in table, 72% of households have private water taps and 35% have private toilets. City without Slums envisioned.
3.	Vadodara	Whether the CDP has been Participatory with respect to the Urban Poor.	Indirectly represented by NGOs who participated in an opinion poll ranking the basic services in order of priority. Special survey on the existing situation of the urban poor done by SEWA.
		Emphasis	Status well examined. Details provided. Separate section on 'Urban Poor' included in the CDP.
		Population/ Households	<b>No. of Slums</b> -336 <b>No. of Slum Households</b> -51439 20% of total population.
		Access to basic Services	80% have access to water 46% to drainage, 42% to toilets.190 slums identified for providing on site service.

4.	Rajkot	Whether the CDP has been Participatory with respect to the Urban Poor.	Indirectly represented in 4 group meetings by RMC.
		Emphasis	Status well presented and provided.
		Population/ Households	84 notified slums as per 2001 20% of RMC resides in slums
		Access to basic Services	10% has no access to water, 6% defecates in the open. Slum improvement dealt separately indicating projects to be undertaken with criteria of creating zero slum area and access to all.
5.	Visakapatnam	Whether the CDP has been Participatory with respect to the Urban Poor.	Represented in stakeholder consultations.
		Emphasis	Status presented elaborately.
		Population/ Households	<b>No. of Slums</b> -472 in GVMC 41% of total population as per 2005 data, 24% as per 2001.
		Access to basic Services	60% of slum area has drinking water, 25% has sewerage. Strategies to attain achievable goals formulated. City without slums envisioned by 2021
6.	Vijaywada	Whether the CDP has been Participatory with respect to the Urban Poor.	NA
		Emphasis	Well provided. Information of poverty reduction initiatives and schemes also discussed.
		Population/ Households	30% of slum population in municipal areas 52% in peripheral areas.
		Access to basic Services	20% of slums have water supply, 2% have sewerage and 75% have access to community toilets. Comprehensive plan for urban poor given.

7.	Raipur	Whether the CDP has been Participatory with respect to the Urban Poor.	Stakeholder consultations not taken. The CDP completely misses the views and opinions of the people.
		Emphasis	The section on urban poor provides only a list of the slums, Details not provided.
		Population/ Households	Not provided
		Access to basic Services	Not provided, Vision presented in a generalized manner. Specific details on strategies are not provided.
8.	Hyderabad	Whether the CDP has been Participatory with respect to the Urban Poor.	Broad based stakeholder consultations held. Indirectly represented.
		Emphasis	Separate chapter on Basic Services to Urban poor provided.
		Population/ Households	14% of population BPL, 39% lives in the slums.
		Access to basic Services	Details given. Basic infrastructure in slums-minimal and inadequate. Separate plan for urban poor envisioned.
9.	Kohima	Whether the CDP has been Participatory with respect to the Urban Poor.	The Urban Poor are secondary stakeholders. Indirectly represented by NGOs.
		Emphasis	Chapter 6 of the CDP gives a profile of the Urban Poor.
		Population/ Households	24% of the city identified as BPL, 26% lives in slums.
		Access to basic Services	9% benefited through anti-poverty programmes. 25% have individual toilets; access to PHED water supply is absent. Poor education levels.

10.	Chandigarh	Whether the CDP has been Participatory with respect to the Urban Poor.	NA
		Emphasis	Pg 80 has been dedicated to the basic services for urban poor Details have not been provided.
		Population/ Households	15% of population living in unauthorized or temporary
		Access to basic Services	100% access to water, sanitation, education, and health

Source: NIUA, New Delhi, November, 2006

## **Financial Assistance under Urban Poverty Alleviation Programmes**

With a view to provide gainful employment to the urban unemployed through encouraging the setting up of self employment ventures or 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 self themselves up 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. Funds released under the different poverty alleviation programmes are shown in Table 5.

**Table: 5**



## Central Release Under SJSRY, VAMBAY, NSDP, NSLRS

(Rs. Crores)

Year	SJSRY	VAMBAY (Allocation)	NSDP	NSLRS
1997-98	98.63	--	290.99	90.0
1998-99	158.47	--	351.63	5.90
1999-2000	118.77	--	384.96	70.0
2000-2001	85.13	--	247.34	60.92
2001-2002	38.31	69.0	282.40	9.20
2002-2003	100.92	256.85	333.44	40.95
2003-2004	100.74	238.50	335.08	21.41
2004-2005	122.01	280.58	613.77	13.56
2005-2006	155.88	249.00	--	--

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

There has been increasing trend in funds release except in case of National Scheme for Liberation and Rehabilitation of Scavengers. Funds allocation under SJSRY in the selected states are shown in Table 6.

