

Mid-Term Evaluation Report

GOI-UNDP Project 'National Strategy for Urban Poor' India

April 2007

National Strategy for the Urban Poor

N.C. Saxena

Contents

| | | |
|----------|--|-----------|
| 1 | Summary and recommendations | 3 |
| 1.1 | <i>Relevance, efficacy & capacity building</i> | 9 |
| 2 | UNDP Project – Introduction | 12 |
| 3 | Project outputs so far | 13 |
| 4 | Some dimensions of urban poverty | 15 |
| 4.1 | <i>Growth of urban population</i> | 15 |
| 4.2 | <i>Poverty</i> | 16 |
| 4.2.1 | Urban vs rural poverty | 18 |
| 4.3 | <i>Does research lead to improving outcomes for the poor?</i> | 20 |
| 5 | Lessons for the remaining period of the project – cross-sectoral | 22 |
| 5.1 | <i>Examine Governmental interventions in the past</i> | 22 |
| 5.2 | <i>Examine budget utilisation</i> | 23 |
| 5.3 | <i>Strengthen monitoring systems</i> | 25 |
| 5.4 | <i>Keep an eye on the implementation of CDPs/DPRs</i> | 27 |
| 5.5 | <i>Build institutional capacity for better implementation of JNNURM</i> | 29 |
| 6 | Lessons for the remaining period of the project – sectoral issues | 31 |
| 6.1 | <i>Housing for the urban poor</i> | 31 |
| 6.1.1 | Previous efforts | 33 |
| 6.1.2 | What needs to be done? | 35 |
| 6.1.3 | Promote rental | 36 |
| 6.1.4 | The draft Urban Land Tenure Policy | 37 |
| 6.2 | <i>Vendors</i> | 39 |
| 6.2.1 | Legalise Street Vending | 40 |
| 6.3 | <i>SJSRY & Livelihoods</i> | 43 |
| 6.4 | <i>Health</i> | 45 |
| 6.5 | <i>Drinking Water</i> | 47 |
| 6.6 | <i>Sanitation</i> | 49 |
| 6.6.1 | Securing people's participation - Sanitation in Mumbai | 51 |
| 7 | NCR Component | 52 |
| 8 | Suggested action points | 56 |
| 8.1 | <i>Overall</i> | 56 |
| 8.2 | <i>Cross-sectoral issues</i> | 56 |
| 8.3 | <i>Sectoral</i> | 57 |
| 9 | Annexure: Draft Terms of Reference | 59 |

1 Summary and recommendations

The Ministry of Housing & Urban Poverty Alleviation, which is a new Ministry carved out of the former Ministry of Urban Development, is since November 2003 implementing a 5 million \$ UNDP project known as 'National Strategy for Urban Poor'. The objective of the project is to support adoption of a new national strategy for urban poverty reduction at the Centre and States based on informed debates, research findings, and pro-poor institutional reforms. The project is intended to encourage discussions on the causes and potential responses to urban poverty leading to formulation of a national strategy on urban poverty based on a participatory process, and the wealth of local and international experience. The project has two distinct but mutually reinforcing components – an All India (National component) and a specific Delhi (National Capital Region – NCR) component.

To the extent that within two years of the project, GOI launched JNNURM in December 2005 with a seven year budget of Rs 50,000 crores can be taken as the best conceivable outcome from the UNDP project. This paper reviews the ongoing/planned project activities in light of the JNNURM priorities and suggests how to bring further convergence between the project objectives and activities with the JNNURM at the Centre/State levels.

There are six key intended project outcomes. The progress achieved so far on each of them as well as recommendations are described below.

Project Outcome 1: Enhanced understanding on trends and directions of urban poverty in India.

A National Urban Poverty Report is being prepared to identify in a rigorous manner, the key issues in urban poverty/livelihoods. A high-level Steering Group has been set up under the Chairpersonship of Secretary, MUE&PA. The selection of topics has been decided. The lead writers have been identified. Also, the Jawaharlal Nehru University and the Institute of Economic Growth have been co-opted to provide policy research support, and to assist in preparation of sound programmes under the flagship National Urban Renewal Mission. A National Core Group on Urban Poverty has been formed in January 2007 headed by the Minister. Two meetings have already been held on the 1st and 22nd February.

Recommendations - One of the most important findings from the papers produced under the project is that the intensity of urban deprivation is not adequately captured by the monthly expenditure of the poor, but by the lack of basic amenities, such as deplorable shelter conditions, constant battle with the police and municipal authorities who treat them as ruffians and criminals, the lack of sanitation and health services, and denial of basic services because their very existence in the city is considered illegitimate. The Ministry should therefore request the Planning Commission to change the way urban poverty is measured by taking into account their living conditions and deprivations too. Both household expenditure and access to civic services could be given equal weight in determining the number of urban poor.

Project Outcome 2: An all India network on urban poor livelihoods established to support wider stakeholder dialogue and exchange of information within India and with other countries.

The Yashwantrao Chavan Academy of Development Administration, Pune, and the Regional Centre for Urban and Environmental Studies at the All India Institute of Local Self Government have been contracted to document the experience and innovations in management of all programmes in the country dealing with urban poverty and livelihoods. These institutions have in-turn established partnership with State level and City level institutions, including organizations representing the interest of the urban poor. This exercise will support very wide stakeholder consultations within India and with other countries on pro-poor public policy framework.

Recommendations - Such consultations would lead to successful policy advocacy if these also examine why the schemes meant for the urban poor could not benefit them in the past, and in what manner weaknesses in the design of existing programmes, budget flows and institutional capacity have held back the intended benefits. Governments respond when their specific role is critically evaluated, and failures in delivery highlighted, leading to concrete and feasible proposal for reforms. Mere listing of the people's miseries does not unfortunately move governments and municipalities.

The UNDP project should now concentrate on ensuring that the budgets released by JNNURM to the Municipalities is fully utilized and effectively spent for the poor. The cells that are being created (this process has already been quite delayed) should be manned by competent personnel who could assess the failings of the Municipalities and suggest how they could overcome the bottlenecks. The cells must also be independent of the Municipalities otherwise it would be difficult for the cells to play the role of a critic.

Such cells at the city level may not be effective as these will never be able to do independent monitoring of the JNNURM components and point out the flaws in implementation. Therefore these cells should only be at the GOI and state level, to look after M&E functions for the JNNURM projects. The terms of contract for working in the cells should be lucrative enough to attract professional experts and senior IAS officers. Just filling the posts with young professionals with no experience of implementing government programmes will not help as these people will lack credibility with the municipalities.

Project Outcome 3: Innovative and promising livelihoods initiative of urban poor communities broadened and deepened across the country.

The Entrepreneurship Development Institute of India (EDI) which is a co-partner in the Kerala's path breaking Kudumbashree Programme on pro-poor livelihoods promotion, has been contracted to develop a strategy to strengthen the existing Government of India's programmes on livelihoods promotion. Implementation of the strategy developed will be supported initially under the project.

An innovation fund called 'Transforming Urban Livelihoods and Living Conditions' (TULCI) has been launched. This will inter alia, support: development of pro-poor city development strategies; community-based livelihoods promotion activities, and innovative approaches in public-private-community partnership.

Recommendations – Urban livelihoods of the poor are subject to a great deal of harassment by the municipal and police authorities. Despite the Supreme Court’s rulings, street vendors conduct their business amidst insecurity. Private cars parked on public roads and crowded markets do not attract the ire of municipal authorities, but vendors are considered a nuisance. Whenever eviction drives are conducted their wares are confiscated or even destroyed. Section 34 of the Police Act empowers the police to remove any obstructions on the streets. Even licensed street vendors can be evicted under this law. Often the street vendors organize themselves into unions or local associations who negotiate with the local authorities for occupying public space. This invariably means offering rents (bribes) to the authorities for warding off eviction drives or forewarning them of impending drives. In some cases local musclemen, more often than not with the backing of local political leaders, collect protection fees through threats.

A National Policy on Urban Street Vendors has now been evolved recommending direct relationship of the vendors with the Urban Local Bodies for payment of fees and other dues with immediate discontinuance of the practice of farming out of Tehbazari (fee) to contractors and other intermediaries. Instead of licences, there should be a simple registration of street vendors by the ward committees who will provide them identity cards. The registration fees could be paid at the designated banks directly by the vendors. The identity cards specifying the authorized place of vending should be issued to all street vendors to enable them to carry on their profession and earn a decent livelihood. The evictions should be avoided but where relocation of street vendors is necessary, a minimum notice of 30 days should be served to them. Ministry is requested to adopt and implement this policy.

Project Outcome 4: Capacity building for a national strategy and urban poverty reduction

Documentation of experiences and innovations in various States are being utilised to build the capacity of policy makers, programme implementers, etc. The network of apex level institutions being created will hopefully expand the capacity in the country for policy planning and programmes.

Recommendations - Urban poverty reduction would need a drastic revision in the present SJSRY, as well as improvement in the living conditions of the poor. The project should therefore concentrate on these issues now. The wage employment component of SJSRY has been used by the city governments for general municipal works, and thus has created no additionality of employment. In any case unskilled wage employment seems to be less of a problem for the urban poor than the terms at which it is provided by the contractors. The limited administrative capability at the city level would be better utilised if urban contractors are asked to observe laws relating to migrant labour and provide for temporary sheds under law for the labour they hire, and such conditionalities are properly enforced.

Creating more unskilled employment without any improvement in living conditions may further aggravate the inhuman conditions in which the urban poor live. Hence the wage component in SJSRY meant for unskilled work should be dropped in the XI Plan.

As regards the self-employment component, it should be recognised that many small entrepreneurs in the country are facing genuine problems, such as lack of markets and

infrastructure, and lack of repeated contacts with the banks, which are not being addressed by SJSRY. It is based on the simplistic assumption that subsidised credit will help in creating new entrepreneurship and augmenting incomes. However the high cost of appraising, monitoring and enforcing small loan agreements deters the banks from extending credit, and therefore the overall coverage of the scheme is still limited.

The poor would prefer to be wage employed on a regular basis at a decent salary after improving their skills, rather than face the ignominies of humiliation from the insensitive police and municipal officials when they are self-employed. Hence SJSRY should focus more on skill upgradation than on self employment. Skill development has to be correlated to the demands of the industry and service sector in and around the city.

Recommendations on housing - As regards living conditions, highest priority should be given to housing. There should be careful earmarking of sites for urban poor migrants close to potential work-sites, and land allotted to homeless migrants by a process free from bureaucratic tangles. In line with efficient and optimum use of land, a minimum threshold for FSI rather than a maximum cap is a desirable objective. Contractors should be responsible for providing affordable shelter and basic amenities to the workers engaged by them. As owning a house is not always a realistic option for the poorest, rental schemes should be promoted.

At present the guidelines of the Ministry have listed 'earmarking of at least 20-25 per cent developed land in housing projects for economically weaker sections and low income groups with a system of cross-subsidisation' in the category of optional reforms. Whereas the Ministry is requested to put such a condition in the list of mandatory reforms, the UNDP project should carefully document how many new houses are actually coming up in the cities to be used by the poor.

The concept note for this project prepared by UNDP states, 'it is commonly believed that 95% of legal urban space is used and kept for the benefit of the 5% most privileged of city dwellers. For how long will the deprived 95% remain content with the worst 5% remainder?' Advocacy to improve share of the poor would demand time-studies for each city so that one documents with certainty whether land reserved for the poor is increasing or declining over the years. Data on these lines would build pressure on the city governments and would improve their performance. Other suggestions are:

- Reserve at least 30% of all new housing space for the poor.
- Make it compulsory by law for all housing schemes in which more than 20 dwelling units are being constructed, whether for higher or middle income groups, to construct a certain percentage (say 30% of the total number) of affordable houses of 25-30 sq m for the poor as part of the scheme
- Make it compulsory by law for all advertisements on housing, whether from builders or government organisations, to specifically mention in what manner the poor would benefit from the housing scheme.
- A law should be passed making it incumbent for the contractors to pay for space for the labourers in the night shelter before their tenders are considered.

- Interest subsidy on bank loans for the poor should be introduced. It is ironical that the rich get income tax rebate on housing loans, but the poor get no such benefit from government.
- The poorest such as beggars and daily wage earners cannot afford even houses on a rental scheme. For them the scheme of night shelters should be revived as a centrally sponsored scheme.

Project Outcome 5 & 6:

(v) A comprehensive review and capacity (institutional and civil society) analysis of urban poor livelihoods in NCR; particularly relating to the living, working and social security concerns of the poor in the urban informal sector.

(vi) Targeted support to community associations and NGOs active in the NCR of Delhi to promote urban poor concerns and to address multiple vulnerabilities of urban population

Community-based pilots aimed at improving livelihoods and living conditions have been launched in 6 pilot sites in Delhi in partnership with 21 NGOs and the Delhi Government. 2000 poor families have been identified in each of the 6 pilot areas and convergent support to promote livelihoods and living conditions has been taken up. This pilot will in a sense explore as to how the 'ward level' initiatives in poverty alleviation and livelihoods promotion can be managed. The National Institute of Urban Affairs (NIUA) has been assigned the task of monitoring the project.

The focus of the NCR project seems to be on delivery rather than on generating evidence that would put pressure on the Delhi government to improve their performance. Thus the first part of the desired outcome (listed above) of doing a comprehensive analysis of the livelihood conditions of the poor in Delhi was not attempted. The original objective was to promote policy dialogue, but actually NGOs did only 'service delivery' activities. These remained stand-alone projects for delivery with no links to improving the performance of government, or to improve policy framework.

The NGOs involved in the NCR component were extremely critical of the way project has been designed and handled. The choice of sites was forced upon them, often the sites decided by the Social Welfare Department were new to them. They would have preferred to work in those areas where they were working in the past, so that the time taken to establish rapport and mobilise people would have been less. The total time given to them was a little more than a year (counting from the release of the first instalment up to the end of March 2007), release of funds to them was uncertain and delayed, there was no coordination with the Dept of Social Welfare, and the problems that they pointed out were not given any attention by the Delhi government.

The present Director Social Welfare, Government of Delhi, who has already been on this job for the last six months was not aware of the activities of the 21 NGOs, or even of their existence. Her understanding was that the project has still not begun, and will come into existence after the proposed cell (see below) is set up. She appeared very confused when I told her that the NGO activity in the six slum areas was almost over, and the project was now coming to an end. She also felt that her Department was not the right choice to deal with the problem of urban poverty, as Social Welfare's main focus was on

programmes for women and children (ICDS), to provide safety nets to the disabled & widows in the form of pensions, and to help in the running of Protection Homes. She wondered how her Department could solve the problems of housing, solid waste management, sanitation, etc where the NGOs have sought help from the state government. She felt that the project should have been handled better by the Department of Urban Development in the Delhi Government.

Delhi Government is notorious for still having many anti-poor rules and laws on its statutes. It has issued orders that ration cards will not be issued to a person who does not have an address, thus depriving all pavement dwellers of an essential service to which all citizens are entitled. In fact, being the poorest they deserve Antyodaya cards. There are similar harassing laws in respect of urban property and land too (see section 7). Unfortunately none of the NGOs looked at these anti-poor laws, thus missing out on a great opportunity to do legal advocacy for the poor.

Recommendations - The NGOs should have critically examined the framework and implementation of all policies of the state government that impinge on their lives, especially the following:

- Has Delhi government taken into account the concerns of the poor while framing its Master Plan? The Master Plan process requires a thorough overhaul, as they reserve abundant land for the rich, but leave little for housing for the poor and their trades.
- The Delhi Small Industries Corporation has been entrusted with the task of constructing houses for the poor. Of the total needs of the poor, what percentage of houses would thus be constructed? Who is occupying them? Are these on rent or self-occupied?
- Why was the night shelter scheme not vigorously pursued by the state government? What budget is available for this scheme now, and why that budget cannot be enhanced substantially?
- What changes have taken place in the state government's policy towards vendors and hawkers in the last five years? Are they getting due justice as suggested in the draft national policy?
- What is the density of primary health care centres in the slum and resettlement areas? Why have the homeless and people in the non-notified slums been denied of ration cards? How much budget is spent on schools in these areas per child as compared to municipal schools in the better-off areas?
- Manual scavenging still continues in some parts of Delhi. Is anything being done for its total elimination?
- How has the budget meant for the poor been spent in the past? Were outcomes being monitored? Can we suggest a better system for tracking of funds with transparency?
- How do the policy makers plan to improve the living conditions of the poor in the next five years? Are those plans realistic? Were similar targets in the past achieved? Whose responsibility is to ensure these targets?

Policy Cell - A sum of Rs one crore has been earmarked for the establishment of an 'Urban poverty and livelihoods cell' in the Department of Social Welfare. Applications were invited from eligible organisations to establish and operate this cell for a period of 15 months, or up to 31 December 2007 (whichever is earlier) on a FULL-TIME basis. However, as no decision has been taken so far, less than ten months are left for such a cell. Since the nature of the cell is policy research oriented that will require collecting data from the field, obviously the cell's existence for only ten months will serve no purpose. It can at best re-package information which is already available. The period should have been at least three to four years for the cell to be effective. Even if more time was available today, I wonder if the Department of Social Welfare was the right department to locate the cell, as it has no responsibility to prepare plans and implement components of the JNNURM. I will strongly advise UNDP and the Ministry not to set up such a cell.

1.1 Relevance, efficacy & capacity building

Some other specific issues about the project are discussed below.

Relevance – The project is highly relevant as poverty is increasingly becoming urban and almost half of the poor people would be living in the cities within two decades.

Efficacy of the project strategy – The strategy however needs a radical change. The project should concentrate on quantifying outcomes in the critical sectors, such as housing and livelihoods, so that GOI could periodically review and take corrective action. The plethora of literature produced under the project has not evaluated the past schemes such as NSDP and Vambay, for amelioration of urban poverty, or state-wise expenditures, or their institutional capacity to utilise the budget efficiently. For instance, why did the states not send adequate number of proposals for the Night Shelter Scheme, the only option for the poorest, such as pavement dwellers and beggars, which then had to be wound up?

Similarly the project should now study in detail why the Ministry has to surrender funds year after year, and why states are not able to make full use of the funds provided by the Centre. In particular, it should study if the change in the nature of the scheme from ACA to CSS will help in quick disbursement of funds.

In the absence of quality control and rigorous monitoring it is feared that the tall promises made in the DPRs might remain only on paper. For instance, a chart should be prepared depicting how the percentage of homeless without ration cards has changed over time in each city. How much time do the poor have to waste before their legitimate grievances such as pipes going dry or non-availability of ration cards are addressed?

