

Urban Poverty
A Status Paper

(Prepared for the Planning Commission)

National Institute of Urban Affairs
New Delhi
February 1989

PREFACE

At a meeting held on 21 November 1988, the Expert Group on Urban Poverty (set up by the Planning Commission) decided that a paper should be prepared on the status of the urban poor with reference to their numbers and characteristics; the existing policy responses to the problems of urban poverty; and the nature of the poverty alleviation programmes together with information on their reach and impact. The Expert Group also decided that this paper should include a summary of the approach to urban poverty as enunciated by the National Commission on Urban Poverty in their report submitted in August 1988. The responsibility of preparing the paper was entrusted to the National Institute of Urban Affairs (NIUA), New Delhi.

This paper which we have, for sake of simplicity, titled as "Urban Poverty : A Status Paper" brings together the highly scattered statistical data on the urban poor, includes a brief analysis on the responses to urban poverty issues in the successive five year plans; gives an overview of the principal poverty alleviation programmes, and summarises the NCU's approach to combating poverty in urban areas.

What emerges from an examination of the mass of data and the information that this paper provides is that the problem of poverty in India's numerous urban areas is formidable, and what is being done to reduce its incidence bears little relationship to either the size or the complexity of the problems. The programmes are simplistic. They do not reach the poor, and even their relevance to the needs is questionable - at least, in the assessment of the National Commission on Urbanisation. Policy responses to urban poverty are less than clear.

As the title suggests, it is a status paper, and serves a limited purpose of providing to the members of the Expert Group, basic information on the extent and nature of the problem, the approach and the programmes. It proposes neither an approach nor a strategy for dealing with the problem of urban poverty in the context of the coming five year plan.

Apart from the members of the Expert Group on Urban Poverty, the National Institute of Urban Affairs proposes to circulate this paper to the various departments of the government, administrators, planners, nongovernmental organisations and other interest groups. From the standpoint of NIUA, it is important that there is a greater awareness in the country about the urban poverty issues, its quantitative and qualitative dimensions, and the current approaches and programmes.

This paper has been prepared by Ms. Usha P. Raghupathi, Senior Research Officer and Coordinator of the Programme of Research on Urban Poverty at the National Institute of Urban Affairs. It has been processed in the computer unit of the Institute. My thanks are due to Ms. Raghupathi and the computer unit for expeditious preparation and production of this paper.

February 1989

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I

STATISTICAL EVIDENCE ON THE NUMBER AND
CHARACTERISTICS OF THE URBAN POOR

This section presents the statistical evidence on the magnitude of urban poverty and the characteristics of the urban poor.

<u>Definition of Poverty Line (at 1984-85 prices)</u>	
<u>Rural</u>	<u>Urban</u>
Rs. 107 per capita per month (Monetary equivalent of 2400 calories per capita per day)	Rs.122 per capita per month (Monetary equivalent of 2100 calories per capita per day)
or	or
Rs.6400 per household per annum	Rs.7300 per household per annum

The first evidence on the magnitude of urban poverty is the national level data on the number of the urban poor. These are based on the quinquennial surveys of the National Sample Survey Organisation (NSSO) on Consumer Expenditure. The Planning Commission uses the results of these surveys to estimate the number of people below the poverty line both at the all-India and state levels. These data are presented in Tables 1 to 3. The second evidence is the national level data on the slum population. These are also based on the NSSO survey of slums and on the data compiled by the TCPO on slums. Tables 4 to 6 present the state and city level data on the population living in slums.

Statistical evidence on the characteristics of the urban poor have been obtained from the surveys conducted by the National Institute of Urban Affairs (NIUA), the National Centre for Human Settlements and Environment (NCHSE) and the Calcutta Metropolitan

Development Authority (CMDA). The NIUA data are based on a survey of slum dwellers conducted in 20 urban centres of varying sizes; the NCHSE data pertain to the slum households of Calcutta, Bangalore and Indore while the CMDA data are based on a survey of the pavement dwellers of Calcutta. Data on the income and expenditure of slum households have been put together in Tables 7 to 14. Information on the skill, literacy, unemployment level and activity status of the children of the slum dwellers have been presented in Tables 15 to 18. Tables 19-21 present data on the living conditions of the slum dwellers. It must be pointed out here that there are no national level data available on the status of the urban poor women and children. Data on them are scant and are available only from the micro-level surveys of the slum dwellers. An estimate of the number of urban poor women and children is given in the highlights.

Highlights

1. According to the Seventh Five Year Plan 50.5 million people in the urban areas were below the poverty line in 1984-85, forming 27.7 per cent of the urban population of the country.
2. According to the 1981 census women and children formed about 66 per cent of the urban population of the country. Using the same percentage for the population below the poverty line it can be estimated that about 33 million people below the poverty line are women and children. Children alone number about 18 million while women (over 14 yrs. of age) account for the remaining 15 million.
3. The share of the bottom 30 per cent of the urban population in total private consumption was assessed at 13.62 per cent in 1977-78 according to the Sixth Five Year Plan. The disparities in the levels of consumption between the bottom and top deciles was extraordinarily wide, with the share of the bottom decile being 3.36 per cent as against 27.48 per cent for the top decile.
4. According to the Central Statistical Organisation, Uttar Pradesh had the largest population below the poverty line in the country accounting for 40.3 per cent of the State's total urban population. Haryana was one of the states with the least number of people below the poverty line accounting for 16.9 per cent of the urban population of the state.
5. Amongst the metropolitan cities, Calcutta and Bombay had the largest number of people living in identified slums in 1981, numbering 3.03 million and 2.83 million respectively (TCPO, 1985).

6. The NIUA survey of slums (1987-88) indicates that nearly two-thirds of the slum households had a household income ranging between Rs.300 and Rs.900 with the median income being Rs.721 per month.
7. In the larger cities nearly one-fifth of the slum households had an income of over Rs.750 per month (NCHSE Survey, 1987).
8. The median per capita income of the slum households was Rs.145 per month while it was Rs.101 for the households below the poverty line (NIUA Survey, 1987-88).
9. The average monthly per capita expenditure of the people below the poverty line in the urban areas was Rs.53.87 in 1977-78 (NSSO Survey). According to the NIUA survey of slum households, the median monthly expenditure of the households below the poverty line was Rs.98.43 per capita in 1987-88.
10. The employment profile of workers from the slum households shows that they are engaged in a variety of trades and occupations ranging from unskilled labourers to skilled motor mechanics. According to the NCHSE survey nearly two-thirds of the workers from the slums were unskilled, almost one-fifth were skilled while the remaining workers were semi-skilled.
11. As per the NCHSE data the domestic servants were amongst the lowest paid workers while the highest paid were the mechanics.
12. The NIUA survey shows that nearly 57 per cent of the slum dwellers below the poverty line were illiterates with illiteracy amongst females being as high as 69 per cent.

13. In the slum households the unemployed accounted for less than 5 per cent of the work force. The percentage of unemployed males was much higher than that of the unemployed females (NIUA Survey, 1987-88).
14. In the slum households below the poverty line working children formed about 10 per cent of all the children (5-14 yrs). About 56 per cent of the children were attending schools and as many as 34 per cent were neither working nor studying. Women workers accounted for 25 per cent of all women (in the 15-59 yrs. age-group) in the slum households below the poverty line (NIUA Survey, 1987-88).
15. According to the NSSO Survey of slums almost 15 per cent of the slum dwellers lived in pucca dwelling units in 1976-77 while nearly 50 per cent of them had semi-pucca dwelling units. Only one-third of the slum dwellers lived in rented units and over 50 per cent owned their dwelling units.
16. The NIUA data shows that only one-tenth of the slum households had private connections for water supply and three-fourths of the households had no access to sanitation facilities.