**Table: 6**  
**Budget Allocation Under SJSRY In India**

(Rs. Lakh)

Year	Bihar	Jharkhand	Chhatisgarh	MP	Orissa	UP	Uttarakhad
1997-98	506.09	--	--	927.18	223.11	1181.03	--
1998-99	779.22	--	--	1511.77	360.44	1988.42	--
1999-2000	872.36	--	--	1692.17	403.63	2202.09	--
2000-01	606.30	422.69	202.10	1143.05	375.11	1956.43	102.97
2001-02	606.30	422.69	202.10	1143.05	375.11	1956.43	102.97

2002-03	427.02	236.41	213.37	813.93	330.94	1450.29	76.18
2003-04	425.38	235.88	212.31	818.32	329.69	1453.55	76.49
2004-05	468.09	278.58	156.02	753.15	322.65	1422.61	74.82
2005-06	681.66	405.67	227.16	1096.76	469.86	2071.43	109.14
2006-07	1173.65	698.46	391.11	1888.35	808.97	3566.49	187.91
<b>Total</b>	<b>6146.07</b>	<b>2700.38</b>	<b>1604.17</b>	<b>11787.73</b>	<b>3909.51</b>	<b>19248.77</b>	<b>730.48</b>

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

During 1997-98 to 2006-2007, largest fund were allocated in the states of Uttar Pradesh, Madhya Pradesh and Bihar. However, there are discrepancies in funds allocated and funds released to the states. In Uttar Pradesh higher funds were released as against also cited funds while Bihar received less amount of allocated funds (Table 7).

**Table: 7**  
**Year-wise Fund Released Under SJSRY**

Year	Bihar	Jharkhand	Chhatisgarh	MP	Orissa	UttaraKhand	U.P.
1997-98	350.84	155.25	--	927.18	223.11	--	1181.03
1998-99	540.18	239.04	--	1511.77	360.44	--	1988.42
1999-2000	283.29	125.34	--	1836.21	460.83	--	2344.02
2000-01	--	202.10	422.69	888.59	69.24	102.97	1340.78
2001-02	--	66.64	128.44	304.02	300.00	27.88	733.07
2002-03	--	--	236.41	683.93	381.48	16.33	1671.76
2003-04	425.38	--	229.65	818.32	--	46.27	1571.74
2004-05	468.09	--	119.31	931.49	48.91	160.31	2622.61
2005-06	681.66	--	405.67	1596.76	469.86	309.14	3071.43
2006-07	586.83	--	698.46	2388.35	808.97	93.96	4566.49

<b>Total</b>	<b>3436.27</b>	<b>788.37</b>	<b>2240.63</b>	<b>11886.62</b>	<b>3122.84</b>	<b>756.86</b>	<b>21091.35</b>
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Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India, New Delhi.

The financial progress of scheme is shown in Table 8. Expenditure as percentage of funds available was recorded highest in Uttar Pradesh (94.45 per cent) followed by Bihar (79.53 per cent), Orissa (78.15 per cent) and Madhya Pradesh (77.80 per cent).

**Table: 8**  
**Financial Progress Under SJSRY**  
**(From 1997-98 till Now)**

(Rs. Lakh)

<b>State</b>	<b>Funds Released</b>	<b>Funds Available</b>	<b>Expenditure</b>
Bihar	4260.58	7346.31	5842.77 (79.53)
Chhatisgarh	3356.00	3356.00	2012.09 (59.96)
Jharkhand	886.71	2311.18	0.00
Madhya Pradesh	18968.99	22022.94	17134.46 (77.80)
Orissa	4592.30	5708.64	4461.57 (78.15)
Uttarakhand	1184.43	1184.43	623.40 (52.63)
Uttar Pradesh	29871.01	37634.44	35547.50 (94.45)
<b>Total</b>	<b>59285.72</b>	<b>25763.94</b>	<b>61606.79</b>

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

## Physical Percentage of UPA Programmes

Physical progress under SJSRY is shown in Table 9. Number of beneficiaries assisted under USEP was recorded high in Uttar Pradesh and Madhya Pradesh while number of women beneficiaries under DWCUA groups were reported high in Bihar as compared to other states. A large number of persons were given training under USEP in Madhya Pradesh and Orissa while employment was created high in Uttar Pradesh as compared to other states.

**Table: 9**  
**Physical Progress Under SJSRY**

Particulars / States	Bihar	Jharkhand	Chhatisgarh	MP	Orissa	Uttarakhad	U.P.
No. of beneficiaries assisted under USEP	15429	NA	13166	10777	27997	812	149394
No. of DWCUA groups formed	2250	NA	421	4037	1855	2	3434
No. of women beneficiaries under DWCUA groups	19245	NA	1362	11614	13317	20	10148
No. of persons trained under USEP	4860	NA	16094	148232	22408	1414	150562
No. of thrift and credit societies formed	0	NA	4907	15867	2297	23	8472
No. of mandays of work generated under UWEP (in lakh)	56.30	NA	5.32	32.10	24.11	0.07	79.96
No. of beneficiaries covered under	12.02	NA	5.61	30.30	9.40	56.23	

community structure (in lakh)							
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Source: Ministry of Housing & Urban Poverty Alleviation, Govt. of India, New Delhi.