Efficiency – The pace of implementation has been slow. Financial approvals and releases have often been delayed. The average time taken for release of the first instalment to the NGOs in the NCR project was exceptionally long, thus reducing the time available for implementation. Most of the approvals and reviews can be done online in the system, therefore reducing the current process of paper based approvals.

Knowledge Management – The city profiles being prepared by Yashada should capture the present situation of basic services for the urban poor, including health, water and sanitation, and then there should be city-wise repeated studies so that one knows what has

been the performance of the city governments in fulfilling their promises made in the DPRs for which they receive grants under JNNURM. Leveraging with international experience is yet to be firmly grounded.

One way to improve the effectiveness of the project is to have an appropriate dissemination strategy for its research findings. Firstly, the researchers should be free to publish their papers without taking any clearance from the project authorities. Secondly, in addition to publication, policy workshops should be organised, specially inviting such people in government who command credibility within the government system. Thirdly, UNDP should have a long term policy of encouraging such organisations that have potential and have credibility. UNDP should consider building capacity both inside and outside government – many government organisations have a lot of potential if properly harnessed. Other donors like ADB and DFID are funding urban programmes, but their coordination with UNDP project needs improvement.

Building institutional capacity - The main output in the UNDP project so far has been academic papers about the nature and extent of urban poverty, and their problems with administration. However, such research can now easily be funded out of JNNURM funds, UNDP funds should therefore be for such components that are not easily supported by government funds. The present capacity of the Ministry to monitor the progress of JNNURM needs to be augmented. The cells that are being set up in the various offices should be manned by such senior people whose voice and advice would carry weight with the cities. Just filling the posts with young professionals with no experience of implementing government programmes will not help as these people will lack credibility with the municipalities. The terms of contract for working in the cells should be lucrative enough to attract professional experts and senior IAS officers.

Policy research now should be geared to answer specific questions: why the previous schemes did not change the situation, and in what manner the present schemes will affect the change, how municipal services are reaching the poor, what part of the budget is actually been spent on the poor, etc. For instance, the city profiles being prepared by Yashada should give information on the number of shelterless people, is this number increasing or declining over the years, how do they earn their livelihoods, what are their problems with government departments, and whose responsibility is to see that their conditions improve. What is the present status of hawkers and vendors, has their harassment by the authorities been controlled?

Based on these papers, the National Project Cell established at Yashada should be able to do city-wise analysis on certain key outcomes. In fact, it could develop templates, which could be used by the Ministry to write to the states and Mayors every quarter, highlighting where the individual city is failing to deliver. Only intense monitoring will change the lethargy that engulfs municipal administration.

Summing up

UNDP needs to be complimented for prioritizing urban poverty in its activity profile, as the absolute number of urban poor in India has gone up from 67 to 80 million during 1983-2004, and their share in the total number of poor has sharply increased from 21% in 1983 to 26% in 2004-05. The Ninth Plan Appraisal by the Planning Commission sums up their misfortune as: 'Whereas the rural poor suffer from lack of disposal incomes, the

urban poor in addition are characterized by extremely poor living conditions – in slums, on public lands, or often on the road itself. They are generally first or second generation migrants with no security of jobs or housing, and are subject to police and municipal brutalities. They are in occupations where health and safety provisions either do not exist or are widely flouted, such as hawking or rickshaw pulling (or under contractors who are violating labour and factory laws), and therefore become dehumanised and criminalised by the very processes of survival.’

The poor contribute to the globalizing economy of the cities as much as the non-poor. But the poor do so without receiving the due economic or other civic facilities or services at par with the non-poor. The project has done very well by highlighting this particular dimension of the problem, and has produced a great deal of information on the deprivation of the urban poor, leading almost to their dehumanisation. UNDP must continue its interest in their concerns, otherwise the city municipalities would remain engulfed in their obsession with shopping malls, five star hotels, and housing for the elite, conveniently forgetting the existence of the neglected poor.

The project’s tenure therefore should be extended by at least a year (more if possible) so that the suggestions given in this note can be initiated by the various institutions created under the project. It is also suggested that UNDP should continue its association with the urban poor during the next Programme Cycle (2008-12) too, and preparation for the new programme should start right now on the lines suggested in this note. The momentum gained in the project will be lost and its impact on the activities of JNNURM will not be sustained, if no successor project is formulated.

However, the NCR component has not functioned well, despite having selected the best and most competent NGOs, and need not be continued beyond the current financial year.

To sum up, the project should increasingly aim to supplement the Ministry’s endeavour to provide basic services to the urban poor in the select cities so to bring convergence between the project objectives with the JNNURM activities at all levels, by close and critical supervision and monitoring of the activities of the city municipalities.

2 UNDP Project – Introduction

The Ministry of Housing & Urban Poverty Alleviation, in collaboration with the United Nations Development Programme (UNDP), is implementing a 5 million \$ project ‘National Strategy for Urban Poor (NSUP)’ since November 2003. The objective of the project is to support **adoption of a new national strategy for urban poverty reduction** at the Centre and States based on informed debates, research findings, and pro-poor institutional reforms. To the extent that within two years of the project, GOI came up a new initiative and launched a Jawahar Lal Nehru National Urban Renewal Mission¹ (JNNURM) in December 2005 with a seven year budget of Rs 50,000 crores can be taken as the best conceivable outcome from the UNDP project. Thus much before finalisation of the formal recommendations of the project, GOI announced the two Sub Missions on ‘Basic Services to Urban Poor’ and ‘Integrated Housing and Slum Development (IHSDP)’ with an initial outlay of about Rs 1800 crores annually. These are directly targeted to address the various deprivations faced by the urban poor and identified by the project, especially lack of housing, livelihoods, health, water and sanitation, and other basic services.

The purpose of this paper, as defined in the TOR, is ‘to review all ongoing/planned project activities in light of the JNNURM priorities and to see how to bring convergence between the project objectives and activities with the JNNURM at the Centre/State levels.’ It was stressed by both the UNDP and Project Director that the focus of the report should be to describe in what way the project can help in the implementation of the new government programme JNNURM.

Further, keeping in view the slow progress of implementation, this note also reviews the sectoral issues such as housing and livelihoods faced by the urban poor, and suggests in what manner the project in future can generate outputs that would improve both the policy environment and its implementation. It does not comment on the individual outputs of the projects (except NCR), as there are too many papers produced under the project and many of them are still not available or not final. On the other hand, it concentrates on the critical issues from the view point of the urban poor, and suggests how the project (and its successor) should reorient itself so as to be more relevant to the aims of JNNURM.

The project has two distinct but mutually reinforcing components – an All India (National component) and a specific Delhi (National Capital Region – NCR) component. There are six key intended project outcomes, as follows.

(i) An enhanced capacity at national level for the analysis of urban poor livelihood issues in an integrated manner, and for the planning, formulation and monitoring of sympathetic policies, strategies and programmes to deal with them. This would be situated in a knowledge-based National Resource Centre on Urban Poverty and Sustainable Livelihoods, established as a focal point of expertise in Government, and include a Register of Innovations.

¹ The overall target is for JNNURM to take care of 1 million poor families in seven years.

(ii) An all-India network on urban poor livelihoods, which will serve as a forum for dialogue and support between community and NGO activists, elected representatives and municipal and Ministry officials, as well as provide and exchange information experiences and practices with similar networks in other countries.

(iii) Technical and financial support for innovative and promising livelihood initiatives already started by urban poor communities and their supporters, to be able to broaden and deepen them more systematically across the country.

(iv) Action-based research that will inform and improve the policy framework, both at the Centre and State levels, especially as these have a direct bearing on urban-poor livelihoods and living conditions;.

NCR Component

(v) A comprehensive review and capacity (institutional and civil society) analysis of urban poor livelihoods in NCR; particularly relating to the living, working and social security concerns of the poor in the urban informal sector.

(vi) Targeted support to 20 community associations and NGOs active in the NCR of Delhi in promoting urban poor concerns and grounding interventions to address multiple vulnerabilities of urban population.

The findings and recommendations on the first four outcomes are discussed in sections 3 to 6, whereas section 7 summarises discussion on outcomes 5 and 6.

3 Project outputs so far

Since its commencement in November 2003, the project has succeeded in establishing a network of institutions engaged in poverty reduction initiatives. These institutions are carrying out activities that fall in three broad areas as follows:

- Policy research inputs to formulate National Strategy for the Urban Poor.
- Action research inputs such as validation of best practices and innovative initiatives on urban poverty and livelihoods to seek alternative approaches and solutions.
- Drawing policy lessons based on community level pilots in six thematic areas through support to 21 NGOs in Delhi with a focus on human poverty and formulation of location specific action plans.

A National Human Development Report on Urban Poverty is under preparation to provide broader understanding on multiple dimensions of urban poverty as these affect the livelihoods and low-income urban population. The report is being authored by renowned practitioners and policy makers in the field of urban poverty and human development based upon their insights at an All India level.

With support from teams of senior professors of the Jawaharlal Nehru University and the Institute of Economic Growth, 13 policy papers covering urbanization, migration, gender, livelihoods, healthcare and basic services to enhance common understanding of these issues and their linkages have been instituted.

In partnership with Yeshwantrao Chavan Academy of Development Administration and All India Institute of Local Self Government, a National Resource Centre on Urban Poverty has been set up to work as an information centre for all urban poverty related issues at ULB/State/National levels. NRC will prepare Urban Poverty and livelihood profiles covering some representative States and cities. A web portal is ready for launch to support wider stakeholder dialogue and exchange of information within India and other countries. Newsletters and special issues on some of the thematic and sectoral areas are being regularly published. A register of innovations in urban poverty and training modules has been developed. Pilot GIS systems have been developed for monitoring of select urban poverty parameters. A Mayors' Conference and regional workshop on land tenure have been held.

Gujarat Mahila Housing SEWA Trust has completed documentation on best practices in slum development through four city level case studies.

An entrepreneurship development strategy is being formulated in partnership with the Entrepreneurship Development Institute of India. Reduction Strategies (UPRS) for 12 cities by the National Institute of Urban Affairs has been commenced.

The National Institute of Urban Affairs (NIUA), New Delhi has been associated as the implementing agency for community based six pilot projects, which are aimed at improving livelihoods and living conditions at six sites in NCT of Delhi in partnership with 21 NGOs and the NCT of Delhi Government.

High national ownership - The UNDP Project has now been converged to provide support in policy planning for urban poverty and in the effective implementation of the JNNURM. It has led to significant national ownership, particularly reflected through setting a National Resource Centre in the Ministry. The Centre's role is to oversee and coordinate various research and implementation-based initiatives conducted through partner agencies, and use these inputs in the formulation of a national strategy for the urban poor. A National Core Group on Urban Poverty has been formed recently in January 2007 headed by the Minister. Two meetings have already been held on the 1st and 22nd February.

Similarly, an Urban Poverty Cell is being set up in the Department of Social Welfare, Govt. of NCTD to coordinate and act as a nodal agency for all NCR poverty alleviation programmes. However, only eight months are left and therefore the usefulness of the cell is doubtful (more on this later in section 7).

The project should see the JNNURM as a tremendous opportunity to implement and test innovative urban poverty interventions, particularly complementary last-mile interventions that create local capacity and generate livelihoods. As JNNURM covers a breadth of cities that vary in terms of size, density and environment, the project should thoroughly analyze, assess and synergize its efforts with other government schemes and policies such as SJSRY, National Housing and Habitat Policy, Urban Street Vendors Policy, and planned future legislation pertaining to social security in the informal sector, so as to improve effectiveness of intervention through JNNURM.

4 Some dimensions of urban poverty

A very large number of research documents have been produced under this project², written by reputed academics. Their data and arguments are reflected in almost every section of this paper. Policy makers may not have time to go through all of them, though they contain valuable information about the plight of the urban poor; their number, nature of their deprivation, and how their problems are different from the rural poor. We begin with a discussion on these issues, which would be useful for policy formulation, as well as for advocacy by the GOI in dealing with city governments.

One of the most important findings from these papers is that the intensity of urban deprivation is captured not by the monthly expenditure of the poor or their consumption, but by the lack of basic amenities, such as deplorable shelter conditions, constant battle with the police and municipal authorities who treat them as ruffians and criminals, the lack of sanitation and health services, and denial of basic services because their very existence in the city is considered illegitimate. Ministry should therefore request the Planning Commission to re-define urban poverty by taking into account their living conditions and deprivations. Both expenditure and access to civic services could be given equal weight in determining the number of urban poor. UNDP has sufficient international experience, especially in Central and South American countries, of calculating human development indicators, even for small geographical units such as localities, and that experience should be used in helping GOI and the Planning Commission in re-assessing urban poverty. Interventions should also transcend income generation activities and include broader concerns on quality of life and social security.

In the absence of redefining the dimensions of urban poverty, the very purpose of setting out a new Ministry would be defeated. How can the Ministry justify its interventions in Mumbai and Delhi where the number of poor (as per the existing definition) is only 4 and 8% of the total city population respectively? However, if an equal weightage is given to the living conditions, the number may go up to 20 to 30%, and thus justify the interventions, both from the Ministry as well as from UNDP.

4.1 Growth of urban population

In 1901, only 25 million people constituting 10.8 per cent of population lived in urban areas in India. In the 100 years since then, the urban population has grown 12 times and it is now around 285 million people constituting 28 per cent of the total population.

The pace and spread of urbanisation is not uniform throughout all states. Maharashtra in 2001 with an urban population percentage of 42 per cent (41 million), Gujarat with 37 per cent (19 million) and Tamil Nadu with 44 per cent (27 million) and the least urbanised state, Assam with 13 per cent in 2001 indicate this inter-regional variation.

² Most output is in a draft form as of now. It would improve readability of the reports if an executive summary is added with each paper.

Table 1: Growth of Urban Population

| | % of Urban Population to Total Population | Decadal Urban Population Growth |
|------|--|------------------------------------|
| 1981 | 23.34 | 46.14 |
| 1991 | 25.72 | 36.46 |
| 2001 | 27.78 | 31.36 |

Whereas the population of India is expected to increase from 1028 million in 2001 to 1400 million in 2026 (an increase of 36% at the rate of 1.3% annually), the urban population in the country is expected to increase during the same period from 285 to 535 million (an increase of 88% at the rate of 2.6% annually). The urban growth would account for over two-thirds (67%) of total population increase by 2026.

In 2001, there are 4368 UAs/towns. About 38% of the total urban population are residing in 35 metro cities, 30.6% in remaining 358 Class I cities and the rest in 3975 UAs/towns. According to a recent estimate, the number of metropolitan cities will be 51 by 2011 and 75 by 2021 AD. In addition, there would be 500 large cities (one lakh and above size) and 4430 medium and small towns (less than one lakh population size). The analysis of urbanisation pattern and projections for the next 20 years is indicative of the fact that bulk of the urban population will be living in metropolitan regions. Much of the urban growth will be along essentially transport corridors, and unrestrained by municipal jurisdictions; the distinction between urban and rural will get blurred.

The provision of infrastructural facilities required to support such large concentration of population is lagging far behind the pace of urbanisation. As a consequence, the urban environment, particularly in large cities, is deteriorating very rapidly. All cities have severe shortage of water supply, sewerage, developed land, housing, transportation and other facilities. These deficiencies which are particularly severe for the urban poor have serious health impacts for them. Lack of political and administrative will, compounded by weak municipal institutions and poor delivery systems have constrained the administration's ability to improve the living conditions, generate employment, incomes and services for the urban poor.

We discuss below their numbers and how their problems are different from the rural poor.

4.2 Poverty

Poverty in India is officially measured in terms of the expenditure corresponding to monthly per capita expenditure of Rs 49 in rural areas and Rs 57 in urban areas at 1973–74 all-India prices, with people below this expenditure considered poor. This expenditure was then considered necessary to achieve specified levels of calorie consumption, namely 2400 calories/day in rural areas and 2100/day in urban. At 2004-05 prices the new poverty line expenditure varies from state to state, from Rs 450 to Rs 550 per month per capita in urban areas, although it is quite possible that people may have shifted their consumption to non-food items from food items, and therefore consuming much less than the desired calories, although classified above the poverty line.

The state-wise figures of changes in urban and rural poverty over the last two decades³ are shown below.

Table 2: Estimates of Poverty (Per cent)

| | Headcount Ratio (urban) | | | Headcount Ratio (rural) | | |
|------------------|-------------------------|-------------|-------------|-------------------------|-------------|-------------|
| | 1983 | 1993-94 | 2004-05 | 2004-05 | 1993-94 | 1983 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| Andhra Pradesh | 41.2 | 38.8 | 27.1 | 10.8 | 15.9 | 26.8 |
| Assam | 25.9 | 7.9 | 3.7 | 21.7 | 45.2 | 44.6 |
| Jharkhand | 40.5 | 26.5 | 20.7 | 42.9 | 62.3 | 65.5 |
| Bihar | 61.6 | 40.7 | 38.1 | 42.2 | 56.6 | 64.7 |
| Gujarat | 41.9 | 28.3 | 14.2 | 19.4 | 22.2 | 28.9 |
| Haryana | 26.4 | 16.5 | 15.6 | 13.6 | 28.3 | 21.9 |
| Himachal Pradesh | 11 | 9.3 | 5.0 | 10.9 | 30.4 | 17 |
| Karnataka | 43.6 | 39.9 | 33.3 | 20.0 | 30.1 | 36.3 |
| Kerala | 48.0 | 24.3 | 20.6 | 13.2 | 25.4 | 39.6 |
| Chhattisgarh | 50.7 | 44.2 | 40.7 | 42.0 | 44.4 | 50.6 |
| Madhya Pradesh | 56.1 | 49.0 | 42.3 | 35.8 | 39.2 | 49 |
| Maharashtra | 41.1 | 35.0 | 32.8 | 30.0 | 37.9 | 45.9 |
| Orissa | 54.0 | 40.6 | 43.7 | 46.9 | 49.8 | 68.5 |
| Punjab | 22.9 | 10.9 | 5.0 | 10.0 | 11.7 | 14.3 |
| Rajasthan | 41.2 | 31.0 | 28.5 | 19.0 | 26.4 | 35 |
| Tamil Nadu | 51.9 | 39.9 | 24.1 | 22.7 | 32.9 | 54.8 |
| Uttaranchal | 22.4 | 12.7 | 17.0 | 14.9 | 24.8 | 25.2 |
| Uttar Pradesh | 52.7 | 36.1 | 30.7 | 33.9 | 43.1 | 47.8 |
| West Bengal | 33.5 | 22.9 | 15.4 | 28.5 | 41.2 | 63.6 |
| All India | 43.6 | 32.6 | 25.9 | 28.7 | 37.2 | 46.5 |

Several inferences follow from the above data. First, comparing columns 4 with 5 one finds that poverty is higher in urban areas than in rural in the more developed southern states and Maharashtra, indicating perhaps pull factor for the rural poor to migrate to the urban cities. Second, between 1993-94 and 2004-05 urban poverty in India declined by 6.7 percentage points, whereas this decline was higher at 8.5 points for rural areas. Between 1983 and 2004-05, urban poverty in India declined by 17.7 percentage points, but this decline was only by 10.3 and 8.3 percentage points in the two urbanised states of Karnataka and Maharashtra. Thirdly, the absolute number of urban poor has in fact increased from 67 to 80 million during 1983-2004, and their share in the total number of poor has increased from 21% in 1983 to 24% in 1993-94 to 26% in 2004-05. Poverty is thus increasingly becoming urban, as seen from the following Table:

³ We have not given the data for the 55th round for 1999-00, as its findings are not compatible with the latest 61st or for that matter the earlier rounds.