Table - 1
Incidence of Poverty

Year	Per cent of People Below the Poverty Line			Number of People Below the Poverty Line (Million)		
	Rural	Urban	Total	Rural	Urban	Total
1977-78*	51.2	38.2	48.3	253.1	53.7	306.8
1984-85**	39.9	27.7	36.9	222.2	50.5	272.7

Source: Seventh Five Year Plan, Vol.1, p.33

* NSS 32nd Round Consumer Expenditure Distribution, 1977-78

** NSS 38th Round Consumer Expenditure Distribution, 1983-84
(Provisional)

Table - 2
Percentage Distribution of Total Private Consumption
Expenditure by Deciles, 1977-78

Decile	Rural	Urban
0-10	3.65	3.36
10-20	5.12	4.67
20-30	6.24	5.59
30-40	6.56	6.50
40-50	8.03	7.39
50-60	8.66	8.69
60-70	9.84	9.77
70-80	11.77	12.31
80-90	14.55	14.24
90-100	25.58	27.48
Average monthly per capita consumption for people below the poverty line (Rs.)		
	44.96	53.87
Number of people below the poverty line (million)		
	251.66	51.10

Source: Sixth Five Year Plan, p.51

Table - 3
Poverty Levels in India

State	Percentage Living Below the Poverty Line, 1983-84	
	Urban	Total
Uttar Pradesh	40.3	45.3
Bihar	37.0	49.1
Maharashtra	23.3	34.9
West Bengal	26.5	39.2
Andhra Pradesh	29.5	36.4
Madhya Pradesh	31.1	46.2
Tamil Nadu	30.9	39.6
Karnataka	29.2	35.0
Rajasthan	26.1	34.3
Gujarat	17.3	24.3
Orissa	29.5	42.8
Kerala	30.1	26.8
Assam	21.6	23.5
Punjab	21.0	30.8
Haryana	16.9	15.6
Jammu & Kashmir	15.8	16.3
Himachal Pradesh	8.0	13.5
Tripura	19.6	23.0
Manipur	13.8	12.3
Meghalaya	4.0	28.0
Nagaland	17.7	27.1*
Sikkim	17.7	27.1*

* Averages have been used in the case of Nagaland and Sikkim.

Source: National Accounts Statistics, C.S.O., Ministry of Planning, New Delhi.

Table - 4

Estimated Urban Population and Slum Population 1990

(Persons in Lakhs)

State/UT	Urban Population 1981	Identified Slum Population 1981	Estimated Urban Population 1990	Estimated Slum Population 1990
Andhra Pradesh	124.88	28.58	190.37	38.07
Assam	20.47	1.24	33.14	6.63
Bihar	87.19	32.70	137.72	32.70
Gujarat	106.02	15.32	155.05	31.01
Haryana	28.27	2.74	45.86	9.17
Himachal Pradesh	3.26	0.76	4.58	0.92
Jammu & Kashmir	12.60	6.27	19.44	6.27
Karnataka	107.30	5.74	165.62	33.15
Kerala	47.71	4.10	68.16	13.63
Madhya Pradesh	105.86	10.75	168.81	33.76
Maharashtra	219.94	43.15	312.55	62.51
Manipur	3.75	0.17	9.61	1.92
Meghalaya	2.41	0.66	3.99	0.80
Nagaland	1.20	-	2.75	0.55
Orissa	31.10	2.82	53.02	10.60
Punjab	46.48	11.67	68.93	13.79
Rajasthan	72.11	10.25	115.69	23.14
Sikkim	0.51	0.02	1.29	0.26
Tamil Nadu	159.52	26.76	213.78	42.76
Tripura	2.26	0.18	3.24	0.65
Uttar Pradesh	198.99	25.80	326.54	65.31
West Bengal	144.47	30.28	198.57	49.64
Total States	1526.30	259.96	2298.71	477.24
Andaman & Nicobar Islands	0.49	N.A.	0.93	0.19
Arunachal Pradesh	0.41	N.A.	0.93	0.19
Chandigarh	4.23	N.A.	7.65	1.53
Dadra & Nagar Haveli	0.07	N.A.	-	-
Delhi	57.68	18.00	92.84	38.25
Goa, Daman & Diu	3.52	0.24	5.45	1.09
Lakshadweep	0.19	N.A.	-	-
Mizoram	1.22	N.A.	3.80	0.76
Pondicherry	3.16	0.94	5.13	1.03
Total UTs	70.97	19.18	116.73	35.04
All India	1597.27	279.14	2415.44	512.28

Source: A Compendium on Indian Slums, TCPO, 1985.

Table - 5
Statewise Coverage of Slums in National Sample Survey, 1976-77
(Population in '000)

State/UT	City Group	1971 Census Total Population of Cities	Total Number of Slums		No. of Sample Slums	Area Under Slums (acres)	Estimated Number of House- Persons holds	Percentage to Urban Population	
			Declared	Un Declared					
Andhra Pradesh	A	1536	38	305	343	2046	75	322	20.96
	B	672	83	139	222	875	72	334	49.70
	C	1607	283	-	283	1143	47	240	14.93
Assam	A	146	-	20	20	102	2	5	3.42
	B	989	16	108	124	1432	10	55	5.56
Gujarat	A	832	2	104	106	10428	16	72	8.64
	B	549	11	60	71	194	11	64	11.65
	C	1240	12	314	326	405	43	223	17.98
Haryana	A	1592	17	-	17	577	7	42	2.64
	B	227	5	24	29	147	3	9	3.96
	C	158	-	15	15	37	3	15	9.49
Jammu & Kashmir	A	956	86	19	105	468	19	107	11.19
	B	735	18	9	27	230	9	45	6.14
	C	1541	141	-	141	3451	30	167	10.84
Kerala	A	284	18	28	46	136	3	20	7.04
	B	1183	22	109	131	831	17	102	8.62
	C	941	52	142	194	939	26	135	14.34
Madhya Pradesh	A	1714	73	102	175	582	37	189	11.02
	B	2083	208	334	542	1936	117	599	28.76
	C	2121	138	288	426	5434	127	664	31.30
Maharashtra	A	5971	203	-	203	16523	148	665	11.13
	B	554	27	142	169	2838	24	92	16.61
	C	447	12	11	23	36	4	17	3.80
Orissa	A	836	16	24	40	796	46	221	26.42
	B	927	82	42	124	539	13	65	7.01
	C	933	113	10	123	2276	20	103	11.03
Punjab	A	1469	3	271	274	812	34	156	10.62
	B	1522	38	181	219	669	44	202	13.28
	C	2469	1202	-	1202	5212	198	990	40.09

City group: A - 1 Lakh to 3 Lakhs; B - 3 Lakhs to 1 Million; C - 1 Million plus
Source: Task Force on Housing and Urban Development Vol. IV Shelter for the Urban Poor and Slum Improvement, Planning Commission, 1983.

Table - 5
Statewise Coverage of Slums in National Sample Survey, 1976-77
(Population in '000)

State/UT	City Group	1971 Census Total Population of Cities	Total Number of Slums		No. of Sample Slums	Area Under Slums (acres)	Estimated Number of		Percentage to Urban Population
			Dec-lared	Un Declared			House- holds	Persons	
Andhra Pradesh	A	1536	38	305	343	2046	75	322	20.96
	B	672	83	139	222	875	72	334	49.70
	C	1607	283	-	283	1143	47	240	14.93
Assam	A	146	-	20	20	102	2	5	3.42
	B	989	16	108	124	1432	10	55	5.56
Gujarat	B	832	2	104	106	10428	16	72	8.64
	A	549	11	60	71	194	11	64	11.65
	B	1240	12	314	326	405	43	223	17.98
Haryana	C	1592	17	-	17	577	7	42	2.64
	A	227	5	24	29	147	3	9	3.96
	B	158	-	15	15	37	3	15	9.49
Jammu & Kashmir	A	956	86	19	105	468	19	107	11.19
	B	735	18	9	27	230	9	45	6.14
	C	1541	141	-	141	3451	30	167	10.84
Kerala	A	284	18	28	46	136	3	20	7.04
	B	1183	22	109	131	831	17	102	8.62
	C	941	52	142	194	939	26	135	14.34
Madhya Pradesh	A	1714	73	102	175	582	37	189	11.02
	B	2083	208	334	542	1936	117	599	28.76
	C	2121	138	288	426	5434	127	664	31.30
Maharashtra	A	5971	203	-	203	16523	148	665	11.13
	B	554	27	142	169	2838	24	92	16.61
	C	447	12	11	23	36	4	17	3.80
Orissa	A	836	16	24	40	796	46	221	26.42
	B	927	82	42	124	539	13	65	7.01
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	B	1522	38	181	219	669	44	202	13.28
	C	2469	1202	-	1202	5212	198	990	40.09

City group: A - 1 Lakh to 3 Lakhs; B - 3 Lakhs to 1 Million; C - 1 Million plus
Source: Task Force on Housing and Urban Development Vol. IV Shelter for the Urban Poor and Slum Improvement, Planning Commission, 1983.