Similarly, a large number of beneficiaries were covered under community structure in UP as against other states. Physical targets for 2007-2008 under SJSRY are shown in Table 10. The physical targets to set up micro enterprises have been at the higher level in Bihar and Orissa while targets for providing training are higher in Uttar Pradesh.

**Table: 10**  
**Physical Targets For 2007-2008 Under SJSRY**

State	No. of beneficiaries assisted for setting up of micro enterprises	No. of beneficiaries provided skill training
Bihar	4767	5958
Jharkhand	2884	3605
Chhatisgarh	1870	2338
Madhya Pradesh	12136	15170
Orissa	4276	5345
Uttarakhand	1364	1705
Uttar Pradesh	17679	22098
<b>Total</b>	<b>44976</b>	<b>56219</b>

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

Under the VAMBAY Scheme targeted to construct 411478 dwelling units and 64247 community toilets during 2001-02 to 2005-2006. Similarly, under the NSDP, Rs. 3089.62 crores was released for development of urban slums. The scheme aimed at upgradation of urban slums by providing physical amenities like water supply, storm water drains,

community bath, widening and paving of existing lanes, sewers, community latrines, street lights etc. Besides, the funds under the scheme can be used for provision of community infrastructure and social amenities like pre-school education, non-formal education, adult education, maternity, child health and primary health care including immunization. Besides, DFID assisted projects in Andhra Pradesh and West Bengal aimed at development of physical infrastructure and provision of civic amenities as well as community development and provision of social, economic and education inputs which assisted in raising the standard of living of slum dwellers. Andhra Pradesh Urban Services for poor project intended to bring about more effective urban poverty reduction through the convergence and developing existing poverty alleviation schemes in three programme areas viz. economic, environmental and social. Kolkata Urban Services for the poor programme aims at improving urban planning and governance, access to basic services for the poor and providing economic growth in Kolkata Metropolitan Areas. APUSP and KUSP are in implementation stage and likely to be completed in 2008 and 2001, respectively.

## **Limitations in UPA Programmes**

Viewed from the conceptual framework, one finds that the thrust of the programmes in India has been to reach the urban poor through strategies that are related to employment, urban services and shelter. The impact of these programmes and strategies on the incidence of urban poverty has not been encouraging. The limitations of programmes are (Sen, 2000):

- (i) Inadequate financial resources to ULB's for poverty alleviation in proportion to the magnitude of the problem;
- (ii) Lack of guarantee to get institutional finance;
- (iii) Lack effective coordination among implementing agencies;
- (iv) Lack of a coherent policy framework;

- (v) Failure to build partnership with ill-equipped municipal bodies;
- (vi) Political interference;
- (vii) Poor loan recovery.

### **Bottlenecks Encountered in the Implementation of SJSRY:**

During the course of implementation of the Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY), several bottlenecks were observed for effective implementation of the Scheme. Some of the major hindrances, as manifested by the implementing agencies are as under :

Project ceiling of Rs. 50000/- for individual projects is too less.

There are educational qualification limit criteria for beneficiaries under Urban Self Employment Programme (USEP).

The minimum number of women for the DWCUA Groups is not justified.

The funding pattern of 75:25 is difficult to provide the matching State share.

There is no scope for the innovative/special projects under the Scheme guidelines.

There is no provision for financial support for Self-Help Group formation activities.

There is no regular dedicated cadre of functionaries for the implementation of the Scheme. Most of the officials are on contract basis or on deputation from other departments and therefore there is no motivation/incentive for better performance.

The ceiling on per capita skill training cost is too low to cover the modern and efficient training in modern upcoming trades like computers etc.

The budget allocation for the Scheme is too low. Keeping in view the ceilings fixed for the A&OE/IEC expenditure as percentage of allocation, the situation becomes more alarming.

Authentic data regarding BPL population is not available. Updated BPL survey has not been done in many States/UT.

Lack of cooperation from banks is a major impediment in the Self-employment programme.

The awareness about the Scheme in masses is lacking.

Sensitization of functionaries, bankers, NGOs towards the problems of urban poor is lacking.

Lack of clarity in the Guidelines regarding expenditure on community empowerment activities is awesome.

There is lack of proper marketing support for the products of the enterprises set up under the Scheme.

## **Future Strategies for Poverty Reduction**

Global and national structures for poverty reduction should provide a framework for local strategies to escape cycles of low incomes from work and social exclusion International Labour Organization (2003) has developed policy instruments in the following areas:

- (i) Training and skill development;
- (ii) Investing in jobs and the community;
- (iii) Micro and small enterprises;
- (iv) Micro-finance;
- (v) Cooperatives;
- (vi) Social security;
- (vii) Hazards at work;
- (viii) Eliminating child labour;



(ix) Overcoming discrimination.

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 (ILO, 2003). 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.

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