Table 3: Number of poor in millions

| | 1971 | 1983 | 1994 | 2005 |
|-------------|------|------|------|------|
| Rural | 247 | 250 | 241 | 225 |
| Urban | 53 | 67 | 75 | 80 |
| Total | 300 | 317 | 316 | 305 |
| Urban share | 17.7 | 21.2 | 23.7 | 26.2 |

Further, the 61st round results of 2004-05 confirm that actual poverty reduction after 1993-94 has been much less than the earlier official assessment using the non-comparable 55th round in 1999-00. As against the earlier official claim that the rural poverty ratio had declined from 37 per cent in 1993-94 to 27 per cent in 1999-2000, the 61st round places this at nearly 29 per cent in 2004-05 – i e, an 8 percentage point decline over 11 years rather than the 10 percentage point decline over six years as claimed earlier. Similarly, urban poverty is now placed at nearly 26 per cent in 2004-05 against 33 per cent in 1993-94, a 7 percentage point decline over 11 years compared to the 9 percentage point decline over 6 years claimed earlier from official 55th round data.

As regards unemployment, daily status unemployment increased from 6.1 per cent in 1993-94 to 7.3 per cent in 1999-2000 to 8.3 per cent in 2004-05. More importantly, daily status unemployment among agricultural labour households (who are the poorest) increased from 9.5 per cent in 1993-94 to 12.3 per cent in 1999-2000 and further to 15.3 per cent in 2004-05. The all-India trend in wages at constant 1999-00 prices is not only of a clear deceleration in real wages of casual workers, there is an even greater deceleration in wages of regular workers in both rural and urban areas. That is, real wages decelerated for all workers significantly during 1999-2000 to 2004-05 compared to wage growth between 1993-94 and 1999-2000. And this was true for rural and urban, agriculture and non-agriculture, male and female and at all levels of education.

To sum up, although poverty did reduce between 1993-94 and 2004-05, the pace of poverty reduction was lower than in the previous two decades. The 61st round should therefore set at rest all claims that economic reforms have led to faster poverty reduction. Lastly, poverty reduction is slower in the urban than in rural areas. If urban poverty is redefined as suggested earlier, the data would certainly show a massive increase in urban poverty.

4.2.1 Urban vs rural poverty

The Report of the National Commission on Urbanisation (NCU, 1988), while accepting that rural and urban poverty are inextricably inter-linked, takes the view that this does not mean that urban poverty is merely a spill-over of rural poverty. According to the Commission, it is an autonomous, independent phenomenon. No matter what employment programmes are started in rural areas, they cannot meet the demand for tens of millions of new jobs required for people who will continue to migrate to urban areas over the next decades, which will have its impact on both urban employment and poverty. Therefore, rural poverty and urban poverty must be seen and addressed simultaneously as

two aspects of a single problem and at the same time as autonomous problems that need to be addressed in distinct ways.

The urban poor suffer from certain social problems that the rural poor do not face. Some of these are:

- a) Urban migrants from the countryside have been cut off from their community. They are new to the urban environment, and are therefore not adjusted to it. They feel alienated and lonely in this new system. However, they are rarely completely atomised, because of the prevalence mostly of a rural-urban continuum, in which they usually retain strong links with their families and communities in the village that they have left behind;
- b) The social security systems, both formal and informal, which survive in the rural areas, are not nearly so developed in the urban areas. In the villages, the neighbouring family is a family which has been one's neighbour for generations, and one can always fall back upon it in times of need, but this is not usually the case in urban areas;
- c) The cost of living in urban areas is higher than in the rural areas;
- d) The rural economy is still not fully monetised, while in urban areas, one has to pay for everything in money; for instance fuel is not available by foraging but has to be purchased. Moreover the natural environment usually provides even if minimally in most times of scarcity in the countryside, but this kind of unpurchased support from nature is unavailable in cities;
- e) The physical environment in which the majority of the urban poor are forced to live is usually far more degraded, and mostly illegal, in comparison to that available to the rural poor; and
- f) Most rural poor people have some land and cattle or other animals, which is their insurance against bad times. The urban poor have no such asset security, only their labour power.

In most urban areas, poor people are forced to live in cramped, overcrowded and unsanitary conditions, and are highly dependent on public bodies to provide goods and services (water, health care, regulation of job contracts etc). This is not from choice, but because they have much less control over their immediate environment than in rural areas. Options for support from family and community based networks and safety net systems (developed over generations in rural villages) are limited. They live among strangers, who they do not necessarily trust, and rely on short-term transactions, which can be completed immediately, more than enduring relations moulded and nurtured by tradition in the countryside. However, to complete the picture, it must be acknowledged that with all their loneliness and stresses, cities also provide the only escape from oppressive feudal and patriarchal structures, untouchability and hopeless grinding poverty, to many who are trapped in these in rural India.

Between July - December 2002, NSSO, India conducted a survey on the condition of urban slums. This was the third survey on slums, the previous survey having been conducted in 1976-77 and January-June 1993. The recent survey estimated the number of slums to be 52,000 with 51 percent of the slums being notified slums. The condition of

basic services in the slums is shown in the Table below, where it can be seen that almost half of the people living in non-notified slums have no access to toilets or drainage.

Table 4: Percent of Rural, Urban Households and Slums Having Access to Infrastructure

| | Rural India | Urban India | Non-notified Slums | Notified Slums |
|----------------|-------------|-------------|-----------------------|-------------------|
| Water Source | | | | |
| Tap | 24.3 | 68.7 | 71 | 84.0 |
| Tubewell | 5.7 | 5.1 | 22 | 10.0 |
| Well | 22.2 | 7.7 | 2 | 2 |
| Others | 47.7 | 18.5 | 5 | 4.0 |
| No Electricity | 57 | 12.4 | 16.0 | 1 |
| No Latrine | 78.1 | 26.3 | 51 | 17 |
| No Drainage | 65.8 | 22.1 | 44 | 15 |

The Ninth Plan Appraisal by the Planning commission sums up their misfortune as: ‘Whereas the rural poor suffer from lack of disposal incomes, the urban poor in addition are characterised by extremely poor living conditions – in slums, on public lands, or often on the road itself. They are generally first or second generation migrants with no security of jobs or housing, and are subject to police and municipal brutalities. They are in occupations where health and safety provisions either do not exist or are widely flouted, such as hawking or rickshaw pulling (or under contractors who are violating labour and factory laws), and therefore become dehumanised and criminalised by the very processes of survival.’

In short, the poor contribute to the globalizing economy of the cities as much as the non-poor. But the poor do so without receiving the due economic or other civic facilities or services at par with the non-poor. The project has done very well by highlighting this particular dimension of the problem, and has produced a great deal of information on the deprivation of the urban poor, leading almost to their dehumanisation. UNDP must continue its interest in their concerns, otherwise the city municipalities would be engulfed in their obsession with airconditioned shopping malls, five star hotels, and housing for the elite, conveniently forgetting the existence of the deprived poor.

4.3 Does research lead to improving outcomes for the poor?

It was hoped in the project that documentation of the plight of the urban poor will provide the basis for an improved policy and regulatory environment. This will also enhance the capacities of urban local authorities and community organizations to expand the access, entitlements and assets of the urban poor for decent and secure livelihoods. Has it happened? Can we establish a link between the project’s findings and the policies of the central government or delivery by the state governments?

It is difficult to give a categorical answer. In practice, the relationship between research and policy is variable. Often it is weak when research stops at merely pointing out the predicament of the people, without examining the role of the government and evaluating the design and its delivery. In such cases where research does not study impact of the programmes it is easy to be cynical about the role of research in policy, and conclude that policy decisions in India are taken on purely political grounds. However, research would lead to successful policy advocacy if it examines why the schemes meant for the urban poor could not benefit them, and in what manner weaknesses in the design of existing programmes, budget flows and institutional capacity have held back the intended benefits. Governments respond when their specific role is critically evaluated, failures in delivery highlighted, leading to concrete and feasible proposal for reforms. Mere listing of the people's miseries does not unfortunately move governments and municipalities.

One way to improve the effectiveness of the project is to have an appropriate dissemination strategy for its research findings. Firstly, the researchers should be free to publish their papers without taking any clearance from the project. This will help in quick publication of their research and hopefully other pressure groups will use them for advocacy. Secondly, in addition to publication, policy workshops should be organised, specially inviting such people in government who command credibility within the government system, because of their past reputation. They may be more able to convince the political masters by highlighting the need for reforms most likely to appeal to them: improvement in living conditions of the slum dwellers or security of livelihoods for the hawkers and vendors.

It must be kept in mind that advocacy is a 'messy' process – a process that is not linear, and where attribution is particularly difficult given multiple actors. For instance, although within two years of the project government started the ambitious JNNURM, it cannot be claimed that JNNURM owed its birth to the UNDP project alone. Policy dialogue is something of a 'black box': very few people really understand how it happens. Advocacy can work at different levels which may, but do not necessarily, reinforce each other. The most fundamental problem in quantifying advocacy work is failing fully to understand the nature of the advocacy process—its multiple aims, multi-layered structures, shifting timeframes, and the nature of the power structures it aims to influence. Lastly, advocacy is increasingly being carried out in networks or coalitions. Acknowledging the collective nature of advocacy work and focusing less on questions of attribution is the key, realising that there is need to establish a balance between who takes credit, and when to take or not to take credit.

In other words, advocacy cannot be done solely by UNDP. It should therefore have a long term policy of encouraging such organisations that have potential and have credibility. For instance, collaboration with activist organisations that are capable of taking on government may help. UNDP should consider building capacity both inside and outside government – many government organisations have a lot of potential if properly harnessed. This will presumably be done by Yashada. Other donors like ADB and DFID are funding urban programmes, but the coordination with UNDP project needs improvement.

5 Lessons for the remaining period of the project – cross-sectoral

The UNDP project should now concentrate on ensuring that the budgets released by JNNURM to the Municipalities is effectively spent for the poor. The cells that are being created should be manned by competent personnel who could point out to the cities where they are failing and how they could overcome the bottlenecks. The cells must also be somewhat independent of the Municipalities otherwise it would be difficult for the cells to play the role of a critic. In addition, the project should concentrate on quantifying results in the critical sectors, such as housing and livelihoods, so that GOI could periodically review and take corrective action. Lastly, there are certain common and cross-sectoral issues, on which we need more information. For instance, the plethora of literature produced under the project has not evaluated the past schemes for amelioration of urban poverty, or expenditures, or the institutional capacity to utilise the budget efficiently. We discuss below the relevance of these issues and how these can be addressed in the remaining life of the project.

5.1 *Examine Governmental interventions in the past*

There have been many centrally sponsored schemes in the urban sector in the past with significant outlays but the mid-term appraisal of the IX and X Plans show that they hardly made any impact. The project has however not evaluated past schemes such as NSDP, Vambay, etc and assess why they failed to provide sustained benefits to the urban poor.

We quote below from the MTA of the IX and X Plans to understand why the impact remained marginal.

According to the MTA IX Plan, the implementation of the scheme of Integrated Development of Small and Medium Towns has not been satisfactory and the areas of concern include timely completion of projects, augmentation of resources by ULBs for continued investment, creation/ consolidation of Revolving Fund, utilization of available funds, tie up of institutional finance, viability of the implementing agencies, convergence of stakeholders etc.

The National Institute of Urban Affairs, vide its evaluation study in a sample of 22 towns observed that the impediments in implementation broadly are non-availability of land, absence of technical/feasibility studies, lack of inter-agency coordination, and poor monitoring. Similarly, the Centre for Symbiosis of Technology, Environment and Management through its impact evaluation of IDSMT scheme in Uttar Pradesh and Karnataka concluded that land acquisition and lack of technical staff in the local bodies delayed the implementation of projects.

The Megacity scheme was launched by the Govt. of India in 1993-94, in order to upgrade the infrastructural facilities in the mega cities which comprise about 17% of the urban population. The scheme was applicable in the five cities of Mumbai, Calcutta, Chennai, Hyderabad and Bangalore. Upto 1999-2000, 375 projects⁴ involving Rs. 3090 crores were sanctioned. Though various projects are being taken up under the scheme, many of

⁴ Sanctioning a large number of projects means that the limited staff of GOI would have no time left for monitoring the physical progress of outcomes.

the problems in the implementation are observed to be common to that of IDSMT. In addition, the identified areas requiring attention include, high rates of interests charged by the Financial Institutions, the desirability of retaining 75% of the Central and State share in the Revolving Fund and the manner of its utilization.

Government of Karnataka carried out an evaluation of the works executed in the selected slums in the state in 2000, and found that the condition of 49 out of 61 works was poor. 62.5% of street lighting, 67% of drinking water works and 78% of roads, drains, community toilets and bathroom were in poor condition. Repairs were not done and damaged parts were not repaired. Toilets and baths were not regularly cleaned and water was not available there. Garbage disposal and maintenance, although provided in EIUS, was never done.

Night Shelter For Urban Shelterless - Night Shelter as a Scheme was introduced in 1988-89 to improve/provide shelter to the shelterless in the metropolitan cities. This was revised in 1992 to include other urban areas. However, lack of administrative will to make suitable land available has stood in the progress. Even meagre allocation of Rs 50 crores during the X Plan could not be utilised. The Ministry complained of not receiving adequate number of proposals from the states, and wound up the scheme by transferring it to the states. As this is the only option for the poorest, such as pavement dwellers and beggars, the project partners should have examined in detail why this scheme could not make any headway.

5.2 Examine budget utilisation

Similarly the project should now study in detail why the Ministry has to surrender funds year after year, and why states are not able to make full use of the funds provided by the Centre.

The Ministry in a written note to Parliament submitted that during the last four years, the Ministry has surrendered the following funds:

| Year | Amount (in crore) |
|-----------|-------------------|
| 2001-2002 | 91.25 |
| 2002-2003 | 107.83 |
| 2003-2004 | 40.25 |
| 2004-2005 | 213.67 |
| Total | 453.00 |

As the Plan Budget of the Ministry has been around 500 crores annually, the percentage of surrendered amount is rather high, almost 40% in 2004-05. Delay takes place both in the release of funds from GOI and in receiving proposals or utilization certificates (UCs) from State Governments. States give a low priority to the concerns of the urban poor, or complementary investment in the form of land, committed staff, etc. is not made by the states. States too have large unspent balances with them, as shown below:

Table 5: Unspent balance with State Governments in March 2006

| Sl. No. | Schemes | Rs. (in crore) |
|---------|---|----------------|
| 1. | Swarna Jayanti Shahari Rozgar Yojana (SJSRY) | 217.45 |
| 2. | Valmiki Ambedkar Awas Yojana (VAMBAY) | 490.27 |
| 3. | National Slum Development Programme (NSDP) | 557.17 |
| 4. | Integrated Low Cost Sanitation Scheme (ILCS) | 47.78 |
| 5. | Provision for infrastructure facilities in Displaced Persons' colonies in West Bengal | 8.03 |
| 6. | Total | 1320.70 |

The trend of slow utilisation of funds has continued even when the Mission was launched. The Urban Renewal Sub-Mission for slum development was provided 1989.62 crores in 2005-06, but the RE was only 334 crores. During 2006-07 too, the gap is of about 200 crores in the each of the two components, as shown below:

| | 06-07 BE | 06-07 RE | 07-08 BE |
|---|-------------|-------------|-------------|
| Jawaharlal Nehru National Urban Renewal Mission, <i>of which</i> | 4595.93 | 3595.93 | 4987.50 |
| Sub Mission on Basic Services to Urban Poor | 908.78 | 722.00 | 1322.34 |
| Integrated Housing and Slum Development (IHSDP) | 500.00 | 362.00 | 488.04 |

State-wise status of projects approved under BSUP shows that so far only six states have been released Rs 467 crores in the last two years, of which the share of Maharashtra and Andhra is 30% each, the other four states being Chhattisgarh (17%), Gujarat (10%), West Bengal (7.5%) and MP (6.8%). The other states have still to receive any grant under BSUP.

It is hoped that the project in the remaining years of its existence will examine the reasons for slow utilisation of funds. In particular, it should study if the change in the nature of the scheme from ACA to CSS will help in quick disbursement of funds.

Several hypotheses can be suggested here for the failure of the past schemes to make a significant dent on the problems of the urban poor:

- The total central outlay was insufficient, its release was adhoc, not very well publicized, and there was ineffective monitoring by the central government to ensure its proper utilisation.
- As ACA funds cannot be directly made available to the Municipalities, it is likely that there has been inordinate delay in release of these funds, both from the

central Finance Ministry and the state governments, and making them available to the Municipalities.

- The resources raised by the municipal authorities constitute barely 0.6% of the national GDP and, therefore, still remain peripheral to their overall budgets. Revenues from non-tax sources have been lagging behind, dependence of municipal authorities on external sources has been increasing coupled with corresponding decline in the internal revenue from own sources. This reduces the sense of ownership, and increases irresponsible behaviour. In the absence of external supervision wastage of funds remains unchecked.
- State governments and Municipalities divert funds for the poor to other schemes. This is not detected in time, because the central government's monitoring capability was weak in the past.
- There is no follow up of expenditures incurred in previous years, and insufficient funds are provided for operation and maintenance.

The project is advised to launch a study on the ineffective government interventions in the past and low utilisation of the budgets, keeping the above hypotheses in mind.