Table - 6

Estimated Slum Population in Metropolitan Cities

(in lakhs)

City	Identified Slum Population 1981	% To Total Population	Estimated Population 1990	Estimated Slum Population 1990
Calcutta	30.280	32.9	125.33	43.86
Bombay	28.314	34.3	117.89	41.26
Delhi	18.000	31.4	97.67	32.08
Madras	13.630	32.1	60.22	21.08
Bangalore	3.050	10.4	51.86	10.37
Hyderabad	5.000	19.6	37.07	11.12
Ahmedabad	5.363	20.3	37.76	11.33
Kanpur	6.140	37.5	22.84	8.00
Pune	2.743	16.3	25.73	5.15
Nagpur	4.161	31.9	18.82	5.64
Lucknow	2.850	28.3	13.12	3.94
Jaipur	2.960	29.1	16.34	4.90
Total	122.491	29.1	618.65	198.73

Source: A Compendium on Indian Slums, TCPO, 1985.

Table - 7

Distribution of Slum Households by Monthly Income Groups and Household Size

Monthly Income Groups (in Rs.)	Household Size											Total No. of HHS	% of HHS	
	1	2	3	4	5	6	7	8	9	10	11+			
<300	28	24	28	39	19	14	-	1	-	-	-	-	153	7.6
301-600	45	43	98	172	213	128	55	21	5	5	-	-	785	39.0
601-900	4	11	48	109	151	90	74	36	9	11	5	5	548	27.3
901-1200	-	5	24	33	66	59	50	23	12	11	7	7	290	14.4
1201-1500	-	1	5	12	15	21	22	10	8	9	8	8	111	5.5
1501-1800	-	1	2	3	7	11	15	4	1	3	3	3	50	2.5
1801-2100	-	-	-	4	6	2	9	-	5	2	3	3	31	1.5
2101-2400	-	-	-	1	1	3	-	3	2	2	2	2	14	0.7
2401-2700	-	-	-	2	2	-	-	2	2	-	1	1	9	0.5
2701-3000	-	-	-	2	2	1	-	-	-	1	3	3	9	0.5
3000+	-	-	-	-	2	-	-	1	-	2	4	4	9	0.5
Total	77	85	205	377	484	329	225	101	44	46	36	2009	100.0	

Source: Who the poor are? What they do? Where they live?, NIUA, 1988.

Table - 8

City-wise Distribution of Households by Monthly Earnings

Earning Range (Rs.)	Bangalore		Calcutta		Indore		All Cities	
	Total HHS (No.)	Percentage to Total HHS	Total HHS (No.)	Percentage to Total HHS	Total HHS (No.)	Percentage to Total HHS	Total HHS (No.)	Percentage to Total HHS
Below 300	274	9.08	635	12.71	181	5.43	1090	9.60
300 and below 500	1446	47.96	1883	37.70	1119	33.56	4448	39.21
500 and below 750	768	25.47	1509	30.21	1352	40.55	3629	31.99
750 and below 1000	315	10.45	485	9.71	463	13.89	1263	11.14
1000 and above	212	7.04	483	9.67	219	6.57	914	8.06
Total	3015	100.00	4995	100.00	3334	100.00	11344	100.00

Source: A study for the Formulation of Poverty Alleviation Programmes for Urban Slums, NCHSE, 1987.

Table - 9

Distribution of Households by Monthly Per Capita Income

Monthly Per Capita Income (in Rs.)	Household Size											Total No. of HHs	% of HHs	
	1	2	3	4	5	6	7	8	9	10	11+			
<24	-	-	-	-	-	-	-	1	-	-	-	-	1	0.1
25-49	-	1	1	-	-	3	-	1	2	2	-	-	10	0.5
50-74	-	1	7	14	33	47	32	13	3	8	3	3	161	8.0
75-99	-	-	5	42	65	59	32	17	6	7	8	8	241	12.0
100-122	1	3	29	70	132	60	50	32	10	10	9	9	406	20.2
123-149	-	8	15	40	49	47	41	6	9	7	3	3	225	11.2
150-199	3	17	38	97	111	60	30	22	5	6	7	7	396	19.7
200-249	6	15	37	56	62	31	28	3	6	3	2	2	249	12.4
250-299	4	13	26	24	8	10	11	3	1	1	1	1	102	5.1
300-349	13	12	15	16	10	6	1	2	1	-	2	2	78	3.9
350-399	1	5	20	8	2	3	-	1	1	2	-	-	43	2.1
400-449	12	4	6	1	5	2	-	-	-	-	-	-	30	1.5
450-499	9	1	3	2	1	1	-	-	-	-	-	-	17	0.8
500-549	16	2	1	2	2	-	-	-	-	-	1	1	24	1.2
550-599	1	1	2	1	2	-	-	-	-	-	-	-	7	0.3
600 & over	11	2	-	4	2	-	-	-	-	-	-	-	19	1.0
Total	77	85	205	377	484	329	225	101	44	46	36	2009	100.0	
Median per capita income	446	243	211	162	130	122	123	114	129	116	120	145.32		

Source: NIUA, Ibid.

Table - 10

Distribution of Sample Households According to Per Capita Earnings

Per Capita Earning Range (Rs.)	Percentage of Households			
	Bangalore	Calcutta	Indore	All Cities
Less than 50	11.39	20.96	6.06	14.49
50 & less than 75	20.25	24.19	13.68	20.44
75 & less than 100	22.16	25.00	19.69	22.86
100 & less than 125	6.96	10.48	17.42	11.16
125 & less than 150	12.65	8.87	12.12	10.78
150 & less than 175	5.06	4.03	11.37	6.18
175 & less than 200	6.32	2.02	8.33	4.83
200 & less than 225	3.16	1.62	1.51	2.04
225 & less than 250	1.26	2.03	1.51	1.67
250 & less than 275	3.16	-	-	0.92
275 & less than 300	2.53	0.40	3.08	1.85
300 & less than 350	0.63	0.40	1.51	0.74
350 & less than 400	1.26	-	0.75	0.55
400 & less than 500	2.53	-	2.27	1.30
500 & above	0.68	-	-	0.18
Total	158.00	248.00	132.00	538.00

Source: NCHSE, Ibid.

Table - 11

Value (0.00) of Consumption on Food and Non-Food Items by Monthly Per Capita Expenditure Classes

Sl. No.	Monthly Per Capita Exp- enditure Class	NIUA Survey - 1987, 2009 Households					NSS (38th Round) 1983-84, 41983 Households								
		No. of HHs	%	Food	%	Non-Food	No. of HHs	%	Food	%	Non-Food	Total			
I	0-30	3	0.1	26.67	4.1	1.67	5.9	28.34	92	0.2	14.57	66.5	7.35	33.5	21.92
II	30-40	6	0.3	32.30	89.7	3.71	10.3	36.01	164	0.4	26.93	75.2	8.88	24.8	35.81
III	40-50	23	1.2	39.88	82.8	8.27	17.2	48.15	409	1.0	34.20	74.8	11.50	25.2	45.70
IV	50-60	61	3.0	47.05	81.0	11.03	19.0	58.08	932	2.2	41.31	74.4	14.23	25.6	55.54
V	60-70	86	4.3	53.18	80.2	13.17	19.8	66.35	1424	3.4	47.81	73.3	17.44	26.7	65.25
VI	70-85	188	9.4	61.32	78.2	17.07	21.8	78.39	3037	7.2	56.27	72.7	21.14	27.3	77.41
VII	85-100	282	14.0	75.16	78.0	21.21	22.0	96.37	3604	8.6	65.38	70.7	27.15	29.3	92.53
VIII	100-125	321	16.0	89.08	77.7	25.54	22.3	114.62	6178	14.7	76.90	68.7	35.10	31.3	112.00
IX	125-150	341	17.0	99.52	71.0	40.62	29.0	140.14	5316	12.7	90.87	66.2	46.32	33.8	137.19
X	150-200	392	19.5	116.79	65.9	60.40	34.1	117.19	7441	17.7	106.76	62.1	65.20	37.9	171.96
XI	200-250	140	7.0	144.18	63.9	81.62	36.1	225.80	4430	10.6	128.40	57.7	94.24	42.3	222.64
XII	250-300	70	3.5	162.92	57.6	119.86	42.4	282.78	2843	14.5	149.24	34.7	123.84	45.3	452.05
XIII	300 & above	95	4.7	217.16	52.7	195.02	94.3	412.18	6113	14.5	202.72	41.8	249.33	55.2	452.05
All Classes		2009	100.0	100.54	67.9	47.45	37.1	147.99	41983	100.0	96.97	59.1	67.06	40.9	164.03

Source: NIUA, Ibid.

Table - 12

Occupation with Higher Average Earnings

Occupation	Average Monthly Earning Per Households (Rs.)			
	Indore	Bangalore	Calcutta	All Cities
Motor Vehicle Driver	527	711	681	664
Brick Layers	-	584	524	565
Transport Equipment Driver	489	606	450	507
Tailors	493	586	535	524
Carpenters	512	606	500	537
Shop Keepers	474	-	617	615
Painters (construction)	-	547	462	543
Shoe Maker/Repairer	542	497	540	525
Mechanic Repairmen	-	962	1097	979
Potters	471	-	574	548
Electric Wiremen	-	945	646	747
Motor Mechanic	563	1000	614	604
Electrician/fitter	469	832	655	705
Plumber & Pipe Fitter	537	830	650	735
No. of workers in above occupations	600	803	845	2248
Average earning of 'amenable' occupations (Rs.)	494	510	498	501
Number of households in 'amenable' group	1909	2937	4225	9071
Total number of households	3334	3015	4995	11344

Source: NCHSE, Ibid.

Table - 13

Average Earnings in Depressed Occupations

Calcutta

Occupation	Average Monthly Earnings (Rs.)
Loader/Unloader	485
Labourers	395
Street Vendor	498
Domestic Servant	232
Cycle Rikshaw Puller	459
Salesman/Shop Assistant	485
Cooks/Cook Bearers	492
Painter	431
Workers without fixed occupation	266
Cooks/Bartender n.e.c.	373
House Builders/Thatchers	462
Average monthly earning in amenable occupations Rs. 498	
Total No. of households in 'amenable' group	4225
Average earning for the city slums Rs. 545	
Total No. of households in the city slums	4995

Source: NCHSE, Ibid.

Table - 14

Pavement Dwellers of Calcutta : Economic Profile

Occupational Categories	Percentage Share	Weekly Income (Rs.)	Working Hours (per day)	Distance Coverage for Occupational Activities	Willing to Pay (in Rs. per head per day) for New Shelter
Porters	20	96	8	3	0.62
Hand Cart Pullers	10	98	8	5	0.75
Daily Casual Labourers	10	84	7	4	0.67
Rickshaw Pullers	13	79	8	5	0.75
Hawkers	7	75	8	2	0.68
Drivers	1	109	9	-	1.03
Domestic Servants	-	50	7	1	0.52
Beggars	8	30	6	2	0.42
Helpers	7	80	9	2	0.59
Rag Pickers	2	67	8	4	0.48
Shop Assistants	2	61	9	1	0.60
Sweepers	2	114	8	2	0.54
Tea Shop Keepers	2	95	10	-	0.84
Vegetable Vendors	3	80	8	-	0.88
Others	10	87	8	-	-
All	100	85	8	3	0.69

Source: Income - Housing Linkages : A Case Study of Pavement Dwellers in Calcutta, CMDA, 1987.

Table - 15

Skill and Literacy Level of Self-employed and
Workers in Sample Households

All Cities

Particulars	Percentage to Total					
	Skilled	Semi-skilled	Un-skilled	Literate	Illite-rate	Total (No)
Self employed	19.89	13.08	67.03	57.06	42.94	191
Workers	17.9	15.28	66.82	44.29	55.71	648
Total	18.35	14.78	66.88	47.20	52.80	839

Source: NCHSE, Ibid.

Table - 16

Literacy Levels by Sex (For Age 5 Years and Over)
in the Sample Households

(Percentage)

Literacy Level	All Poor Households			BPL* Households		
	M	F	T	M	F	T
Illiterate	36.5	59.8	47.2	45.4	69.2	56.7
Literate	7.4	5.8	6.6	7.3	4.1	5.8
Primary	28.0	21.9	25.2	27.1	19.7	23.6
Middle and Secondary	25.7	11.8	19.4	19.5	6.8	13.5
Graduate	2.2	0.6	1.5	0.7	0.2	0.4
Professional/ Technical	0.1	0.1	0.1	-	-	-
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: NIUA, Ibid.

*BPL- Below Poverty Line

Table - 17

Sex Composition of the Unemployed (15-59 years)

	All Poor Households			BPL Households		
	M	F	T	M	F	T
Number of unemployed	244	39	283	113	30	143
Population (15-59 years)	3203	2789	5992	1234	1185	2419
% of unemployed to respective population in 15-59 years	7.6	1.4	4.7	9.2	2.5	5.9

Source: NIUA, Ibid.

Table - 18

Activity Status of Children (5-14)
in the Sample Slum Households

Activity Status	(Percent)	
	All Poor Households	BPL Households
Studying	63.4	55.8
Working	9.4	10.2
Others	27.2	34.0
Total	100.0	100.0
No. of Children	3144	1269

Table - 19

Some Characteristics of Slum Dwellers, 1976-77 (31st NSS Round)

Characteristics	City Group		
	A	B	C
% house owned	54.12	50.74	42.47
House neither owned nor rented	8.61	6.20	8.88
Rented House	37.27	43.06	48.65
Average Monthly rent (Rs.)	15.11	18.22	17.92
Wall:			
% Katcha	59.38	54.76	33.18
% Semi Pucca	8.95	7.94	17.46
% Pucca	31.67	37.30	49.36
Roof:			
% Katcha	37.51	30.36	23.55
% Semi Pucca	52.21	52.59	52.23
% Pucca	10.28	17.05	22.22
Latrines:			
% Separate for each household (Sanitary)	2.55	2.32	5.18
% Separate for households (others)	7.49	6.46	3.02
% No separate latrine	89.96	91.22	91.80
Ownership with Private Sector:			
% Area	50.99	73.07	35.00
% Households	50.74	60.58	57.80
% Persons	50.94	59.54	56.26

Cities: A - One lakh to 3 lakhs population
 B - 3 lakhs to 10 lakhs population
 C - One million population & more

Source: NSSO, Sarvekshana, Vol.III, April, 1980.

Table - 20

Percentage Distribution of Slum Population by
Type of Housing Facility 1976-77 (NSSO)

Type of Facility Provided in Slum Areas	Percentage of Slum Population having the Facilities in City Group		
	A	B	C
Electricity	82.1	85.4	81.1
Approach road other than Kachha to reach slum areas	78.1	87.1	91.6
Slum area not water logged during monsoon	53.7	51.4	65.3
Tap or tubewell as source of drinking water	79.9	79.2	93.5
Latrine facility	44.8	51.5	81.9
Tap or tubewell and latrine facility	40.8	47.3	81.0
Underground sewerage system	3.9	10.5	44.8
Garbage disposal system	75.7	84.7	89.9
With facilities (6) and (7)	3.4	9.9	44.3
With facilities (6) and (8)	33.3	43.3	78.0
With facilities (6), (7) and (8)	2.6	9.7	42.8
Minimum Needs Programme	15.7	26.4	59.3
Slum Clearance Programme	14.9	25.8	46.9
Both (12) and (13)	8.6	18.8	28.4
Some development made in slum areas during last 5 years	53.9	63.9	56.2

Source: NSSO, Sarvekshana, Vol.III, April, 1980.