At the same time, project should consider how to improve financial efficiency by expediting sanctions. The pace of implementation in the project has been slow. Financial approvals and releases have often been delayed. The average time taken for release of the first instalment to the NGOs in the NCR project was exceptionally long, thus reducing the time available for implementation. Most of the approvals and reviews can be done online in the system, therefore reducing the current process of paper based approvals.

5.3 Strengthen monitoring systems

It is well established that the States and the Municipalities capacity for discharging the poverty alleviation functions is low and so far hardly any priority was assigned to the tasks of slum upgradation, housing and poverty alleviation. The Ministry has rightly decided to address this issue at the municipal level through (a) earmarked budget for the poor through the concept of P-Budget, which would be in proportion to the urban poor to the total population in a given municipality, (b) development of appropriate institutional framework in the form of State/City UPA Cells and (c) a national programme on capacity building for poverty alleviation covering both institutional and human resource capacity. However, there has to be third-party periodical assessment of the implementation of these intentions at the Municipality level, otherwise in the absence of adequate oversight it is feared that the noble objectives might remain only on paper.

For instance, one should find out of the new houses that have come up in the last five years, how many are for the weaker sections and for the BPL category. Despite the fact that 90% of housing shortages are for this class of people, it is likely that very few houses have been constructed for them in many cities. Documenting the failures of the state governments is the best way to goad them into action. A chart showing comparative city-wise performance on housing for the disadvantaged would instill a sense of competition amongst the cities to do better.

The project has proposed setting up cells at various levels, starting with GOI, states, down to the city level. Establishment of urban poverty reduction and livelihoods cells in 13 cities spanning 12 States are proposed. The effectiveness of such cells at the city level is doubtful for many reasons. First, these will become operational only in the last year of the project, leaving little time to prove their worth. Secondly, these cells will never be able to do independent monitoring of the JNNURM components and point out the flaws in implementation, as the cells will work under the municipal authorities and will not have the necessary autonomy to unearth the failings of their bosses. Thirdly, if line staff (engineers, accountants, etc) are needed at the delivery point, the funds should come from JNNURM or the Municipality budget, rather than from UNDP.

Therefore these cells should only be at the GOI and state level, and manned by competent people who can help in supervising over M&E functions for the JNNURM projects.

For instance, the independent and objective monitoring done by the cells should discover that a great deal of bogus reports are being sent by the states to GOI, which show inflated achievements. As slum improvement is one of the 20 Point Programmes being monitored by the Ministry of Programme Implementation and Statistics, the states have sent a report (Table 6, given below) showing 1.6 million people benefited in just one year, with many states achieving more than 200 percent of the target! The entire programme of JNNURM claims to benefit only one million families in seven years, and here is a report showing the states covering more than that just in one year, and that too without the support of JNNURM funds!! Obviously the states are emboldened to send such reports because there is no fear that there would be any check or verification. We request the Ministry to use the good offices of the project to examine this, so that honest reporting is encouraged.

Table 6: Slum Improvement (Units: Number of Persons Covered)

| State | Target | Achievements | % Achievement |
|-----------------------------|-----------|--------------|---------------|
| Name | 2005-2006 | 2005-2006 | |
| Andhra Pradesh | 337550 | 413252 | 122 |
| Bihar | 67498 | 63977 | 95 |
| Chhatisgarh | 20000 | 80822 | 404 |
| Delhi | 112500 | 77371 | 69 |
| Haryana | 37500 | 54665 | 146 |
| Himachal Pradesh | 2500 | 2500 | 100 |
| Jammu and Kashmir | 10000 | 15000 | 150 |
| Jharkhand | 75000 | 74250 | 99 |
| Karnataka | 39250 | 136845 | 349 |
| Kerala | 5434 | 10744 | 198 |
| Maharashtra | 650000 | 514395 | 79 |
| Manipur | 2577 | 0 | 0 |
| Meghalaya | 5625 | 5607 | 100 |
| Mizoram | 3500 | 3500 | 100 |
| Nagaland | 5000 | 0 | 0 |
| Orissa | 2769 | 3714 | 134 |
| Pondicherry | 8000 | 10588 | 132 |
| Sikkim | 4500 | 2149 | 48 |
| Tripura | 16100 | 15702 | 98 |
| Uttaranchal | 104311 | 114246 | 110 |
| West Bengal | 12040 | 26502 | 220 |
| Andaman and Nicobar islands | 88 | 227 | 258 |
| Daman and diu | 6 | 0 | 0 |
| Grand total | 1521748 | 1626056 | 107 |

Very good: Andhra Pradesh, Bihar, Chhatisgarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Meghalaya, Mizoram, Orissa, Pondicherry, Tripura, Uttaranchal, West Bengal, Andaman & Nicobar Islands

Poor: Delhi, Maharashtra, Manipur, Nagaland, Sikkim, Daman & Diu

(Information taken from mospi.nic.in)

5.4 Keep an eye on the implementation of CDPs/DPRs

Funds under JNNRUM would be provided to the states when they prepare city development plans (CDPs), detailed project reports (DPRs) and sign MOA with the Ministry indicating milestones for implementation of reforms, which includes provision of basic services to the urban poor security of tenure at affordable prices, improved housing, water supply and sanitation. In drawing up the CDPs states need to ensure that provision is made for sustaining the traditional livelihood of craftsmen, hawkers, vendors and rickshaw pullers.

The project should therefore develop mechanism for carefully evaluating the outcomes from DPRs to inform the Ministry to what extent the conditionalities agreed by the States

and targets indicated in the DPRs are actually being followed in the implementation of the plans funded under JNNURM. At present the guidelines of the Ministry have listed 'earmarking of at least 20-25 per cent developed land in housing projects for economically weaker sections and low income groups with a system of cross-subsidisation' in the category of optional reforms. Whereas the Ministry is requested to put such a condition in the list of mandatory reforms, the UNDP project should carefully document how many new houses are actually coming up in the cities to be used by the poor.

The concept note for this project prepared by UNDP states, 'it is commonly believed that 95% of legal urban space is used and kept for the benefit of the 5% most privileged of city dwellers. For how long will the deprived 95% remain content with the worst 5% remainder?' Advocacy to improve share of the poor would demand time-studies for each city so that one documents with certainty whether land reserved for the poor is increasing or declining over the years. The project should also give publicity to the actual reservation and its utilisation (as well as its geographical location to show proximity to the work place) by each city. Data on these lines would build pressure on the city governments and would improve their performance.

At present most field reports are by consultants who are appointed by the Municipalities, and therefore they are not objective enough to highlight the negative aspects of the city administration. As the main purpose of these reports is to get funds from GOI, the larger purpose of providing an independent feedback to the state governments and GOI is not being served.

In the absence of quality control and rigorous monitoring it is feared that the tall promises made in the DPRs might remain only on paper. For instance, the Ahmedabad CDP states that 149 slums are proposed to be covered under the SLUM networking project at a cost of Rs. 120 Crores. In addition there are about 1,34,000 chawl houses which are in a dilapidated condition. A scheme to renovate this housing stock has been proposed at a cost of Rs. 750 Crores. About 50% (i.e 50,000 per house) is expected to be beneficiary contribution. Balance 50%, i.e Rs. 375 Crores has been proposed out of the JNNURM project. Sounds fine on paper, but will it actually happen? I suggest that the UNDP project should monitor these targets on a periodical basis so that the Ministry is able to put pressure on the state governments. A two page progress report on each city should to be developed in the Project. Ranking the slums to ensure that the worst are covered first may be a good idea.

The Ministry has already put the CDPs and DPRs in the public domain. One should invite comments from the civil society on the proposals from the Municipalities, and these may also be put on the same site. This will help improving sense of partnership with the civil society, as well as improve their capacity to critically appraise JNNURM proposals. The project should also prepare comparative study of the beneficiary municipalities under JNNURM so as to encourage competition amongst them. Cities should be graded on the basis of their performance.

Yashada is already involved in preparing slum profiles. It is hoped that they will also study property rights, impact of other departments' activities, eg, how much time does it take to get a ration card, or a disability certificate, or birth or domicile certificate

(migrants are excluded from many such facilities) and how this be reduced. Such studies should be repeated over a period of time so that the legitimacy attached to the urban poor by government authorities can be quantified. For instance, a chart should be prepared depicting how the percentage of homeless without ration cards has improved over time in each city. The project should monitor whether the suggestions given by the Ministry are being put to practice or not. It may also be worthwhile to what happened to those trained in SJSRY in the last five years, and how effective has been the training in improving the livelihoods of the poor.

5.5 Build institutional capacity for better implementation of JNNURM

The main output in the UNDP project so far has been academic papers about the nature and extent of urban poverty, and their problems with administration. However, such research can now easily be funded out of JNNURM funds, UNDP funds should therefore be for such components that are not easily supported by government funds. As explained above, the present capacity of the Ministry to monitor the progress of JNNURM needs to be augmented. This would need supervision and direction by competent people. Therefore the cells that are being set up in the various offices should be manned by such senior people whose voice and advice would carry weight with the cities. Just filling the posts with young professionals with no experience of implementing government programmes will not help as these people will lack credibility with the municipalities. The terms of contract for working in the cells should be lucrative enough to attract professional experts and senior IAS officers.

Policy research now should be geared to answer specific questions: why the previous schemes did not change the situation, and in what manner the present schemes will affect the change, how municipal services are reaching the poor, what part of the budget is actually been spent on the poor, etc. for instance, the city profiles being prepared by Yashada should give information on the number of shelterless people, is this number increasing or declining over the years, how do they earn their livelihoods, what are their problems with government departments, and whose responsibility is to see that their conditions improve. What is the present status of hawkers and vendors, has their harassment by the authorities been controlled?

Based on these papers, the National Project Cell established at Yashada should be able to do city-wise analysis on certain key outcomes. In fact, it could develop templates, which could be used by the Ministry to write to the states and Mayors every quarter, highlighting where the individual city is failing to deliver. Only intense monitoring will change the lethargy that engulfs municipal administration.

At the same time any urban poverty alleviation programme without adequate manpower for its implementation is doomed to fail. Therefore, there is absolute necessity of having more staff on a regular basis at the ULB/District/State level with dedicated manpower for the effective implementation of the urban poverty alleviation programmes. This would require adequate budgeting for Administration and Other Expenses (A&OE) at all these implementation levels. JNNURM should provide for this. Placing a proper Implementation and Monitoring infrastructure at the state level is also desirable.

Capacity Building and sensitization - Even if the manpower is provided at various levels for implementation of the poverty alleviation programmes, but they do not have the

capability, capacity and sensitivity to effectively implement such social sector programmes, it will be of no use. Therefore, there is a need to build the capacity of the project functionaries at various levels in the State and Central as also of other stakeholders including representatives of NGOs, FIs, Banking institutions, Training Institutes etc. the project should develop standard training programmes, as well as create a state-wise cadre of trainers.

Urban self-governments have remained starved of funds and technical skills, and suffer from poor management. Widespread corruption and non-accountability of employees and public representatives – municipal councillors has further compounded the problem. Though adopting populist measures to attract vote banks, basic services and infrastructure has remained poor in most urban settlements, with the exception of a few cities which were either state capitals or economic growth centres.

Bhopal Municipal Corporation

According to newspaper reports Bhopal Municipal Corporation (BMC) has, reportedly, realised only now – after a lapse of around a year – its technical incapacity to execute JNNURM projects. Whereas for implementation of JNNURM projects of more than Rs 2,000 crores only an executive engineer was considered adequate, for an ADB project of mere 169-crore a superintending engineer-headed ‘project implementation unit’ and another ‘project management unit’ under a principal secretary have been created.

In the acutely polarised Council the councillors dissipate their energy mostly in pursuing partisan interests. Besides, racked as it is by corruption, nepotism and gamesmanship, the citizens’ concerns almost always are on the back-burner.

In place of elected non-officials, the newspaper article suggests a dedicated empowered authority, comprising qualified and experienced personnel from relevant disciplines, constituted for implementation of these multi-crore projects. Such an authority would be able to pay focused attention to the projects which government or civic bodies seldom do. The personnel so appointed could be made accountable for their performance with a non-transferable tenure during the currency of the project(s). Another small independent body could be created to ensure quality assurance and to monitor progress of the works to avoid time and cost overruns.

It must be admitted that there exists a nexus between the elected representatives, contractors and the lower ranks of the Corporation’s bureaucracy. There is in most local bodies, unfortunately, a long and dishonourable tradition of different groups like contractors, engineers, and Councillors getting a ‘cut’ from projects in their areas. Often, estimates of works are inflated and the excess shared at the expense of the public.

In larger cities, people seem to be losing faith in the effectiveness of Ward committees in addressing their grievances. Failure of Ward committees has led to emergence of civil society organisations, RWAs, corporates, etc. The project may like to study this shift by evaluating the ward systems and the parallel bodies.

However, the political constraint is not insurmountable. The experience of credible NGOs (SPARC in Mumbai and Pune) shows that if the work brings satisfaction amongst slum dwellers, the very Councillors who might have opposed giving the project to the NGOs become staunch defenders of it. The experience of SPARC in constructing toilets

in Pune showed that even if some Councillors lost opportunities to make money, they became ardent supporters of the programme when their constituents demanded that toilet blocks be built in their areas and as the recognition grew about the positive impact the programme would have on electoral futures.

6 Lessons for the remaining period of the project – sectoral issues

The project has produced a great deal of literature on the specific problems of the urban poor, such as housing, livelihoods, health and other basic services. We discuss below the findings from these studies and what needs to be done now in the remaining period of the project's life.

6.1 Housing for the urban poor

The housing sector needs to be viewed within the perspective of the emerging macroeconomic policies. In the political rhetoric, housing is regarded as one of the basic needs. Despite this recognition, in terms of public policies and investments, housing for the urban poor has generally received a very low priority. The benefits of public housing programmes have accrued disproportionately to the better-off sections of society. The housing crisis manifests itself in many ways: growth of slums and haphazard development, overcrowding and deficient services, increasing homelessness, speculation and profiteering in land and houses. It is clear that markets have not eliminated and cannot be expected to eliminate homelessness. Hence 'informalization' continues apace and tenurial illegality is more the norm than the exception.

One of the project NGOs working in the NCR region studied the Madipur resettlement colony. This was established in the 1960s for 21,400 people, but now 72,760 people are living there, the existing population density is 1000 people per acre, as against the norm of 300 per acre. There is no tenurial record, most construction is illegal, and recently a four storey building collapsed, although only one storey is permitted. No record is kept by the Municipality of who is in occupation, and under what rights. There is a fair amount of encroachment on public lands. On the whole, another story of sheer neglect by the authorities.

Majority of slums are deficient in terms of basic facilities. According to the CDP Ahmedabad, only 3.5 percent of the slum households have private water connections. There are 254 households per public stand post and 506 households per public toilet. One-fifth of the slum population have private toilets. Only 61 per cent of the households have electricity connection.

In Delhi slums, only 45% of the children attend schools, only 13% households in the settled colony of Bawana have sanitary toilets, and none of the six areas studied by the project in Delhi had solid waste collection service. Many families have no access to piped drinking water, because the municipal water supply system does not reach there, or the families cannot afford private connections.

Slums are the direct outcome of the failure of state policy and law to intervene effectively to ensure legal access of the urban poor to land and financial resources, which would be necessary to enable them to construct for themselves (or rent), legal and adequate shelter. Despite stated commitment in official documents to ensuring access of housing to the poor, actual investments in this regard have been niggardly and misdirected. Law as well

as administrative and judicial prejudices aggravate this. Often the poor are settled outside the city, thus creating a belt of degenerated settlement with polluting industries.

The city elite has captured most of quality resources and services (space, hospitals), whereas the elite has deserted from some common services, such as government schools; both have problems for the poor.

Even as the rural poor are starved of opportunities but yet are an integral part of the village, the urban poor are treated as aliens who cannot legitimately be an integral part of the city and find a legitimate place for themselves. It is unfortunate that even some CDPs define the problem in terms of 'mushrooming of unauthorized settlements' (CDP Agra), thus blaming the poor, rather than blaming the city authorities for not doing advance planning as to where the new migrant poor would live.

Dehumanisation of the urban poor

Urban migrants pushed to the city because of abject rural poverty and unemployment, have no legal access to house-sites or sites to establish temporary petty business activities. They are therefore criminalised by the very processes of survival. Urban slum dwellers are not entitled to water or light connections unless they have a legal title of land. Since most of them are forced to be encroachers, they get caught up in a vicious cycle of degraded living conditions without minimal facilities, because of this unrealistic legal requirement. The process of getting ration card made is cumbersome and poses the most severe problem to migrant labour.

The problems are compounded because of administrative requirements such as that of a permanent address, a guarantor, and a clear and marketable title of land, approval of building plans by the concerned local authority and contribution of 10 to 25 per cent of the unit cost by the beneficiary. These effectively debar the urban poor from access to formal housing schemes and loans, because they generally do not have legal title to their land, nor can they get the approval of the local authority.

MTA –IX Plan

In the 10th Plan document, the Planning Commission has said: 'Urban housing shortage at the beginning of the 10th Plan has been assessed to be 8.89 million units. As much of 90 per cent of the shortfall pertains to the urban poor, and is attributable (among other reasons) to... (non) provision of housing to slum dwellers.' It is ironical that though there is no housing shortage for the HIG category, most new houses are meant for them, leading to a situation that the rich own more than one house that remain unoccupied, thus leading to wastage of a scarce resource. The project should assess the degree of unoccupied houses for cities over a period of time. It might show that despite the withdrawal of the Urban Ceiling Act and liberalisation of Renting laws, the percentage of unoccupied houses has not gone down.

There is a need to increase the supply of affordable housing to the economically weaker sections and the low income category through a proper programme of allocation of land, extension of funding assistance and provision of support services. The 10th Plan MTA warned that with the anticipated entry of FDI into the real estate sector, care has to be

taken that the needs of the urban poor and marginal sections are not ignored. The Plan agreed that a major objective of the Slum Policy must be 'to arrive at a policy of affirming the legal and tenurial rights of the slum dwellers'. The cause of the 'illegal' occupation of public lands is, then, directly attributable to the non-performance of state agencies.

Despite such noble exhortations, only a few states have developed a structured scheme for housing for the BPL category of people. The Govt. of Maharashtra had implemented a shelter upgradation scheme with assistance from the World Bank. The 'one million free housing scheme' of the Maharashtra government involved private builders for offering free houses to the slum dwellers in Mumbai. The scheme was projected as 'the best practice' during the Istanbul Habitat Conference. Its outcome is now known to be unsatisfactory and it brings into question the role of private builders in 'social housing'.

China has set a norm of 40 sq m of dwelling area per poor family, where as in India the norm is 25, and in many settled colonies the average is not even 15 sq m. Even the MCD in Delhi has set a norm of only 15-18 sq km per family in certain area. These norms need revision.

6.1.1 Previous efforts

The problems of slum dwellers have been engaging the attention of government since the Second Five Year Plan. In the initial stages, the ameliorating strategy consisting of slum clearance and rehabilitation of slum dwellers in developed areas with minimum basic amenities was in operation. As a part of this strategy, the slum clearance scheme was introduced in 1956. Gradually it was realised that this strategy would not lead to provisions of adequate facilities for the target group, since slum population was growing at a rapid pace and the cost of rehabilitation, by providing additional land and developing it, was very high. Moreover, such relocations not only involved substantial hardships to those affected in terms of losses of easy movement to places of employment and other amenities but also resorted to unnecessary destruction of existing housing stock.

Consequently, in 1972 the strategy of slum clearance and rehabilitation on new land was abandoned and the central scheme of Environmental Improvement of Urban Slums (EIUS) was introduced with an objective of improving the living environment of slum dwellers by providing basic civic facilities. Under EIUS from 1972 to November 1998, a total of 320.81 lakh persons were covered as against the target of 282.96 persons. There is no report to that extent these benefits have sustained over the years.

The National Housing Policy (1988) could not achieve much though it aimed at creating conditions for enabling the urban poor to own the squatted land and improve/develop a structure on it. Serious distortions in the land market, low affordability, 'red-tapism', over-congestion in slum settlements and multiple ownership/entitlements of the squatted lands have been some of the important problems in finding realistic solution to the housing poverty. Slum population has already exceeded the non-slum population (as in Mumbai) or it may reach that level soon (as in Delhi and Pune).

Recognising the need for greater attention in this area of concern, the Govt. of India introduced the National Slum Development Programme (NSDP) during 1996, under which funds by way of Additional Central Assistance (ACA) were given to states on

yearly basis. In addition to ACA, investments have also been made through external assistance for slum upgradation. As proper utilisation of ACA funds is monitored neither by the Planning Commission nor by the Ministry, it is likely that these funds just got submerged in the ways and means funds of the states, and were not made available to the Municipalities as additionality. Hence it would not be unfair to conclude that NSDP failed to achieve its purpose.

GOI made another assessment through the Commission on Urbanisation, which also delineated the need of balanced and diversified growth. The Commission made several useful recommendations for correcting imbalances in urban growth, but they remained on paper. The National Housing Policy through various approaches in the housing sector partly succeeded in accelerating the pace of housing construction for the elite; it however, remained ineffective in dealing with the poor. In Mumbai, out of the Budget of 10,400 crores, only 3% is allocated for slums. Even though more than 50% of Mumbai's population live in slums, a very small portion of the budget for the city is allocated towards slum redevelopment and basic services.

Slums in Delhi & the Courts

Slums are not envisioned in the Master Plan of Delhi (MPD). Yet, despite the statutory mandate and powers to effect 'planned development', slums have proliferated. Why? The answer lies in what is termed the 'implementation backlog'. In June 2002, the committee on problems of slums in Delhi, constituted by the Planning Commission, recorded in its report that the DDA is stated to own 25,377 ha of land, which is 17 per cent of all the land in the state. DDA claims that 20 per cent of the residential area is earmarked for EWS/squatter populations under the integrated development project, yet DDA did not allot any land to slum and jhuggi jhomprri department during 1992-97. In 1997-98, DDA allocated 32 acres of land in Tekhand village...during 1998-99, about 27.4 acres of land was allocated...', this is far less than the claimed 20% allocation for the poor. This is in a city where, in a population of 14 million people, about three million people were officially estimated as living in six lakh jhuggis in about 1,100 jhuggi jhomprri clusters.

On November 29, 2002, a division bench of the Delhi High Court struck out at 'encroachers' and those who had 'squatted and trespassed' on public land. It shot down the resettlement policy of the state and, in doing so, absolved the state of its obligation to assist the urban poor in accessing affordable housing. The peremptory direction read: No alternative sites are to be provided in future for removal of persons who are squatting on public land. Encroachers and squatters on public land should be removed expeditiously without prerequisite requirement of providing them alternative sites before such encroachment is removed or cleared.

On the way to issuing these directions, the court did acknowledge that 'it is undoubtedly the duty of the government authorities to provide shelter to the underprivileged'. And the state had 'admitted their failure to devise housing schemes for persons in the economically weaker sections of the society'. Yet, this 'lack of planning and initiative...cannot be replaced by an arbitrary system of providing alternative sites and land to encroachers on public land'. This would 'encourage dishonesty and violation of law'.

EPW 22 July 2006

6.1.2 What needs to be done?

Whereas the studies undertaken under the project are strong at analysing the problem, they are weak in suggesting solutions. They have also not examined so far what activities have been undertaken by the city governments at the municipality level in the last ten years. We hope that in this lacuna would be covered in the remaining period of the project.

Inhuman living conditions in such settlements in fast growing cities, evictions of occupants and demolitions of their homes resulting in untold miseries to them, and proliferation of shanty dwellings in such cities, need a more pragmatic and humane approach on the part of government. Policy-makers have to realise the fact that given the rapidly growing population of the urban poor, conventional planning in favour of the privileged sections of city population has to change. There must be recognition that slum population are bonafide citizens like any other sections of the city population, and their needs need priority.

The alternative is low cost housing. Urban planners are however shy of planning the cities and towns taking into account the basic economic reality of migration. One hardly comes across a planner who takes pride by developing planned squatment and even low-income rental housing. Urban planners and managers therefore need to be educated and trained, acquire knowledge, skill and most importantly, to change the existing contemptuous attitude towards the poor and their settlements.

There should be careful earmarking of sites for urban poor migrants close to potential work-sites, and land allotted to homeless migrants by a process free from bureaucratic tangles. Equally, sites for temporary lease for petty commercial activities should also be developed at all potential and existing commercial centres, and these should be available to the urban poor on realistic terms.

An important issue requiring attention in the context of proliferation of slums would be to consider the feasibility of making the contractors responsible for providing affordable shelter and basic amenities to the workers engaged by them. A comprehensive policy shift for promoting and sustaining economic opportunities in smaller and intermediate towns and restrict the areas of economic opportunities in larger cities may also be looked into. It has been observed that often relocation of slum programme failed because the beneficiaries resorted to disposal of the assets for their own benefits. To avoid this practice, the ownership of the properties should not be vested with the individuals, and instead slum dwellers may be helped in forming cooperative societies.

The policy should recognise the role of the urban poor (essentially slum dwellers) in contributing to the urban economy – directly or indirectly. The policy should provide a very clear, specific and easy implementation structure from top to bottom. Who would own land on which houses for the poor are to be constructed, who would finance the construction, who would construct, and under what conditions the poor would get occupancy rights should be clear right from the beginning.

Each ULB should, on a priority basis, identify the land available. Pavement dwellers who constitute an appreciable proportion in some cities should be brought within the ambit of the policy with due consideration to the job location crucial to their survival.

The new Slum Policy would succeed only when appropriate lessons are drawn from the past failures. One needs to document the role of locally based politicians, slum lords and even the mafia who have stakes in the slum activity. Specific role needs to be assigned for public sector financial institutions, particularly commercial banks.

The Seven Point Charter of the JNNURM includes Security of Tenure. However, the most difficult area in slum policy is the identification of beneficiaries; as subsidised allotment of land would lead to corruption at lower levels due to the skewed demand and supply situation. A realistic alternative would be to promote rental schemes, as discussed below.

6.1.3 Promote rental

At today's prices, even a modest tenement of 300 square feet would cost close to one lakh rupees, well beyond the reach of poor residents. These are then allocated to ineligible households, or worse they stand vacant, and gradually fall into disuse, as monuments of official waste, because in the classic mode of bureaucratic failures, those for whom they are intended cannot afford them, and those who can afford them, do not want them.

An equitable urban land policy would assist the poor in their access to land for shelter. In practice, land use has largely been regulated by markets or public authorities. Both mostly exclude the poor, who caught between two stools, are condemned to the unauthorised, illegal sector of the market. The response of government by regularising their occupation is delayed, and never planned, pro-active and anticipatory.

It may be noted that surplus land under ULCRA is declared government land. However there is a reluctance to actually allocate this land for housing of the urban poor. A senior district functionary asked one of the writers in outrage- How can we waste such precious land for housing for the poor? If the urban poor occupy these lands, these are treated as encroachments.

But there has still been no spurt in the construction of low-income housing for rental. Builders and developers construct houses in response to a vigorous market demand. But the demand they satisfy is essentially at the upper end of the scale, and their projects often take the form of high quality residential enclaves with built-in amenities, mostly for ownership and self-occupation.

Public rental was the social solution to housing during inter-war and post-war periods in Europe and elsewhere, and very large housing estates were built in several countries. It is now increasingly targeted towards low-income earners and those with social problems. Large estates have, therefore, become major zones of exclusion, and the low incomes of the residents have damaged their financial viability so that increasing levels of subsidy has been required to meet basic costs such as maintenance. Many countries, such as the UK, have made discounted sales to existing tenants. Others have transferred them outright and still others, such as the Netherlands, have semi-privatized them into housing associations.

Informal renting can take many forms, from occupying backyard shacks in public housing in South Africa, to subtenants in squatter housing in the favelas of Brazil, to pavement dwellers in India who make regular payments to someone in authority in order to keep

their position. This group, along with new squatters, has the most fragile housing situation, short of having no shelter. They are able to live where they do until someone moves them along.

When one deals with the question of tenure, it is evident that the city must start with a vision to provide housing to all its citizens. 'Housing for All' therefore appears to be a common refrain in all housing policies put out by states and cities. Realising this vision, however, requires such 'strategization' that would primarily allow the shelter need of various categories of citizens to be converted into demand. In other words, everyone requires housing, but everyone should be able to achieve security of tenure. This further means that there would have to be enough housing stock; the stock would have to be diverse so as to address needs of diverse citizens and their ability to pay. In a city, this would translate into different kinds of tenures, but broadly bisected into two: ownership and rental. The availability of both these kinds shall have to be promoted. Even more important, these tenures must be formally available. Public rental housing generally grants unlimited tenure, even to the next generation, at a subsidized rental; but it grants no property rights.

It appears that costs are pushing more and more of the poor and lower middle classes out of the formal option. Rising land costs and expensive construction offered by private developers are rendered unaffordable to more and more of the citizens, and it is becoming increasingly difficult for non-owners to become house owners while windfall gains are being made by those who had the good fortune to be already in ownership of built property or urban land. Urbanization of poverty has thereby been accompanied with the informalization of poverty.

6.1.4 The draft Urban Land Tenure Policy

The UNDP project has prepared a paper on 'Urban Land Tenure Policy', which sums up the plight of the slum dwellers, and how the public policy has ignored their legitimate interests so far. The paper also gives a number of suggestions, which are summarised below:

- City plans should earmark land for the poor. There is excessive land that is left unused in urban areas, which can be used for housing for the poor.
- A similar fresh review ought to be made of land allocated for public purposes. A study needs to be made of how such spaces could be put to intensive use by adopting the principle of shifts, or wherever possible, multiple uses. More educational activities, for instance, could be run from the same premise at different hours, such as a primary school during morning, a secondary school during afternoon and capacity building courses during night.
- Cities would have to prescribe a maximum size of plots rather than merely minimum size. The bungalows of civil lines and of cantonments, and very large areas sparsely used in Indian cities are poor strategy for availability. They need to change.
- A suitable vacant land tax is an eminently sensible option.

- Dismantling of agricultural zoning in due time is essential to prevent any scarcity of shelter.
- In line with efficient and optimum use of land, a minimum threshold for FSI rather than a maximum cap is a desirable objective.

One would also like to quote here from the minutes of the second meeting of the National Core Group on Urban Poverty held on the 22nd February this year in which the decision to prepare a policy on land tenure was taken:

Agenda Item no. 7: Discussion on the draft report of the Task Force on Land Tenure

Over a period of implementation of several schemes, such as NSDP, VAMBAY and older schemes such as UBSP, the issue of improving access to land for the urban poor has been greatly underscored, but never quite put into implementation, as the matter per se lies under the eminent domain of the State Governments.

Now, under the Jawaharlal Nehru National Urban Renewal Mission, security of tenure and improved access to developed land has been demarcated as one of the key indicators or deprivation of the urban poor. While a number of steps have been taken in various parts of the country to improve access of the urban poor to developed land, it has been very difficult to obtain a National consensus on a common policy on land tenure for the urban poor. In this context, it is proposed to work out a policy on land tenure ensuring access to the urban poor, especially women. A brief listing of initiatives and approaches is as below:

- a. Recommending the reservation of at least 15% of the total housing stock in any housing scheme (public or private) for urban poor – National Housing and Habitat Policy, various zoning regulations
- b. Adoption of land assembly techniques such as land pooling and TP schemes to ensure that the interests and requisite space for urban poor housing is reserved – Maharashtra, Gujarat
- c. Concept of group ownership with land being part of undivided, unspecified interest indicating common property resource (as defined in any State Apartment Ownership Act) – most States, especially Maharashtra and Gujarat
- d. Variable/ incremental modes of ownership ranging from licensing (usage rights) to leasehold to freehold units – Maharashtra
- e. Translation/ rationalization of informal forms of tenure – Madhya Pradesh and Uttar Pradesh
- f. Thrust on cooperative/ employer supported housing with increasing ownership of the urban poor over time (employer supported SFS)
- g. Incentive FSI/ FAR against transfer of development rights against public purpose/ heritage or other modes of densification – Gujarat & Maharashtra, Andhra Pradesh

In addition, one would like to advocate the following suggestions:

- Reserve at least 30% of all new housing space for the poor.

- Make it compulsory by law for all housing schemes in which more than 20 dwelling units are being constructed, whether for higher or middle income groups, to construct a certain percentage (say 30% of the total number) of affordable houses of 25-30 sq m for the poor as part of the scheme
- Make it compulsory by law for all advertisements on housing to specifically mention in what manner the poor would benefit from the housing scheme.
- Interest subsidy on bank loans for the poor should be introduced. It is ironical that the rich get income tax rebate on housing loans, but the poor get no such benefit from government.
- The poorest such as beggars and daily wage earners cannot afford even houses on a rental scheme. For them the scheme of night shelters should be revived as a centrally sponsored scheme.

While the tools and techniques of assembling land and ensuring supply of land to the urban poor is fairly well known, the rate at which the processes are being absorbed into the State Government operations is dismal. JNNURM and the UNDP project should essentially concentrate on the issue of compliance of regulatory regime, and ways and means to use externalities such as housing markets in a proactive manner.

The access to Micro-finance has a direct correlation to the land title. In the absence of the land title with the urban poor, who normally reside in slums, the access to micro-finance by the formal banking system is denied. Therefore, there is a need to provide security of land tenure to the urban poor so as to make them bankable in so far as their consumer and housing upgradation/ construction needs are concerned. In other words, the title has to be mortgagable to work as collateral to access credit.

6.2 Vendors

According to a study conducted during 1999-2000, by the National Association of Street Vendors of India (NASVI), Mumbai has the largest number of street vendors numbering around 250,000. Kolkatta has more than 150,000 street vendors. Ahmedabad and Patna have around 80,000 each and Indore, Bangalore and Bhubaneswar have around 30,000 street vendors. For urban areas alone, the total would range between 17 to 25 lakh. The difference between the lower and the higher estimate might be due to the fact that a number of 'workers engaged in retail trade and working in streets or without any fixed place of work' do not describe themselves as street vendors. The NASVI study mentioned above report an average earning for street vendors (in 2000) between Rs. 40 and Rs. 80 per day, for work over 10 hours a day, under gruelling conditions.

The urban poor in Delhi

Delhi has about two lakh rickshaw pullers and more than three lakh vendors, mostly run by first-generation rural migrants. But the city government has put a limit of 50,000 on licences to pull rickshaws. Thus, about 1.5 lakh rickshaws operate illegally in Delhi. A vast majority of street vendors have no license either. They all operate outside the legal economy, harassed by the police and municipal authorities. The licence-permit raj is now largely gone for large industry, but it is as entrenched as ever in the areas where the poor

earn their livelihood. Formal economy is closed to them, so is formal housing. They are compelled to get their *roti* (livelihood) and *makaan* (living space) from the informal sector, in their case from the road itself.

MTA, IX Plan

Lack of transparent rules - The really poor often have neither the capital, credit nor the enterprise to set up shops, and eke out a hand to mouth existence as street vendors, especially in urban areas. They live in constant fear of being forcibly moved or that they would have to 'pay' someone in order to remain undisturbed. With street vendors there is also the anomalous situation that they cannot vend without a license and yet there is almost a blanket ban on their issue, and even if issued there is always the additional whim of the traffic police to deal with. Although in recent times, especially in Bombay and Delhi judicial intervention has played a significant role in asking municipal authorities to demarcate hawking and no-hawking zones, the executive reaction, if it exists at all, has been slow to actually implement the pronouncement. In a few cases authorities have demarcated the no-hawking areas, but the areas which are to be reserved for hawking have not been delineated. Not only does the entire process need to be expedited in those areas which come under the jurisdiction of these pronouncements but a similar exercise needs to be systematically undertaken in all urban areas.

The Supreme Court in the Sodhan Singh versus NDMC, 1989 case ruled that:

'If properly regulated according to the exigency of the circumstances, the small traders on the side walks can considerably add to the comfort and convenience of the general public, by making available ordinary articles of everyday use for a comparatively lesser price. An ordinary person, not very affluent, while hurrying towards his home after a day's work can pick up these articles without going out of his way to find a regular market. The right to carry on trade or business mentioned in Article 19(1)g of the Constitution, on street pavements, if properly regulated cannot be denied on the ground that the streets are meant exclusively for passing or re-passing and no other use.'

Despite the Supreme Court's rulings, street vendors conduct their business amidst insecurity. Whenever eviction drives are conducted their wares are confiscated or even destroyed. Section 34 of the Police Act empowers the police to remove any obstructions on the streets. Even licensed street vendors can be evicted under this law. In order to overcome these restrictions street vendors organize themselves into unions or local associations who negotiate with the local authorities (the officers in the municipal wards and police stations) for occupying public space. This invariably means offering rents (bribes) to the authorities for warding off eviction drives or forewarning them of impending drives. There are other forms of extracting rents. In some cases local musclemen, more often than not with the backing of local political leaders, collect protection fees through threats. The above mentioned Act is a classic example of how a well meaning Act for peaceful civic life has become a source of rent-seeking through extraction of bribes.