Table - 21

Distribution of Sample Households by Source of Water Supply and Tenure Status

Source of Water Supply	All Poor Households				Tenure Status				BPL Households					
	Legal		Squatter		Total		%		Legal		Squatter		Total	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Private	140	16.7	75	6.4	215	10.7	17	6.0	14	2.6	31	3.8		
Public	700	83.3	1094	93.6	1794	89.3	267	94.0	521	97.4	788	96.2		
Total	840	100.00	1169	100.00	2009	100.00	284	100.00	535	100.00	819	100.00		

Source: NIUA, Ibid.

Table - 22

Distribution of Sample Households by Access to Sanitation and Tenure Status

Sanitary facility	All Poor Households			Tenure Status			BPL Households		
	Legal	%	Total	Legal	%	Total	Legal	%	Total
Private	227	27.0	331	36	12.7	43	8.0	79	9.6
Community	196	23.3	375	52	18.3	63	11.8	115	14.1
Open space	471	49.7	1303	196	64.8	429	80.2	625	76.3
Total	840	100.00	2009	284	100.00	535	100.00	819	100.00

Source: NIUA, Ibid.

II

FIVE YEAR PLANS AND URBAN POVERTY

Poverty removal as a dominant objective in India's development strategy appeared initially in the Fifth Five Year Plan, 1974-79. The Fifth Plan recognised the existence of large scale poverty in India, and observed that despite the sizeable gains of economic development and improvement in the living standards attained during the two decades of planning, "large numbers have remained poor." It noted that the consumption levels of the bottom 30 per cent of the country's population with their share of only 13.46 per cent of the total private consumption, remained far below the minimum of Rs.40.6 (1972-73 prices) required to stay just above the poverty line. There were wide disparities in the consumption levels which together with widespread poverty held "a potential threat to the unity, integrity and independence of the country". "Elimination of poverty must, therefore, have the highest priority."¹

The Fifth Five Year Plan, however, made no distinction between rural and urban poverty. Apart from stressing the need to enable the poor to have access to the minimum private consumption of at least Rs.40.6, and to raise the share of the bottom 30 per cent in total private consumption to about 21.98 per cent, it proposed no nationwide programmes for poverty alleviation. The Fifth Plan sought to reduce its incidence via the economic growth processes and national level programmes such as the Minimum Needs Programme (MNP), public procurement and distribution of essential goods, and reservations for scheduled castes, tribes and other backward classes.

1 Planning Commission, Draft Five Year Plan 1974-79, p.6-8, New Delhi, 1973.

It was the Sixth Five Year Plan, 1980-85 which marked, in a sense, the commencement of a more definite approach to poverty issues in the country. For one thing, it recognised the limits of the "income growth" approach to reducing the incidence of poverty, and pointed out that in the light of the past experience, that is, growth not trickling down to the lower-income strata, "it will not be realistic to rely solely on the growth process to find a solution to this problem. Specific policy measures will be needed not only to influence the composition of output in favour of mass consumption goods but also to ensure a more even regional and class distribution of output."²

Placing a very high priority on alleviation of poverty, the Sixth Plan approached the problem in three stages:

- Identification and measurement
- Developing realistic targets
- Formulation of specific programmes to meet the targets.

As in the case of the preceding Five Year Plan, the Sixth Plan did not address the urban poverty issues directly, and continued to display a distinct bias toward rural poverty. The following quote from the Sixth Plan is relevant here:

The majority of the poor live in the rural areas and belong to the categories of landless labourers, small and marginal farmers, rural artisans including fishermen, and backward classes and backward tribes. These people have either no assets or assets with very low productivity, few relevant skills and no regular full time jobs or very low paid jobs.

2 Planning Commission, Sixth Five Year Plan, 1980-85, p.51, New Delhi, 1980.

The Sixth Plan, however, provided for moving nearly 6.1 million of the total urban poor above the poverty line, essentially through the provision of "additional consumption benefits" and better and more equitable distribution of health, education, sanitation, housing and drinking water, and slum upgrading and environmental improvement programmes.

The Seventh Five Year Plan, 1985-90 constitutes the first conscious attempt to address urban poverty issues directly. There are two features of the Seventh Plan approach that need to be especially highlighted. Firstly, it takes explicit note of the "growing incidence of poverty in urban areas," and points out that the persistent migration from rural areas has led, on the one hand, to rapid growth of slums in many cities and towns, and, on the other hand, to overcrowding in relatively unskilled and low paid jobs in the informal sector. The Seventh Plan accordingly places considerable emphasis on "improvement in the living conditions of slum dwellers." It further notes that in order to be effective, the problem of urban poverty would require a major thrust towards employment generation and creation of productive jobs. This forms the second feature of the Seventh Plan approach.

In line with this major thrust, the Seventh Plan has proposed a strategy that includes:

- Provision of gainful employment to the unemployed, particularly women and youth;
- raising the earnings of those in low-paid jobs;
- stepping up the productivity and earnings of self-employed workers; and
- improving the access of the urban poor to basic amenities such as education, health care, sanitation and safe drinking water.

The last fifteen years, that is, since the removal of poverty was incorporated as a specific objective of planning, have thus witnessed a gradual but perceptible change in the approach to urban poverty issues. From a stage where public response to urban poverty was mute, it has now reached a point where specific programmes aimed at redressal of urban poverty have been launched, if not on a countrywide scale, at least on a smaller spatial base. These years have seen a shift away from a welfare and service-oriented strategy towards an approach which seeks to alleviate poverty through expansion of employment opportunities and raising of the productivity levels of those engaged in jobs with low productivity.

In sum, it would seem that the approach to urban poverty issues has embodied three routes, namely: macro processes, incorporation of antipoverty bias in sectoral programmes, and micro interventions, that is, direct programmes for poverty alleviation.

Macro Processes: The basis of this route has been the belief that the solution to urban poverty lies in accelerating the growth rate of the economy, in taking measures that would redistribute incomes and reduce inequalities, and in altering the structure of output in favour of those which enter into the consumption basket of the poor. These macro solutions formed the bane of the Fifth Five Year Plan, 1974-79 as may be seen from the following quote:

"The twin causes of poverty are underdevelopment and inequality. It is inadmissible to ignore or underplay either factor. A large proportion of the population has to go without even the most essential needs of daily life because total national income, and hence aggregate consumption, is too small relatively to the enormous size of the population and, secondly, to the distribution of this income and consumption is very uneven. ---

Growth and reduction in inequality are both indispensable to a successful attack on urban poverty."³

A somewhat similar position was advanced in the Sixth Five Year Plan, though it recognised the limitations of such macro processes. It stated, to quote: "A substantial increase in the overall rate of growth of the economy will no doubt create favourable conditions for a reduction in poverty and unemployment."

Antipoverty Bias in Sectoral Programmes: A second route to urban poverty alleviation that has been tried on a small scale is through the incorporation of antipoverty biases in sectoral programmes. Examples of these are the Urban Basic Services Programme which attempts to use funds to attract additional capital for the benefit of low-income urban communities; however, its effects are not yet known. Nor are the impact of sites and services and slum upgrading and improvement projects on poverty levels known, except on a micro scale.

Urban Poverty Alleviation Programmes: Direct assistance for urban poverty groups constitutes the third route to reach the poor. The key issue with regard to most urban poverty programmes is their limited reach; even under optimistic assumptions, these can cover at most a small proportion of the total number of the poor in the country.

The problem has thus far eluded easy solutions. In the course of the next 13-14 years, the urban population in the country is projected to increase to approximately 320-330 million. Even assuming that the poverty levels may decline to 20 per cent or so, the problem of lifting 64-65 million people above the poverty line between now and the year 2001 A.D. will still persist.