6.2.1 Legalise Street Vending

One of the ways of legalising street vendors is by issuing licences to them. The municipal authorities are thus able to keep a check on the number of vendors and can also earn

revenue through licence fees and other charges. However, the experience with licensing has been very negative. In cities like Mumbai, the municipal authorities have stopped issuing licences for several years. As a result, the number of licensed vendors is around 14,000 whereas the total number of vendors is around 2.5 lakh. In other cities the situation is more or less similar. In Patna, street vendors can obtain licences but only after filling a cumbersome form, before starting their business. The vendor is required to give minute details about the place of business, nature of business, description of goods sold, etc. Given the low level of literacy of street vendors, one wonders how many of them can perform this intricate task.

Studies on street vendors indicate that around 20 per cent of the meagre earnings of these people are paid as rents. The underworld too steps in in many places, ostensibly to provide 'protection'. Vendors become victims of these corrupt practices and also dependent on them for their survival. It is estimated that rents collected from street vendors and cycle-rickshaw pullers in Delhi is a staggering Rs 50 crore daily. In Mumbai street vendors pay around Rs 400 crore as rents. At times of special action by the municipal authorities on street vendors, rents increase 10-fold or more. Private cars parked on public roads and crowded markets do not attract the ire of municipal authorities, but vendors are considered a nuisance.

In order to evolve a National Policy on Urban Street Vendors a Commission was appointed which has had interaction with different stakeholders such as National Alliance for Street Vendors of India (NASVI), Self Employed Women's Association (SEWA), and Manushi and considered the comments received on the 2004 draft. The Commission's draft policy is yet to be finally by the Ministry.

The Commission recommended direct relationship of the vendors with the Urban Local Bodies for payment of fees and other dues and asked for immediate discontinuance of the practice of farming out of Tehbazari (fee) to contractors and other intermediaries, as it results in exploitation of street vendors by anti-social elements. It has been their experience that Tehbazari (fee) contracts are captured by the mafia enjoying political/bureaucratic patronages, who exploit the street vendors with impunity.

The policy therefore recommends that instead of licences, there should be a simple registration of street vendors and non-discretionary regulation of access to public spaces in accordance with planning standards and nature of trade/service. Registration of street vendors will be done by the ward committees as these are best suited to assess the situation at the ground level and vendors will be provided identity cards. The registration fee is to be nominal and will be fixed by the urban local body (ULB). Registration will be renewed after every three years. The registration fees, monthly maintenance charges and fines, if any, will be collected by the ward committee on behalf of the ULB. A portion of the revenue collected will be allotted to the ward committee for its operations.

The Commission also suggested that the prescribed license fees could be paid at the designated banks directly by the vendors. The identity cards specifying the authorized place of vending should be issued to all street vendors to enable them to carry on their profession and earn a decent livelihood. For this purpose, a city-wise census of street vendors should be carried out, followed by regular updating of the database.

Another aspect connected with legalisation is eviction. Besides causing financial hardship and impoverishment, eviction leads to loss of dignity for the vendor. The policy lays down that evictions should be avoided but where relocation of street vendors is necessary, a minimum notice of 30 days should be served to them. It further notes that vendors or their representatives should be involved in planning and implementation of relocation and efforts have to be made to ensure that vendors in the new locality have the same earnings as the pre-evicted level. The states too have been asked to take comprehensive measures to check and control the practice of forced evictions.

The fact is that no plan for improving the city can be successful without the participation of the urban poor. They need to be integrated into the planning process and in campaigns for a better environment. The experience of another marginalised section of the urban workforce, namely, rag pickers, has shown this. Rag pickers have been regarded as a nuisance and they are blamed for spreading garbage. They are harassed by civic authorities and by middle class residents associations. In fact these people, who form the poorest section of the urban population, are engaged in activities that are very positive for the environment as they collect recyclable materials from the city's garbage. Instead of victimising them for their activities, the civic authorities could instead incorporate them in keeping the city clean. In fact there are instances where this has happened and results have been positive. In Ahmedabad, the Self-Employed Women's Association (SEWA), a trade union of women in the informal sector, has been able to include ragpickers in the 'clean city' campaign. In Mumbai, the Stree Mukti Sangathana too, has involved ragpickers in beautification campaigns in some parts of the suburbs. Such moves are not only beneficial for the urban environment, they also try to restore citizenship to the marginalised.

The main highlight of the policy lies in its stress on self-regulation among street vendors. This aspect becomes more important in the case of food vendors who need to operate under hygienic conditions. The policy stresses that instead of having health inspectors, food vendors must ensure hygiene through self-compliance. It states, 'though quality control is essential, the practice of 'health inspector' may not be suitable for the hawkers.' This is mainly because such inspections encourage rent seeking rather than the objective of promoting hygiene. Street vendors therefore need to take up the responsibility of quality control. If this is violated, the ward committee can take action by imposing fines or by asking the offenders to close their business.

Another aspect the policy stresses is encouragement of collective organisations among street vendors. One of the objectives of this policy is "to promote organisations of street vendors e g, unions/cooperatives/associations and other forms of organisations to facilitate their empowerment." Along with empowerment, organisations of street vendors will be the basis of their credit, social security and insurance programmes recommended in the policy.

When implemented, the policy will be an important step towards empowering this section of the urban population and giving them a sense of dignity and citizenship. Street vendors are micro-entrepreneurs and they need to be treated as such. The urban population, who form the consumers, too will benefit.

Ministry should expedite formal acceptance of the report so that its implementation could begin.

6.3 *SJSRY & Livelihoods*

The Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was launched in December 1997 subsuming the earlier urban poverty alleviation programmes viz, NRY, UBSP and PMIUPEP. The new rationalised scheme seeks to provide gainful employment to the urban unemployed or underemployed poor through encouraging the setting up of self-employment ventures or provision of wage employment. The wage employment component of SJSRY has generally been used by the city governments for general municipal works, and thus has created no additionality of employment. In any case unskilled wage employment seems to be less of a problem for the urban poor than the terms at which it is provided by the contractors. The limited administrative capability at the city level would be better utilised if urban contractors are asked to observe laws relating to migrant labour and provide for temporary sheds under law for the labour they hire, and such conditionalities are properly enforced. A law should be passed making it incumbent for the contractors to pay for space for the labourers in the night shelter before their tenders are considered. In the absence of any shelter the migrant labour has no choice but to park themselves on the footpath itself.

Creating more unskilled employment without any improvement in living conditions may further aggravate the inhuman conditions in which the urban poor live. Hence the wage component in SJSRY meant for unskilled work should be dropped in the XI Plan.

As regards the self-employment component, it should be recognised that many small entrepreneurs in the country are facing genuine problems – poor quality infrastructure; inadequate access to institutional credit; delayed payments by large industries; procedural delays in getting government clearances; harassment by inspecting officers; rigid labour laws, technological obsolescence; non-availability of skilled manpower; lack of marketing facilities and difficulty in competing with well-established foreign and national brand names. These would require not only policy changes but an efficient and responsive administration. Though supply side intervention in the form of rural electrification, roads, credit and communication systems is vital for the growth of the non-farm sector, institutional framework within which government support is delivered – plethora of official organisations and agencies, many charged with overlapping functions, with poor coordination between themselves – needs to be set right too.

Unfortunately none of these issues are being addressed by SJSRY. It is based on the simplistic assumption that subsidised credit will help in creating new entrepreneurship and augmenting incomes. However the high cost of appraising, monitoring and enforcing small loan agreements deters the banks from extending credit, and therefore the overall coverage of the scheme is still limited.

The average annual expenditure on this scheme has almost remained unchanged at Rs 100 crores for the past several years. Earlier during the Ninth Five Year Plan, no physical targets were fixed and the States/UTs were left to decide their own targets keeping in view the demand at local level as well as availability of funds under the Scheme. However, this appeared to be a major de-motivating factor for the effective implementation. Subsequently, for the Tenth Plan, at the National level, physical targets

of assisting 4 lakhs urban poor for setting up individual/group micro-enterprises and imparting skill training to 5 lakhs urban poor during the entire Tenth Plan period were fixed. On annual basis, this converts into assisting 80,000 urban poor for micro-enterprises and 100000 urban poor for skill training.

Although there have been some evaluations, it is not known how many micro-enterprises have sustained themselves and earned profits over a long period, say for more than five years. There are many conceptual problems with the scheme, as discussed below.

Lack of markets and infrastructure - It is well established that unless credit is accompanied with adequate infrastructural support by way of extension, marketing, etc. the result is infructuous lending. SJSRY is generally successful where infrastructural and institutional support is available. These are the regions where many people even without the subsidy would have taken to entrepreneurial activities.

The failure by the poor to use assets profitably stems from several factors, of which control over markets is an important factor. The poor are not able to secure economies of scale because of indivisibilities in marketing costs and low risk bearing capacity. Low price received by poor for their products is also because of interlocked output and capital markets, lack of value addition technologies, poor organisational base and insensitive government policies. Whereas NGOs could take initiative in some of these sectors, they cannot change ANTI-POOR laws against vendors and the exploitative marketing infrastructure.

Lack of repeated contacts - Second, SJSRY suffers from the basic misconception that the provision of credit is a one-time event rather than a continuing relationship between lender and borrower. It is unrealistic to expect the larger share of borrowers to “graduate” just on the basis of an “injection” of credit, even if provided in sufficient “doses”. Most loans in SJSRY are one-time affair, and the bank feels relieved when the file is closed. In the case of Grameen Bank of Bangladesh, most loanees start with small loans, but as the relationship with the bank improves, more loan is given to the same person, thus making their interaction and relationship last for a long-term, recovery and fresh loans often go hand in hand. This also improves the capability of the poor to utilise his loan profitably. His/her stake in repayment is also higher. In India, since loan is taken only once in a life time by most borrowers, the tendency is not to pay and become defaulter.

Existing problems of micro-enterprises - Third, not only SJSRY ignores the need of the poorest for consumption, it also does not look into the existing problems of the already established micro-enterprises. A very large number of micro-enterprises in the shape of vending and hawking face immense problems from the authorities. Without solving their problems it is pointless to create new enterprises.

Thus, how can one enthuse the poor to become tailors, shopkeepers, or vendors if the present problems faced by those already in these businesses are not looked into? Rather than give subsidy to new enterprises it would be far better to solve the problems faced by the existing units, whether these are in government policy, or attitudes or in technology, marketing and working capital.

Finally, the capacity of the poorest sections of society to absorb credit and to start enterprises is very limited. This is partly to do with their lack of business skills, illiteracy,

their inability to take risks and their lack of motivation for business. It would be much better to upgrade their skills and make them employable in the newly emerging industries and trades. The poor would prefer to be wage employed on a regular basis at a decent salary due to improved skills, rather than face the ignominies of humiliation from the insensitive police and municipal officials. Hence SJSRY should focus more on skill upgradation than on self employment. Skill development has to be correlated to the demands of the industry and service sector in and around the city.

One could learn from the experience of the programme documented in the project, 'Ek Mauka Udaan Ka' in Mumbai, a livelihood programme of training for the poor youth that led to absorption of 165 out of 191 trained in 2006. It appears the approach to identify the employers first and involve them in the training programme leads to better success. One needs studies over a period of time of such experiments, as one would like to know how those in service are faring now after some years of their initial training, and how many have been able to retain their jobs, as these details are not given in the study. At present such programmes cannot be funded from SJSRY. Therefore SJSRY needs to change its strategy.

6.4 Health

The NSS report on the condition of urban slums indicates that the access to a nearest health facility for both notified as well as non-notified slums is extremely poor, though there is a lot of variation across states. In Bihar, for example, there is no health facility within one kilometre for the notified slums. For non-notified slums, the variation is more stark, with Madhya Pradesh, Chattisgarh, Uttar Pradesh indicating very low access. For India as a whole, less than 40 percent of the slums have health facilities within one kilometre for the non-notified slums.

Another indicator of access is based on the ICDS coverage; in 2005, there were 360 urban ICDS projects catering to about 90 million urban poor, indicating coverage of a little over one-third. Of the total number of ICDS centres, hardly 10% operate in the urban centres. The recommendations on ICDS by the National Advisory Council in 2004 indicated a requirement of 2,970 projects to universalize ICDS in urban India, and indicate that the present coverage falls far short of this number. Analysis indicates that as many as 40 percent of slums in cities might be excluded from official slum and ICDS lists, and the BPL lists and slum lists used to identify beneficiaries may exclude the 'hidden' construction site workers, pavement dwellers and yet to be notified slums.

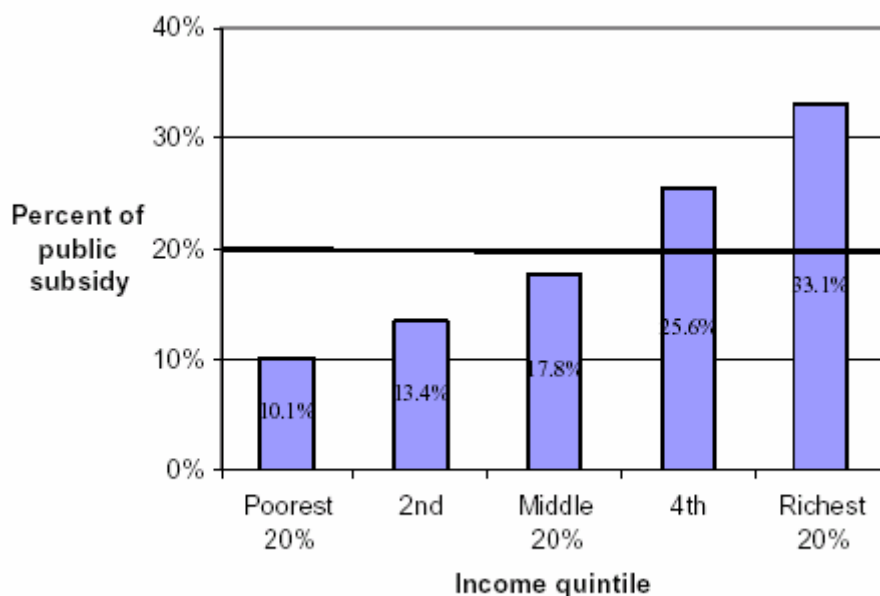
Godbole and Talwalkar (2000) found that the state of child health in urban slums was in some cases worse than that in rural areas. In the context of immunization they find that oral polio vaccine coverage is 92 per cent in rural areas as against 79 per cent in urban slums. They also find that coverage levels of Vitamin A (first dose) in slums are 48 percent as against 80 percent in rural areas. The higher coverage in the case of rural areas can be attributed to issues relating to point of delivery. While immunisation services are provided at the village level in rural areas, in urban areas they are still largely provided in hospital or clinical settings. They also find that 48 percent of slum children in the age group 0- 23 months were underweight as against 41 percent in rural areas.

Primary Healthcare in Urban Slums (EPW December 21, 2002)

The paper describes the health status of slum dwellers in Maharashtra and discusses the constraints in the existing urban health delivery system. Health posts and post-partum centres in urban areas have by and large become hospital-based programmes which do not cater effectively to slum populations. The present scenario depicts a depressing picture where the poorest and most vulnerable groups residing in urban slums are outside the ambit of any public health coverage.

A perspective 10-year health plan incorporating urban growth trends needs to be developed by the state. At the same time, state funding for urban health needs to increase to ensure that new urban health infrastructure is in place. All planning at the state level (whether for adolescent health, training or TB control) should be done in the urban context too.

Inequity in public expenditure on health: The poorest 20 percent of the population captured only about 10 percent of the total net public subsidy from publicly provided clinical services. The richest quintile received more than three times the subsidy received by the poorest quintile, indicating that publicly financed curative care services are ‘unambiguously pro-rich’ (World Bank 2001).



The following recommendations are suggested:

- There is a need to increase the urban infrastructure for health at all levels including big cities and small towns to cope with the growing urban population;
- Posts need to be created at various levels in slum areas within the health department to ensure adequate delivery;
- All health posts should provide outreach services to slum and slum-like areas through the ANM and MPW;

- The recommendation of the Krishnan committee for a community health worker for population of 2,000 should be put into place;
- Ward committees should monitor and demand primary healthcare services from the health post system;
- There should be an inter-sectoral committee for public health for all municipal bodies;
- Special provisions should be made for providing health services to pavement dwellers and temporary settlements;
- There needs to be integration of all vertical programmes (such as TB, malaria, HIV/AIDs) with the primary healthcare system in urban areas.

It is hoped that the slum profiles being prepared by Yashada will capture these dimensions, and then there would be city-wise repeated studies so that one knows what exactly has been the performance of the city governments in fulfilling their promises made in the DPRs.

6.5 *Drinking Water*

It may be seen from Table 7 that while 15 percent of the residents of slums and squatters have water, sanitation and electricity within premises, the relevant proportion is 63 percent in other areas of the cities. It is also interesting to make a comparison for households belonging to the same monthly per capita expenditure (MPCE) classes. It is evident from the Table that low-income households (MPCE less than Rs 425 per month) in slums and squatters encounter greater deprivation in respect of water supply, sanitation and electricity than their counterparts (with same levels of income) in other areas of the cities.

Table 7: MPCE class-wise % of dwelling units having all three facilities (electricity, latrine and drinking water) within premises for urban areas (July-December 2002)

| MPCE (Rs.) | Slum + Squatter | | Other Areas | | All | |
|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| | All Three Facilities | None of them | All Three Facilities | None of them | All Three Facilities | None of them |
| 0-300 | 8 | 39 | 27 | 21 | 23 | 25 |
| 300-350 | 5 | 29 | 24 | 17 | 20 | 20 |
| 350-425 | 8 | 16 | 29 | 12 | 215 | 13 |
| 425-500 | 11 | 19 | 35 | 10 | 31 | 11 |
| 500-575 | 16 | 12 | 43 | 8 | 40 | 9 |
| 575-665 | 10 | 8 | 50 | 3 | 45 | 4 |
| 665-775 | 16 | 5 | 59 | 2 | 53 | 2 |
| 775-915 | 23 | 2 | 65 | 2 | 61 | 2 |
| 915-1120 | 19 | 5 | 75 | 1 | 70 | 1 |
| 1120-1500 | 17 | 1 | 84 | 0 | 80 | 0 |
| 1500-1925 | 44 | 1 | 88 | 0 | 86 | 0 |
| 1925 or More | 62 | 1 | 94 | 0 | 93 | 0 |
| Not Reported | 52 | 0 | 73 | 6 | 72 | 5 |
| All Classes | 15 | 11 | 63 | 4 | 58 | 5 |

Abbr. : MPCE : Monthly per Capita Consumption Expenditure

Source: Housing Condition in India (Housing Stock and Construction), NSS Report No. 488, 58th Round (July-December 2002).