3 Fifth Five Year Plan, p.7.

III

URBAN POVERTY ALLEVIATION PROGRAMMES

Approach

The government's approach to solving the urban poverty problem has undergone perceptible change over the years. The urban poor were earlier, and to a large extent even now, equated with the slum dwellers as slums are the most visible form of poverty in the urban areas. The official response, therefore, initially concentrated on solving the housing problem of the slum dwellers by making provision in the First Five Year Plan for housing of the economically weaker sections. In the Second Plan the housing programme was expanded and schemes of Slum Clearance and Improvement were included in it. Initially the concern was more with the demolition and clearing of slums and rehabilitation of the slum dwellers in structures which provided minimum standards of environmental hygiene and essential services. By the Third Plan the government policy shifted more towards slum improvement owing to the difficulties faced in the implementation of the slum clearance programmes. Priority was accorded to the improvement of slums in the larger cities as the problem was more acute in such cities. Emphasis on Environmental Improvement of Slums (EIS) continued in the subsequent plans and in the Fifth Plan EIS was transferred to the state plans and incorporated under the Minimum Needs Programme. In the Sixth Plan emphasis was also laid on the Sites and Services approach to solving the housing problem of the urban poor. The focus of the programmes, in the Sixth Plan, shifted from the large cities to the small and medium towns where the urban poverty problem was increasingly becoming visible.

What is most striking in the government's approach to solving the urban poverty problem is the complete absence of a holistic view. Urban poverty was perceived only as a housing problem and no priority was accorded to the urban poor in any of the schemes in the other sectors. It was only in the Seventh Plan that the official response saw a major change and for the first time the economic problems of the poor were recognised. The need to give credit to the poor to start their own ventures was considered important enough and the Self Employment Programme for the Urban Poor (SEPUP) was launched in 1986. This scheme was exclusively meant for the urban poor. Although another scheme called the Differential Interest Rate (DIR) scheme exists, the urban poor form only a small part of it. In the Seventh Plan people's participation in solving their own problems was also recognised as a strategy for the redressal of urban poverty. The initiation of the Urban Basic Services (UBS) Programme in 1985 was a major step in this direction. These programmes clearly indicate a change in the perception of urban poverty. From being viewed as a single sector problem urban poverty is now being perceived as a multi-sector problem and the consequent interventions are also multi-sectoral in nature.

Programmes

The various programmes meant for alleviating urban poverty have been grouped under three categories - a) Shelter and Services; b) Employment; and c) Public Distribution System and Nutrition.

Shelter and Services Related Programmes

1. EWS Housing: This scheme was first introduced in 1952 in the First Five Year Plan and continued in the subsequent plans. The

objective of this scheme is to make housing accessible to the economically weaker sections by the provision of houses and plots. Nearly 1.1 million plots have been distributed since 1980⁴ to the poor in the urban areas under the EWS Housing scheme. Those belonging to the economically weaker sections are being provided developed plots of land, 25 to 35 sq.mts. in size per dwelling unit, at cost price. In addition the beneficiaries are being given a loan of about Rs.5000 per unit which is repayable over a period of 20 to 25 years at concessional rate of interest. During the Sixth Plan 65,432 shelter units were constructed by the public sector for the EWS.

2. Environmental Improvement of Urban Slums (EIUS) : In the initial years of planning the government's efforts were directed more towards slum clearance than slum improvement. In 1972, however, the emphasis of government policy shifted from clearance and redevelopment of slums to environmental improvement of slums. The EIUS programme provides minimum amenities like sanitary latrines, drainage, potable water supply, good approach roads and paved streets with proper lighting. The EIUS aims at improving the living conditions of the urban poor. This scheme is applicable to all the slums on public lands and in exceptional cases to slums on private lands. In the Fifth Plan the outlay for EIUS was Rs.50 crores which increased to Rs.151.45 crores in the Sixth Plan and further to Rs.269.55 crores in the Seventh Plan during which 9 million slum dwellers were expected to benefit by this programme.

⁴ According to the Seventh Plan EWS households are those whose household income does not exceed Rs.700 per month.

3. Sites and Services: The sites and services scheme came up as an alternate housing option for low income families. The basic objective of this scheme is to provide low income families with land and public utilities components of housing package and a variety of technical and financial assistance to enable them to use self-help to build and progressively improve their dwelling. The scheme's components include provision of residential plots, toilet and bath units, construction of low cost housing units, provision of commercial and industrial sites with buildings, off-site infrastructure facilities such as access roads, trunk water and sewer lines, provision of community facilities, supply of self-help building materials, provision of small scale business through small industries and cottage industries sheds and provision of maternity and child health services. Uptil now 91064 plots have been sanctioned by HUDCO for the purpose of sites and services scheme. The eligibility criterion for the EWS to get HUDCO loans under this scheme is a household income not exceeding Rs.700 per month (1986).

Urban Community Development (UCD)/Urban Basic Services (UBS) Programme

The Urban Community Development (UCD), as an urban counterpart to the Community Extension Blocks, was originally initiated by the Central Government in the Third Plan Period (1961-66) and later transferred to the state sector. It emphasised self-help, community organisation and support from the government for self-help activities. The components of the UCD programme are:

- a) Child Welfare activities: Pre-school classes, immunization, balwadis, mid-day meal centres, medical check-up, creche, etc.

- b) Women's Welfare activities: Mahila Mandal, income generation activities, etc.
- c) Youth Welfare activities: Typewriting classes, youth rallies, matric coaching classes, auto-rickshaw driving, gymnasiums, playground, youth clubs, civil defence, etc.
- d) Housing: Home improvements, clean-house competition, patta distribution, brick manufacturing units, etc.
- e) Other activities: For the community as a whole, dispensaries, exhibition, study tours, basti committees, cooperatives, film shows, antimosquito drives etc.

A number of UCD projects were started in the 1960s first in a few cities and later in other major cities. In 1985 the UCD, Low Cost Sanitation and the Small and Medium Town Development Projects supported by the UNICEF were merged into a new programme called the Urban Basic Services (UBS). The UBS was launched in the country with effect from the Seventh Five Year Plan as a centrally sponsored scheme. The objective of the programme is to improve the degree and quality of survival and development of children of urban low income families by active involvement of the community. The UBS aims at promoting citizen participation, strengthening the service capabilities of the local bodies in working with people on commonly felt needs, and bringing about convergence of services and coordinating resources of various agencies for the purpose. Child and women care services receive special attention under this programme.

The main components of the UBS programme are-

- a) Primary health care with emphasis on preventive health care;
- b) Early childhood learning facilities - establishment of pre-schools and creches;
- c) Women's economic upgrading - providing skill training for women;
- d) Water supply - extension of community taps and the installation of Mark II hand pumps; and
- e) Sanitation - construction of low cost pour flush latrines and providing environmental sanitation facilities.

The UBS has been taken up in all the urban centres in 36 districts in the country and is expected to cover 200 towns during the Seventh Plan period.

Credit and Employment Related Programmes

1. Differential Interest Rate Scheme

Under this scheme the urban poor can borrow money from the commercial banks at very low rates of interest. This scheme was started in 1972 and applied to industrially backward districts excluding the SFDA/MFAL districts. Since 1977 the scheme has been extended to cover the urban poor. Under this scheme the banks are required to lend one per cent of their total advances at differential rate. Two-thirds of it is earmarked for the rural areas and one-third for the urban areas. The main objective of the scheme is to make credit accessible to the poor at low rate of interest to enhance their income particularly those of the disadvantaged sections (such as the scheduled caste, scheduled tribe, the physically handicapped and the women). Under DRI, loans can be taken only by those engaged in family occupations. The borrower has to show that he would be able to raise his present income level with the help of a loan for an

economic activity which could become viable within a period of 3 years.

2. Self Employment Programme for the Urban Poor (SEPUP)

SEPUP was launched in 1986 by the Central Government to assist the urban poor to take up self-employment ventures. The main objective of this programme is to provide self employment opportunities to those urban households who are below the poverty line by giving them access to credit facilities. The programme is also expected to raise the household income of such families. This programme is applicable to all the urban centres with a population of over 10,000 as per 1981 census. Under SEPUP the urban poor households having incomes of less than Rs.600 per month are eligible for loans upto Rs.5000 for thirty three categories of self-employment ventures (enclosed). The loan has an element of subsidy amounting to 25 percent of the total assistance. The loan has to be repaid in 33 equal instalments after a grace period of 3 months. During 1986-87, 318,898 applications involving a loan amount of Rs.107.90 crores were sanctioned. Out of these, loans amounting to Rs.85.12 crores have been disbursed, benefitting 263,906 applicants. In the 1988-89 financial year Rs. 40 crores have been earmarked for this scheme.

3. Skill Upgradation Programme

Although a number of skill upgradation programmes exist there are no Central Government schemes exclusively meant for the urban poor. A few state governments which have taken up skill

upgradation programmes for the urban poor in their states. For instance, in Tamil Nadu the employment training component has been incorporated with the activities of the Slum Clearance Board. In Madhya Pradesh the state government has a programme called STEPUP (Special Training and Employment Programme for the Urban Poor) and in West Bengal the CMDA operates an economic support programme for bustee dwellers. The UCD and UBS projects also contain a small skill training component, a large part of which is focussed on improving service skills of women of the project area.

Public Distribution and Nutrition Related Programmes

The public distribution programme aims at supplying limited quantities of certain essential goods like cereals, edible oils, pulses, kerosene etc. at fair prices. Benefits of this scheme can be taken both by the urban poor and others.

The Mid-Day Meal (MDM) Programme, the Special Nutrition Programme (SNP) and the Integrated Child Development Services (ICDS) are three nutrition and child services related programmes. These programmes are general in nature and do not focus exclusively on the urban poor.

The Mid-Day Meal programme was initiated in 1962-63 to provide supplementary nutrition to children in the age-group of 6-11 years. The MDM programme was a Central Programme which was transferred to the state sector in the Fifth Five Year Plan as a part of the Minimum Needs Programme. Under the MDM Programme 20 million beneficiaries were covered by the end of the Sixth Plan. The MDM is in operation in

a number of states including Andhra Pradesh, Karnataka, Madhya Pradesh, Orissa, Rajasthan, West Bengal, Gujarat Haryana and Goa.

The Special Nutrition Programme (SNP) was introduced in 1970-71 to provide nutrition to the children (0-6 years), pregnant women and nursing mothers. The SNP was also launched as a Central Programme and became a part of the Minimum Needs Programme in the Fifth Plan under the state sector. The anticipated coverage under SNP by the end of the Sixth Plan was 11 million beneficiaries, including a coverage of 5 million beneficiaries outside the ICDS.

The Integrated Child Development Services (ICDS) Programme was started in 1975-76. The programme started in 33 blocks on pilot basis and was subsequently expanded to 1479 projects by 1986-87. Of these 172 were urban projects. The states with the highest concentration of urban projects were Tamil Nadu, West Bengal, Uttar Pradesh, Madhya Pradesh, Maharashtra, Andhra Pradesh and Delhi. These states account for about 70 per cent of the urban projects. The ICDS is a Central Programme which provides pre-school education, supplementary nutrition, immunization and health check-ups to children (0-6 years), pregnant women and lactating mothers.

Impact of the Programmes

As is evident there exist only a few programmes meant for the urban poor most of which are in the shelter sector. The impact of these programmes and strategies on the incidence of poverty is,

however, not known. The official statistics on shelter-related programmes indicate overfulfillment of targets laid down for 1985-86 and 1986-87.⁵ The Ministry of Urban Development's Fact Sheet on the Twenty Point Programme shows that the scheme of Environmental Improvement of Urban Slums achieved a coverage of 137 percent in 1985-86 and 130 percent during 1986-87.

5 Ministry of Urban Development, 20 Point Programme Fact Sheet, New Delhi (Undated).

IV

NCU'S RECOMMENDATIONS FOR ALLEVIATING URBAN POVERTY

The NCU's observations on the government's approach to urban poverty alleviation are as follows:

1. The official response to the phenomenon of urban poverty till recently has been generally unimaginative, inadequate, half hearted and narrowly sectoral.
2. The urban poor are usually equated with the slum dwellers. Housing is considered to be the main problem of the slum dwellers. Till recently, providing pucca houses was perceived as the solution.
3. Recent new responses like Sites and Services, Slum Improvement, UCD, ICDS, Basic Services Approach, Mid-Day Meal Scheme and SMTD Programme reflect a relatively better assessment of the situation, a more realistic attitude to resource constraints, a broader framework, and probably a new awareness of social responsibility.
4. Most of these programmes are at their early experimental stage; covering not even a small fraction of the people they are meant to benefit. Many are floundering in implementation, and some are already showing signs of malfunction.
5. These approaches merit proper trial, careful monitoring and evaluation, followed by redesign and strengthening.
6. Considering the scale, complexity and gravity of the urban poverty situation and threat it poses to the social fabric and economic well being of our cities, these measures are woefully

inadequate and more effective measures will have to be sought if alleviation is to be achieved within reasonable time span.

In order to make urban poverty alleviation efforts effective the NCU has proposed a three-pronged strategy:

1. Continuation and expansion of some of the current programmes;
2. Reorientation of some of the existing programmes; and
3. Starting of new programmes.

The following chart gives the summary of the recommendations made by the NCU.

NCU'S RECOMMENDATIONS FOR URBAN POVERTY ALLEVIATION

Sector / Programme	Expansion of Existing Programmes	Reorientation of Existing Programmes	New Programmes
<p><u>Shelter</u></p> <p>EWS Housing</p>	<p>a) Rate of fund mobilisation should be stepped up three and a half times to reach Rs.700 crores a year.</p> <p>b) 50 lakh EWS units should be upgraded over a 10 year period with environmental services.</p>		
<p>Sites and Services</p>		<p>a) Modifications should be made in the Sites and Services schemes such that it suits only the low income households.</p>	
<p>General</p>			<p>a) The new Housing Bank should provide loans to low income households.</p> <p>b) Tenurial security should be provided to those living in the city for over 5 years and not owning land.</p> <p>c) Provision of tenurial security should be accompanied by provision of basic infrastructure development and selective housing loans preferably to groups.</p>
<p><u>Services</u></p> <p>UBS/UCD</p>	<p>a) The entire urban India should be covered by UBS/UCD type of participatory service programmes.</p> <p>b) About 600 full UBS units should be established to cover all the urban poor in the country.</p>		<p>a) Shelter activities should be added to the UBS Programme.</p> <p>b) UBS/UCD should assist in building local organisations for a variety of purposes - housing, fairprice distribution, economic activities, child nutrition and mother care, legal and labour contracts and so on.</p> <p>c) The local organisations should disseminate information on a number of subjects such as sources of credit and assistance programmes for basic sanitation, water and other amenities.</p>

Sector / Programme	Expansion of Existing Programmes	Reorientation of Existing Programmes	New Programmes
Public Distribution		<ul style="list-style-type: none"> a) Public distribution card holders should be confined to those below the poverty line. b) Revalidation of cards should be done every year. c) Management of fair price shop should be passed to consumer cooperatives for local sales. d) Consumer cooperatives should provide for strong representation of women at all levels. 	
Family Security			<ul style="list-style-type: none"> a) Social security cover should be provided to the aged, disabled and women managed households. b) Subsidised group insurance should be provided for the self-employed workers and wage-earners in non-formal sectors. c) Banks should provide consumption credit to the urban poor.
Health Support		<ul style="list-style-type: none"> a) Modifications should be made in the CMDA's integrated basic health services programme for its adoption in other cities. 	<ul style="list-style-type: none"> a) Loan deeds should contain a clause on the adoption of family planning practices, non-formal education of children and reduction of alcohol consumption.
Non-formal Education for School Drop-outs and Working Women		<ul style="list-style-type: none"> a) School timings and curricular requirements of non-formal education should be made flexible and less formal. 	<ul style="list-style-type: none"> a) Income supplementation in the form of food supplements means-and-merit scholarships and income from practical gainful activities in school premises should be introduced to increase enrolment. b) A skill development programme should be introduced for working women from the poor families. c) About 2 million children (especially working children) should be enrolled in the non-formal stream which would create 50,000 part-time jobs for educated youth.