According to the 1991 census, 81.4 per cent of urban household had access to safe drinking water but 40 million persons (18.6%) were reported to be without access to safe water supply. Per capita daily consumption of water in Class I cities is less than 142 litres, reaching a low of 50 litres in some cities. Income poverty estimates do not capture municipal dimensions such as actual access to water by poor groups. Even in cities claiming 100 percent coverage, per capita availability varies 10 times between poor and rich locations.

For example, in Ahmedabad, the wealthier 25 per cent of the population consume 90 per cent of water supplied, while the remaining 75 per cent of the population have to make do with only 10 per cent of the water. In Calcutta, water supply in slums is about 75 litres per capita per day (lpcd) whereas in non-slum areas it is about 220 lcd.

Thus the high figure of water supply of more than 200 lpcd in metropolitan cities like Delhi, Calcutta, Mumbai and Hyderabad hides the very serious inequities in access, quality and quantity of water supply available to different parts of the city. Delhi's per capita water supply of 200 lpcd does not mean much to about 30% of the city's population who have access to only 25 litres or less.

In many cities, water availability ranges from 3-8 hours per day. India's three largest cities (Mumbai, Delhi and Chennai) are worst in terms of hours of availability of water

per day varying between 4 to 5 hours. There are about 80 class I towns in Tamil Nadu, Andhra Pradesh, West Bengal, Rajasthan and Maharashtra which have got per capita supply of less than 75 lpcd. The daily per capita supply of water to Bangalore is about 75-80 litres and in Chennai it is about 70 litres.

The piped water supply systems in Indian cities are marked by considerable inefficiency. Most cities are unable to operate and maintain the existing systems to full capacity. The capacity utilization is less than 50% in 40% of the towns and in the range of 51 to 75% in another 20% of towns.

Then there are leakages (between 25-50 per cent) in water supply system thereby creating further shortages. Low water pressure and intermittent supplies allow back – syphonage and contamination. Since about 60 to 70 per cent of drinking water is drawn from surface streams, their pollution by discharge of domestic and industrial wastes is a direct threat to public health. Poor pricing policies fail to promote conservation of water. If these trends continue there is a real danger that more and more urban areas may run out of water.

In 84 (71) percent of the notified (non-notified) slums the main water source is the tap. But these numbers mask differences across the states of India. In the states of Bihar none of the slums get water via the tap. In Chhattisgarh, Gujarat and Uttar Pradesh less than 35 percent of slums get tap water. There has not been any significant improvement since 1993. In 1993, 83 per cent of notified slums and 70 per cent for non-notified slums drew their drinking water from tap.

The wealthy households invest in backyard bore well, booster pump, large storage, electronic water filters, etc and are thus able to meet their water requirement in terms of quantity as well as quality. Since poor are not in a position to make such investments, they have to spend a lot of time for water collection and put up with inadequate water quality. The poor have to bear the water shortages in summer by cutting down their water use (say by not taking bath or in other ways) or travelling longer distances to collect water or do both.

6.6 Sanitation

Turning to sanitation, although overall access to toilets in urban areas is currently more than 80 percent (based on Census data), access to sewerage is much less. According to one estimate, the proportion of urban population having toilet connected to sewers is only about 28 percent. Pit latrines and service latrines are used by at least 10 percent of urban population. This obviously needs improvement to ensure 'safe' excreta disposal, particularly in the case of service latrines. There is wide variation across cities in regard to the extent of sewerage connection. Access to sanitation is far lower in slums (especially non-notified slums) and worse in squatters than in other areas of the cities (Table 8).

Table 8: Access to latrines in slums, Urban India

| Area | % households not having latrines | % households having septic tank/ flush latrines |
|---------------------|----------------------------------|---|
| Slums and squatters | 32 | 27 |
| Other area | 16 | 68 |

Source: NSS 58th Round (2002)

In the rural areas, 78 percent of households do not have any latrine while 51 percent of non-notified slums do not have a latrine. Nearly 66 percent of rural households do not have any drainage facility while 44 percent of non-notified slums do not have drainage facilities.

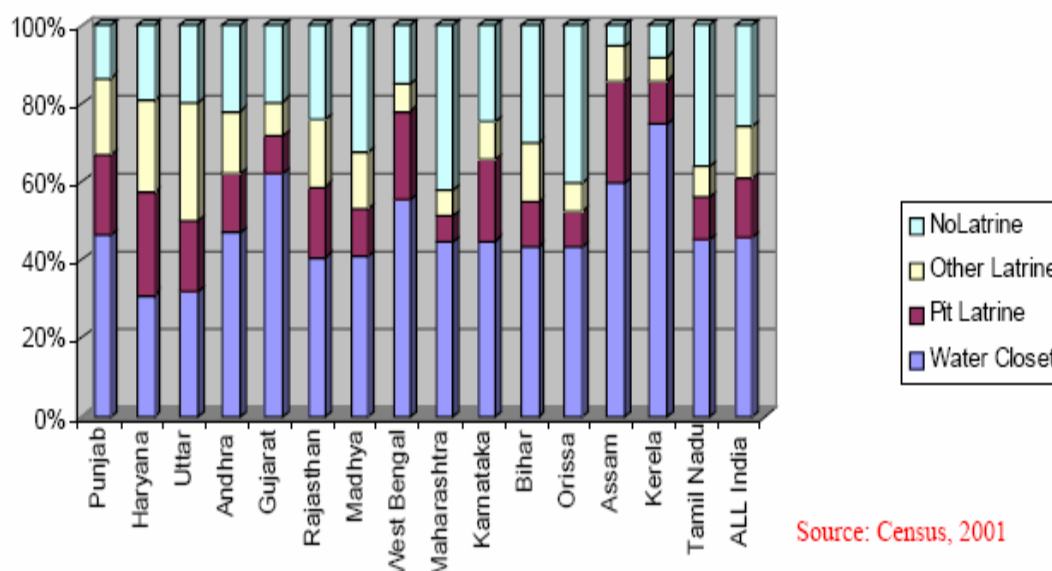
Municipal Corporations have Conservancy Departments whose duty it is to clean and maintain toilet blocks, drains, streets and so on. However, it has been widely recognized that this staff is usually remiss in its duties and hence the toilets soon fall into disrepair and disuse. Since the local community does not have any control over the sanitation staff, the latter do not respond to their concerns. Often, communities have to pay additional money to the same workers to persuade them to clean the toilets - the job they are in fact paid to do. Municipal bureaucracies are large and cumbersome making the job of supervisory staff very difficult and attempts to impose discipline almost invariably fail. Slum dwellers themselves are left out of all decision-making processes regarding the toilets and have, therefore, no sense of ownership of them.

Local bodies have traditionally seen the toilet blocks as their property and no effort has been made to involve communities even in maintenance. Moreover, the quality of construction is frequently poor, the availability of water is limited, sometimes there is no access to drainage and most often, there is no garbage dumping area. The toilet areas become the dumps and all these problems add to the early deterioration of the few working toilets in the city. The consequences of this way of doing things are there for all to see: in most of our cities, there are few operational toilet blocks and people perforce have to squat and defecate in the open. The sight of bare behinds along railway tracks and other public spaces is a common experience in the city. Women often have to wait till it is dark to perform these natural functions to protect their modesty. As a result, gastric disorders are widespread amongst them. Children squat anywhere and everywhere and human excreta are spread all over the place. These insanitary conditions and environmental hazards take their toll upon the health of the poor. The links between public sanitation and public health are well established.

Nearly three-fourths of the population living in cities have no access to any human waste collection and disposal system. The sewerage system exist in 60 Class I cities out of 300 but where systems exist they cover the area only partially. Less than half of the total sewage is collected and only 30-40 per cent of which is treated properly. More than half of urban population particularly in small and medium towns resort to open defecation. Provision of sewerage system continues to be expensive particularly in regard to collection and conveyance. Due to inadequate sewerage and lack of water treatment facilities, pollutants enter ground water, rivers and other water sources causing water borne diseases.

Provision of Safe Water Supply and Sanitation to Urban Poor

Figure 1b: Distribution of Urban Households by Availability and Type of Latrine



6.6.1 Securing people's participation - Sanitation in Mumbai

According to a recent social and technical survey of all slums conducted by the Brihanmumbai Municipal Corporation (BMC) in 2001 under the slum sanitation scheme (SSP), 1,959 slum settlements were counted with a total population of 62.47 lakh, this constituted 54 per cent of the city's population. Of these, 137 are non-notified slums where about 5.25 lakh people reside. According to the above survey, as many as 38.6 lakh people (62 per cent of the slum population) – residing in 1,435 slum localities – are dependent exclusively on public toilets. A sizeable number of the slums (209) are devoid of public toilet facilities. Of these, households in only 18 slums have individual toilets, the rest use open fields.

The implementation of a large developmental scheme (the SSP) by a leading NGO (SPARC) in slum localities of Mumbai city, through a participatory approach, has emerged as an interesting case study for future lessons in 'civil society in action'. SPARC has perhaps made history in the country in the sense that it served a contract worth Rs 480 million under the SSP for developing sanitation blocks (toilets) in various slums of Mumbai city. This has happened mainly due to the impressive record of SPARC as a NGO working for the urban poor for over two decades.

The first lesson is that in a city like Mumbai, where over a half of the population (over six millions) resides in slums, no NGO has a mass base to mobilise these communities. Moreover, slum dwellers are divided wide across ethnic, political and economic lines. Any developmental programme has to take into consideration these factors.

Evolving a broadly representative peoples' organisation in a span of 2-3 months is difficult. The practice followed by NGOs was thus to identify CBOs most amenable to the programme and elicit participation through them; representing a further entrenchment of existing patterns.

Participation cannot be localised or fragmented, isolated from other forces and concerns. It is shaped by the broader socio-political context. Thus, the concept of financial contribution towards sanitation interplays with a larger ethos of free toilets, free houses, with a system which encourages largesse on one hand and corruption, and vested interests on the other. During the course of the SSP, therefore steps had to be taken to regulate the 'free' component in the area of sanitation services.

Encouraging participation at the locality level means an intervention in community politics. The assumption in SSP was that this politics can be moulded into genuine grassroots democracy. The experience suggests that there are already well-defined patterns of organisations, affiliations, resources and power distribution in communities. The programme's acceptability to people and its translation into a demand by a CBO is thus, heavily dependent on its interface with these patterns. The difficulties are compounded when there are factions or when the credibility of CBOs is under question.

Workshops often end up recommending that the poor should organise themselves. However, the poor cannot organise themselves in a situation where whatever they do has been declared illegal by the state. The environment thus forces them to seek dependence on the political elite and mafia, they end up as pawns to be used for narrow political ends, such as rallies. Unless the poor's presence is considered desirable and legitimate by the state, mere populist policies will not lead to either responsible behaviour or mobilisation of the poor.

It is hoped that the city profiles being prepared by Yashada will capture the present situation of water and sanitation services for the urban poor, and then there would be city-wise repeated studies so that one knows what has been the performance of the city governments in fulfilling their promises made in the DPRs for which they would receive grants under JNNURM.

7 NCR Component

The NCR Component aims at giving targeted support to civil society in the NCR to promote urban poor concerns and to address multiple vulnerabilities of urban population. This component provides targeted support to 21 community associations and NGOs active in the NCR of Delhi in promoting urban poor concerns and grounding interventions to address multiple vulnerabilities of urban poor, particularly relating to living, working and social security concerns of the poor in the urban informal sector.

The broad objectives of this component are:

1. To have an increased understanding of multi stakeholder approaches to development issues, regulatory environment and capacities to cope up with multiple vulnerabilities.
2. To demonstrate viable models which focus on empowerment of the urban poor and slum dwellers and provide them with a forum to discuss their needs and the obstacles to meeting them

3. To develop policy guideline based on action plans prepared by civil societies, news media and local government on urgent livelihoods and living condition problems.

The Agreement defines the general responsibilities of the NGOs in the following terms:

‘The main objective of the NCR component of the project is to draw policy lessons from joint community-based action aimed at addressing the concerns of the poor and demonstrating innovative approaches to urban poverty reduction and human development. Enhancing the effectiveness of the existing public programmes through community participation is one of the key goals of this initiative.’

The Social Welfare Department, Government of NCT of Delhi has been designated by the Government of NCT of Delhi as the Nodal Agency to coordinate the activities of the project. Each NGO was asked to identify and establish clear linkages with the relevant programmes and agencies of NCT of Delhi so as to enhance the effectiveness of the latter and avoid duplication of efforts. The contract with NIUA which is doing overall coordination of the project on behalf of the Ministry was signed on the 23rd November 2004, which then signed contracts with the NGOs in September 2005.

The draft reports of the NGOs were not available at the time of writing this draft (23rd March 2007). It is difficult to comment at this stage about the usefulness of their output. One wishes that the reports critically examine the framework and implementation of all policies of the state government that impinge on their lives, especially the following:

- Has Delhi government taken into account the concerns of the poor while framing its Master Plan? It is recognised at all levels the Master Plan process requires a thorough overhaul, as they reserve abundant land for the rich, but leave little for housing for the poor and their trades.
- The Delhi Small Industries Corporation has been entrusted with the task of constructing houses for the poor. Of the total needs of the poor, what percentage of houses would be thus constructed? Who is occupying them? Are these on rent or self-occupied?
- Why was the night shelter scheme not vigorously pursued by the state government? What budget is available for this scheme now, and why that budget cannot be enhanced substantially?
- What changes have taken place in the state government’s policy towards vendors and hawkers in the last five years? Are they getting due justice as suggested in the draft national policy?
- What is the density of primary health care centres in the slum and resettlement areas? Why have the homeless and people in the non-notified slums been denied of ration cards? How much budget is spent on schools in these areas per child as compared to municipal schools in the better-off areas?
- Manual scavenging still continues in some parts of Delhi. Is anything being done for its total elimination?

- How has the budget meant for the poor been spent in the past? Were outcomes being monitored? Can we suggest a better system for tracking of funds with transparency?
- How do the policy makers plan to improve the living conditions of the poor in the next five years? Are those plans realistic? Were similar targets in the past achieved? Whose responsibility is to ensure these targets?

The above list of research issues is of course only suggestive and not exhaustive. My discussions with the NGOs and the NIUA did not generate optimism that the project would aim at getting answers to the above questions. The focus of the NCR project seems to be on delivery rather than generating evidence that would put pressure on the Delhi government to improve their performance.

Delhi Government is notorious for still having many anti-poor rules and laws on its statutes. It has issued orders that ration cards will not be issued to a person who does not have an address, thus depriving all pavement dwellers of an essential service to which all citizens are entitled. In fact, being the poorest they deserve Antyodaya cards.

Secondly, no agency in Delhi is maintaining land records in respect of the freehold urban land. When a property is converted from leasehold to freehold, a Conveyance Deed is issued by the land owning agency in the name of the person to whom freehold rights have been given and the property file of the DDA is closed. Thereafter DDA does not maintain any record of the ownership status of such properties. The MCD (Municipal Corporation of Delhi) or NDMC (New Delhi Municipal Corporation) also maintains separate records of property but for the purpose of collection of property tax only and they are not concerned with the title of property.

Any change in the ownership of property on account of sale, inheritance etc is not being reflected in any record. At the present there is total chaos in Delhi, as it is very difficult to establish ownership rights in respect of urban properties. This has led to unnecessary large scale litigation not only between the citizens but also between the private persons and government. The system of maintenance of land records in Delhi is thus a classical example of ambiguity, confusion, chaos and multiplicity of authorities with each authority trying to absolve itself of the responsibility.

A related problem has been laws relating to prevention of fragmentation of holdings. With a view to check division of marginal holdings by transfer and partition, Delhi government has passed a law that a farmer owning less than 1.25 hectares cannot sell fragment of his holding. As land prices are increasing very fast due to pressure of urbanisation, many small farmers in the outskirts of Delhi will like to sell a part of their holding to real estate agents to benefit from high prices. As they cannot do so legally, they have to resort to subterfuges, or involve land mafias in such deals, which depresses their profits as well as encourages corruption at all levels.

Unfortunately none of the NGOs are looking at these anti-poor laws, thus missing out on a great opportunity to do legal advocacy for the poor.

The NGOs involved in the NCR component were extremely critical of the way project has been designed and handled. The choice of sites was forced upon them, often the sites decided by the Social Welfare Department were new to them. They would have preferred

to work in those areas where they were working in the past, so that the time taken to establish rapport and mobilise people would have been less. The total time given to them was a little more than a year (counting from the release of the first instalment up to the end of March 2007⁵), release of funds to them was uncertain and delayed, there was no coordination with the Dept of social Welfare, and the problems that they pointed out were not given any priority by the Delhi government.

The NGOs described their activities in the meeting convened by the NIUA, but admitted that in the limited time available to them they could not say what were the outcomes. Advocacy was not attempted by them. The original objective was to promote policy dialogue, but actually NGOs did only 'service delivery' activities. These remained stand-alone projects for delivery with no links to improving the performance of government, or to improve policy framework. The NGOs should have started with a quick appraisal of the existing government schemes, understand their flaws so that pressure could be built on the machinery to improve their services.

The present Director Social Welfare, Government of Delhi, who has already been on this job for the last six months was not aware of the activities of the 21 NGOs, or even of their existence. Her understanding was that the project has still not begun, and will come into existence after the proposed cell (see below) is set up. She appeared very confused when I told her that the NGO activity in the six slum areas was almost over, and the project was now coming to an end. It appeared that no one had briefed her about the selection of the NGOs, or their grievances with the various government departments that the Social Welfare Department was supposed to coordinate. She however promised me to convene a meeting of the NGOs, and give them an opportunity to present their findings. She also felt that her Department was not the right choice to deal with the problem of urban poverty, as Social Welfare's main focus was on programmes for women and children (ICDS), to provide safety nets to the disabled & widows in the form of pensions, and to help in the running of Protection Homes. She wondered how her Department could solve the problems of housing, solid waste management, sanitation, etc where the NGOs have sought help from the state government. She felt that the project should have been handled better by the Department of Urban Development in the Delhi Government.

Policy Cell - A sum of Rs one crore has been earmarked for the establishment of an 'Urban poverty and livelihoods cell' in the Department of Social Welfare. The rationale for such a cell is that the poor suffer from several kinds of vulnerabilities, and in order to deal with them, the tenth five year plan has proposed the establishment of 'cells' or specialised institutional offices that quantify and analyse such vulnerability and devise means of reducing the same. Such cells are proposed to be set up at the level of local, regional and national level governments.

A dedicated cell on urban poverty and livelihoods is therefore proposed to be established by the Government of the NCT of Delhi, with specific deliverables (monitoring and evaluation system, research outputs, advocacy material, consultative exercises) that

⁵ It is understood that the request of the National Institute of Urban Affairs, which is coordinating the activities of the 21 NGOs, sought extension of the NGO component by six months, but the project has not been extended beyond 31st March, 2007.

highlight the urban poverty and livelihoods issues and mainstream them into the everyday functioning of the state government's planning and policy making processes.

Applications were invited from eligible organisations to establish and operate this cell for a period of 15 months, or up to 31 December 2007 (whichever is earlier) on a FULL-TIME basis. However, as no decision has been taken so far, less than ten months are left for such a cell. Since the nature of the cell is policy research oriented that will require collecting data from the field, obviously the cell's existence for only ten months will serve no purpose. It can at best re-package information which is already available. The period should have been at least three to four years for the cell to be effective. Even if more time was available today, I wonder if the Department of Social Welfare was the right department to locate the cell, as it has no responsibility to prepare plans and implement components of the JNNURM. I will strongly advise the Ministry not to set up such a cell.

On the whole, the NCR component has not functioned well, despite having selected the best and most competent NGOs, and need not be continued beyond the current financial year.

8 Suggested action points

8.1 Overall

The project's tenure should be extended by at least a year (more if possible) so that the suggestions given in this note can be initiated by the various institutions created under the project. It is also suggested that UNDP should continue its concern with the urban poor during the next Programme Cycle (2008-12) too, and preparation for the new programme should start right now on the lines suggested in this note. The momentum gained in the project will be lost and its impact on the activities of JNNURM will be nullified, if no successor project is formulated.

The NCR component has not functioned well, despite having selected the best and most competent NGOs, and need not be continued beyond the current financial year.

8.2 Cross-sectoral issues

The Ministry should request the Planning Commission to change the way urban poverty is measured by taking into account their living conditions and deprivations too. Both household expenditure and access to civic services could be given equal weight in determining the number of urban poor.

The cells that are being created (this process has already been quite delayed) should be manned by competent personnel who could assess the failings of the Municipalities and suggest how they could overcome the bottlenecks. Such cells at the city level may not be effective as these will never be able to do independent monitoring of the JNNURM components and point out the flaws in implementation. Therefore these cells should only be at the GOI and state level, to look after M&E functions for the JNNURM projects. The terms of contract for working in the cells should be lucrative enough to attract professional experts and senior IAS officers.

The UNDP project should now concentrate on ensuring that the budgets released by JNNURM to the Municipalities is fully utilized and effectively spent for the poor. In

addition, the project should concentrate on quantifying outcomes in the critical sectors, such as housing and livelihoods, so that GOI could periodically review and take corrective action. Similarly the project should now study in detail why the Ministry has to surrender funds year after year, and why states are not able to make full use of the funds provided by the Centre.

Based on these papers, the National Project Cell established at Yashada should be able to do city-wise analysis on certain key outcomes. In fact, it should develop templates, which could be used by the Ministry to write to the states and Mayors every quarter, highlighting where the individual city is failing to deliver. Only intense monitoring will change the lethargy that overwhelms municipal administration.

Most case studies on best practices describe the events at a given point of time, though one needs to know the progress over a longer period, say ten years. For instance, the case study on Surat municipality describes events only between 1994 and 1997. One would have liked to know what happened in the next ten years, and to what extent the measures initiated earlier were sustained. Therefore the project should promote repeated studies on best practices on which material was collected some years back.

The researchers should be free to publish their papers without taking any clearance from the project authorities. In addition to publication, policy workshops should be organised, specially inviting such people in government who command credibility within the government system. Coordination with other donor projects such as funded by ADB and DFID needs improvement.

8.3 Sectoral

Housing - Reserve at least 30% of all new housing space for the poor. Make it compulsory by law for all housing schemes in which more than 20 dwelling units are being constructed, whether for higher or middle income groups, to construct a certain percentage (say 30% of the total number) of affordable houses of 25-30 sq m for the poor as part of the scheme. Make it compulsory by law for all advertisements on housing, whether from builders or government organisations, to specifically mention in what manner the poor would benefit from the housing scheme.

A law should be passed making it incumbent for the contractors to pay for space for the labourers in the night shelter before their tenders are considered. Interest subsidy on bank loans for the poor should be introduced. It is ironical that the rich get income tax rebate on housing loans, but the poor get no such benefit from government. In line with efficient and optimum use of land, a minimum threshold for FSI rather than a maximum cap is a desirable objective.

As owning a house is not always a realistic option for the poorest, rental schemes should be promoted. The poorest such as beggars and daily wage earners cannot afford houses even on a rental scheme. For them the scheme of night shelters should be revived as a centrally sponsored scheme.

Vendors - Adopt and implement the suggested National Policy on Urban Street Vendors, and discontinue the practice of farming out of Tehbazari (fee) to contractors and other intermediaries. Instead of licences, there should be a simple registration of street vendors by the ward committees who will provide them identity cards. The registration fees could

be paid at the designated banks directly by the vendors. The identity cards specifying the authorized place of vending should be issued to all street vendors to enable them to carry on their profession and earn a decent livelihood. The evictions should be avoided but where relocation of street vendors is necessary, a minimum notice of 30 days should be served to them.

A part of JNNURM funds should be reserved for those states which implement the National Policies about street Vendors and Slum Improvement at the earliest.

SJSRY & livelihoods - The wage component in SJSRY meant for unskilled work should be dropped in the XI Plan. SJSRY should focus more on skill upgradation than on self employment. Skill development has to be correlated to the demands of the industry and service sector in and around the city.

Health - There is a need to increase the urban infrastructure for health at all levels including big cities and small towns to cope with the growing urban population. Posts need to be created at various levels in slum areas within the health department to ensure adequate delivery and provision of outreach services. Special provisions should be made for providing health services to pavement dwellers and temporary settlements.

Water & sanitation - The city profiles being prepared by Yashada should prepare city-wise repeated studies on the availability of water and sanitation to the poorest areas so that one knows what exactly has been the performance of the city governments in fulfilling their promises made in the DPRs for which they would receive grants under JNNURM.

To sum up, the project should increasingly aim to supplement the Ministry's endeavour to provide basic services to the urban poor in the select cities so to bring convergence between the project objectives with the JNNURM activities at all levels, by close supervision and monitoring of the activities of the city municipalities.

9 Annexure: Draft Terms of Reference

for the Review of IND/03/033: GOI-UNDP Project on National Strategy for Urban Poor

I. Background

1. Based on the pre-dominance of the rural sector in India (65% of the population), the concerns with poverty have quite naturally been associated with rural conditions linked to factors such as growing landlessness and marginalization of poor farmers and artisans as also famine, drought and other natural calamities, etc. It is only now beginning to be acknowledged that India is a rapidly urbanizing nation with over 400 million people living in urban areas, and also that urban development which is considered to be an engine of growth has not been able to provide decent livelihood and living conditions to almost 40% of the population inhabiting the urban areas. Further, though at the national level, the percentage of poor in rural areas is significantly higher than in urban areas, only a few of the larger States conform to this pattern. States such as Andhra Pradesh, Goa, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu, Delhi and the Union Territory of Pondicherry have reported levels of urban poverty that is higher than rural poverty. There is a growing demand for translating this realization into public policy response for amelioration of urban poverty.

2. There is little understanding of the rapidly changing urbanization scenarios all over India leading to the growth of informal settlements with very poor living conditions and of livelihoods within poor urban neighborhoods (the so-called 'informal' sector). It is gradually being recognized that palliatives of the rural public works type will not solve the problem, since the growth process itself will continue to produce more of the urban unemployed and poor. Whether rural or urban, alternative paths need to be charted and followed on the basis of creating sustainable livelihoods for the entire population, accompanied by a national human settlements policy that will produce more rational, equitable and environmentally manageable use of land and space for everyone.

3. The analysis of the urbanization process in India – as a complex social dynamic – itself tends to be piecemeal, narrow and statistical, leading to misleading conclusions about its origins, driving forces, and socio-economic constraints. Much can be learned from urbanization processes and slum responses in other parts of Asia, Latin America and Africa, and also from the industrialized countries whose worst urban problems are being replicated in India.

4. From a policy planning point of view, urban poverty has the following distinct characteristics which need careful analysis:

- While rural poverty is about incomes, urban poverty is more about living conditions. The issue of urban poverty is intrinsically intertwined with the problems of shelter, the lack of basic services that enabled daily life, the constant threat to disruption of informal enterprises and other kinds of deprivation and vulnerabilities that the urban poor suffer. Some studies have reported that the deprivation in human development in the periphery of cities is far more severe than even in remote rural areas, and the peripheries of cities and towns are degenerating as low productive activities are pushed out and low skilled rural migrants are absorbed. All these not only seriously question the hypothesis regarding rural-urban continuum and healthy inter-dependence between urban centres and their hinterlands, but also flag the need for an intensive examination of the specificities of the phenomenon of urban poverty in a human development framework.
- The inter-state variations in poverty show no co-relation with per capita income or other development indicators like per capita consumption, levels of industrial and infrastructure development etc. in urban areas during the nineties. While the lack of development is the

cause of urban poverty in many states, the nature and sectoral composition of development is responsible for poverty in others.

- There is also a very strong equity angle in the urban poverty debate. It is commonly recognized that 95% of legal urban space is used and kept for the benefit of the 5% most privileged of city dwellers. It is becoming a matter of concern that the courts and “green benches”, at the behest of middle-class environmental NGOs and their supporters, are tilting the scales of legal opinion further against slum livelihoods, in the interests of urban ‘beautification’ and greening. Therefore, there is a need for initiatives that seeks to bridge the perceptions of the officials who control urban space and those of the poor majorities who occupy its neglected corners. In particular, there is a need to mainstream in the policy process, the survival strategies and solutions of the urban poor themselves that can provide the most valuable lessons and guides for the initial stages of policy and programme reform. As a minimum, public and official attitudes towards slum inhabitants, desperately eking out a precarious living, need to become sympathetic and inclusive. It still needs to be recognized that these livelihood efforts of the urban poor are deserving of resource transfers and a flexible regulatory framework.

5. In the background of the above, the Country Programme (2003-07) initiated GOI-UNDP collaboration in the area of alleviation of urban poverty and livelihoods. The basic objective of the GOI-UNDP project on National Strategy for Urban Poor (see www.undp.org.in for the project document) is to encourage debate on the causes and potential responses to urban poverty leading to formulation of a national strategy on urban poverty based on a participatory process, and the wealth of local and international experience and research findings.

II. Main Components of the GOI-UNDP project on National Strategy for Urban Poor

6. The GOI-UNDP project with a UNDP inputs of \$ 5.0 m. was signed in November 2003. The project is executed by the Ministry of Urban Employment and Poverty Alleviation (MUE&PA) which is a new Ministry carved out of the former Ministry of Urban Development. The project has two distinct but mutually reinforcing components – an All India (National component) and a specific Delhi (National Capital Region – NCR) component. An overview of the key project components as it has evolved is presented below:

| Project Outcomes | Ongoing/Planned Initiatives |
|---|--|
| Project Outcome 1: Enhanced understanding on trends and directions of urban poverty in India. | <p>A National Urban Poverty Report is being prepared to identify in a rigorous manner, the key issues in urban poverty/livelihoods. A high-level Steering Group has been set up under the Chairpersonship of Secretary, MUE&PA. The selection of topics has been decided. Identification of lead writers is underway.</p> <p>Also, the Jawaharlal Nehru University and the Institute of Economic Growth have been co-opted to provide policy research support, and to assist in preparation of sound programmes under the flagship National Urban Renewal Mission.</p> |
| Project Outcome 2: An all India network on urban poor livelihoods established to support wider stakeholder dialogue and exchange of information within India and with other | The Yashwantrao Chavan Academy of Development Administration, Pune, and the Regional Centre for Urban and Environmental Studies at the All India Institute of Local Self Government have been contracted to document the experience and innovations in management of all programmes in the country dealing with urban poverty and livelihoods. These institutions will in-turn establish partnership with State level and City level institutions, including organizations representing the interest of the urban poor. |

| | |
|--|--|
| countries. | This exercise will support very wide stakeholder consultations within India and with other countries on pro-poor public policy framework. |
| Project Outcome 3: Innovative and promising livelihoods initiative of urban poor communities broadened and deepened across the country. | <p>The Entrepreneurship Development Institute of India (EDI) which is a co-partner in the Kerala's path breaking Kudumbashree Programme on pro-poor livelihoods promotion, has been contracted to develop a strategy to strengthen the existing Government of India's programmes on livelihoods promotion. Implementation of the strategy developed will be supported initially under the project.</p> <p>An innovation fund called 'Transforming Urban Livelihoods and Living Conditions' (TULCI) is being launched. This will inter alia, support: development of pro-poor city development strategies; community-based livelihoods promotion activities, and: innovative approaches in public-private-community partnership (PPCP) for provision of basic services to the poor.</p> |
| Project Outcome 4: Capacity building for a national strategy and urban poverty reduction | <p>Please see outcome 2 above. Documentation of experiences and innovations in various States would be utilised to build the capacity of policy makers, programme implementers, etc.</p> <p>Similarly, the network of apex level institutions being created (see outcome 1 & 3 above) will expand the capacity in the country for policy planning and programmes.</p> |
| Project Outcome 6: Targeted support to community associations and NGOs active in the NCR of Delhi to promote urban poor concerns and to address multiple vulnerabilities of urban population | Community-based pilots aimed at improving livelihoods and living conditions have been launched in 6 pilot sites in Delhi in partnership with 23 NGOs and the Delhi Government. 2000 poor families have been identified in each of the 6 pilot areas and convergent support to promote livelihoods and living conditions is being taken up. This pilot will in a sense explore as to how the 'ward level' initiatives in poverty alleviation and livelihoods promotion can be managed. The National Institute of Urban Affairs (NIUA) has been assigned the task of monitoring the project |

Traditionally, the Government intervention in urban poverty has been through a few programmes for subsidizing the State Governments in their programmes for employment generation for the poor, for provision of basic services in urban slum clusters and for slum improvement. The conceptual processes involved in a shift from a programmatic approach to a more strategic approach are very complex. Thus, formulation of the project strategy and developing partners has been a difficult and time-consuming task. Further, since the Ministry of Urban Employment and Poverty Alleviation is a new Ministry and has not had the experience of externally assisted programmes, creation of a management platform for the project has taken some time.

7. Anticipation of the Government of India's flagship National Urban Renewal Mission (NURM) so as to be able to converge fully the project objectives and activities with the former has been another reason why the project has been kept on a slow track. Reportedly, the Government of India is now launching the NURM before the end of the year 2005. This Mission would have two components. One component will deal with strengthening of urban infrastructure in 60 identified cities. The funding from the Government of India for these initiatives would be linked to a package of reforms that the State Governments and Urban Local Bodies would have to undertake. The second important component of NURM would be development of urban basics services for the poor. It is reported that the Government of India funding for these would not be

made conditional to reform measures. It is proposed to review all ongoing/planned project activities in light of the NURM priorities as soon as they are announced so as to dovetail the former with NURM.

III. Project Review

8. As the project strategy and activities are to be aligned with NURM, it is an appropriate time to prepare a suitable background by reviewing the existing project strategy and structure so as to validate them against the contemporary thinking and approaches in urban poverty alleviation including the international experience. Further, keeping in view the slow pace of implementation, there is a need to also review the management structure including the monitoring strategy for the project. This exercise would also help in identifying suitable opportunities for forging broader alliances including those with programmes supported by other donor agencies. Very importantly, this review would help establish the areas for leveraging international experience through the project.

9. Some of the specific issues that would be covered under the project are as follows:

- **Relevance:** the degree to which the purpose of the project remains valid and pertinent;
- **Efficacy of the project strategy:** the soundness of the project strategy vis-à-vis the development problem identified and the approach adopted to address the development problem. The importance of international experience needs to be flagged here.
- **Efficiency:** the ease of management of the project as also efforts made to build the capacity of the executing agency and other partners to implement the project.
- **Knowledge Management:** the extent to which a knowledge base is being established so that a sustainable capacity is built up for addressing the relevant development problems. Again, the issue of connectivity with international experience is important.
- **Partnership Strategy:** the extent to which the project has/aims to leverage all the key stakeholders in the area of urban poverty alleviation/livelihoods.
- **Sustainability:** an assessment of the likelihood that the project results will endure after the active involvement of UNDP has ended.

10. **The Review Team:** considering that there is considerable international experience in alleviation of urban poverty, benchmarking this project vis-à-vis such efforts in other countries would add value. Thus, it is proposed to engage an international consultant for the review. Further, a national consultant would also be engaged to bring in the local context.

11. **Duration:** Two working weeks in January 2006.

12. **Reporting:** The review team would be expected to prepare a draft report stating the findings, conclusions and recommendations. A consultation of the review team with the Executing Agency and UNDP would be organised to provide feedback on the draft report. Based on such feedback, the review team shall submit its final report.

13. **Other conditions:** the review team will work closely with Senior DRR, UNDP, and ARR (Sustainable Livelihoods). The team will also maintain close coordination with the National Project Director/Joint Secretary (Housing) in MUE&PA. The consultant would share no part of the report with other agencies other than GOI and UNDP. The consultant would also not be expected to make any commitments on behalf of UNDP during interaction with the officials of MUE&PA, implementing agencies and civil society organizations.

14. **Skills and Experience Required:**

A. International Consultant: the international consultant should have in-depth experience in managing/monitoring/reviewing similar projects in other countries, particularly in the South and South-East Asia Region. Experience with multi-stakeholder approaches and innovative modalities such as public-private-community partnership would be desirable. Also, experience in/familiarity with UNDP development cooperation activities in this area in other countries in the region would be a desirable qualification.

B. National Consultant: the national consultant should have in-depth experience in dealing with policy issues/programmes in the area of urban poverty and livelihoods in India. Familiarity with the work of other donor agencies in the above areas would be a desirable qualification.

15. **Remuneration:** the remuneration for the international and the national consultant would be in line with the norms established by the UN/UNDP.