Sector / Programme	Expansion of Existing Programmes	Reorientation of Existing Programmes	New Programmes
<p><u>Employment and Credit</u></p> <p>Employment Training</p>			<p>a) A new National Programme of Employment Training for Urban Poor Youth should be started and 2 lakh youth should be trained annually under the programme.</p> <p>b) Training should be given in selected trades and callings in the manufacturing and tertiary sectors having demand in the local market.</p>
<p>Credit Support</p>	<p>a) SEFUP coverage should be broadened by setting apart 5 percent of the total bank lending under the priority sector for the urban poor for a period of 5 years.</p> <p>b) Physical target for giving loans should be doubled (excluding loans for entrepreneurs under the Micro-Infrastructural Development Programme).</p>	<p>a) SEFUP loan ceiling should be increased from Rs.5,000 to Rs.10,000 for fixed assets and Rs.3,000 for working capital.</p> <p>b) Interest and subsidy on loan should be graduated. Small loans should enjoy lower rates of interest and higher subsidy and higher loans should carry higher rates of interest and lower subsidy.</p> <p>c) Short-term credit should be given for marketing of goods and long-term credit should be given for upgrading production infrastructure.</p>	<p>a) A new Micro-Enterprise Development Bank should be set up with a seed capital of Rs.100 crores.</p>
<p>Infrastructure Development Support</p>		<p>a) Sites and Services projects should be reoriented to incorporate the marketing and production centres. Town planning rules should be suitably modified from this point of view.</p>	<p>a) Municipal Corporations and municipal councils should encourage and assist in developing ten lakh small enterprise marketing and production centres through credit support from the Micro-Enterprise Development Bank.</p> <p>b) These centres should be the outlets to support group production activities in slums (where women can be organised to produce goods).</p>

Sector / Programme	Expansion of Existing Programmes	Reorientation of Existing Programmes	New Programmes
Marketing Support		<p>a) Outlets supported by the Department of Civil Supplies should be involved in identifying products to be sold through them.</p> <p>b) Producer groups should be organised into cooperative forms to bid for bulk government purchases.</p>	
Wage Employment			<p>a) A National Programme of Public Assets Creation should be started to provide wage employment to the urban poor.</p> <p>b) Urban Poor should be involved in producing materials for the public works.</p> <p>c) Wage employment should be provided to the urban poor by making repair and maintenance of physical infrastructure labour intensive.</p> <p>d) An allocation of Rs. 2000 crores should be made for the new programme of public asset creation which would create 10 crore man-days of work every year at the rate of Rs. 40 per man-day.</p>
Voluntary Agencies			<p>a) A council for urban voluntary agencies should be set up on the CAPART model.</p> <p>b) An Indian Council for Citizens Action (ICCA) should be set up to promote voluntary action.</p>

Institutional Changes Recommended by the NCU

The NCU has recommended restructuring of urban planning and administration to guide the urban growth of the country and to alleviate urban poverty. The main recommendations are given below:

At the National Level

1. The Ministry of Urban Development should have a separate Division of Urban Poverty Alleviation under a joint secretary or an additional secretary.
2. An Indian Council for Citizens Action (ICCA) should be set up whose special thrust should be in the area of urban poverty alleviation.

At the State Level

1. The state urban administration should have a division dealing exclusively with the alleviation of urban poverty.
2. A State Council for Citizens Action (SCCA) should be set up to provide citizens action at the state level.

Recommendations Concerning Legislative Changes

In the NCU's opinion, insufficient attention has been paid to the legislative factors upto now which have retarded the pace of development and affected the poor negatively. The Commission has suggested the changing and tightening of certain laws to help the urban poor and also facilitate their activities. The following are the suggestions -

1. Labour legislation should be extended to provide coverage for contract work assigned to household production units.
2. Recognition and consolidation of tenurial rights for housing and economic activities should be ensured.
3. The minimum-wage laws should be made more comprehensive and should be updated.
4. The minimum-wage laws should cover units employing three or more workers and lay down minimum norms of payment for definable units of service activities in the unorganised sector.
5. The minimum wages should be atleast 3.5 units of the minimum cost of living index.
6. A standing Wage Board and supervision machinery for unorganised trades and callings should be set up in each state to monitor the implementation of minimum wage norms, changes in the cost of living index and declare minimum wage rates every six months.
7. Changes should be made in the bye-laws for town planning and other municipal functions to facilitate non-formal sector activities.

Financial Implications and Benefits

The NCU's programme package for the urban poor will require an outlay of Rs.10,750 crores over a period of five years. This would include a sum of Rs.6,000 crores to be advanced as loans through reallocation of lending priorities of the financial institutions. The public exchequer is also required to provide a sum of Rs. 4750 crores over a period of five years or Rs.950 crores annually, out of which Rs.450 crores are to be found by earmarkings from existing schemes while Rs.500 crores are to be provided for the new schemes.

The programmes are expected to bring substantial income and employment benefits to 44 lakh families while about 63 lakh families will receive multiple service benefits. A total of 1.07 crore families would thus benefit through the programme. The programme aims at reducing poverty to 10 per cent of the total population by 1995.

NEW DEAL FOR THE URBAN POOR
A SUMMARY OF ADDITIONAL INVESTMENTS

Programme	Additional annual pro- vision ne- eded for Nodal Ministry (Rs. crores)	Institutional Finance (Rs. crores)	Outlay earmarked for sister ministries (annual in Rs. crores)
1	2.	3.	4.
A. Programme of Income and Employment			
1. National Programme of employment training for urban poor youth	-	-	20*
2. National programme of credit support for expanding micro- enterprises and technological upgradation			
3. Micro-enterprise infrastructure development supports (creating micro-business and micro-produc- tion infrastructure)	20	500+	100**
4. Market development supports. (creating marketing support, interest subsidy and limited risk guarantee may be adminis- tered by nodal ministry)			
B. Wage Employment Programme:			
5. New programme of public asset creation for promoting wage employment of urban poor (10 crore person-days @ Rs.40 per person-day)	400	-	-

Contd..

1	2.	3.	4.
Extension of Basic Services:			
6.	Universalisation of Urban Basic Services/UCD Units @ Rs.4 lakhs per unit. Smaller towns may have half or quarter units. (very small towns may be grouped for peripatetic services)	24	- 20***
7.	Educational supports for extension of family planning/and maternal and child health services		
8.	Intensification of non-formal educational services: Rs.200 per household for 10 lakh households with a possibility of raising part of the cost through fees	-	- 20***
Strengthening Existing Programmes of the UD Ministry:			
9.	Slum improvement, Shelter Upgradation, Sites and Services Schemes, Land Supply, Tenorial Security and Facilitation through participatory approaches and NGO involvement	30	700++ -
10.	Extension of Public distribution system	-	- 200****
11.	Extension of family security programme for vulnerable groups, e.g. aged, handicapped, widows, unprotected women and working children, alongwith cost of pilot projects to learn the rehabilitation methodology (about 0.6 million population amongst the urban poor @ Rs.1500 per capita)	-	- 90*****

Contd..

1	2.	3.	4.
12. Support for innovative programmes for voluntary groups; training and research activities and nucleus fund for providing un-specified bridge inputs	26	-	-
13. Support for training and action research in urban poverty			
Total	500	1200	450
For 5 years (Rs.10750 crores)	x5	x5	x5
	2500	6000	2250

Notes:

- + About Rs.500 crores may be annually channelised by commercial banks and urban cooperative banks with refinance from the proposed Micro-enterprise Development Bank.
- ++ Banks, HUDCO, HDFC may be asked to prioritise their funds in favour of existing shelter schemes. About Rs.700 crores annually may be expected to be prioritised.
- * Ministry of Human Resource Development to earmark and pass on to the nodal ministry for implementation through Urban Basic Services and Urban Community Development Departments at local levels.
- ** Seed capital to be provided by the Ministry of Finance for the Micro-enterprise Development Bank.
- *** Ministry of Health and Ministry of Human Resource Development would coordinate MCH and adult education programmes and prioritise a provision of Rs.40 crores to be applied through the Urban Basic Services and Urban Community Development Departments at local levels.
- **** Ministry of Civil Supplies may earmark this amount by rationalising food subsidies elsewhere in cooperation with Ministry of Food and Agriculture.
- ***** Ministry of Social Welfare may set up a matching scheme with state governments to provide full coverage to the families belonging to vulnerable sections of population.

Expected Impact of the Recommended Programme Package

The recommended programme has been drawn up with a view to approaching closely the national goal of reducing poverty from 28 percent in 1984-85 to about 10 percent in 1995. If fully implemented, the programme benefits could reach about 1.01 crore urban poor families as indicated below.

Programme	Number of beneficiary families in 5 years (in lakhs)	
	Direct employment benefits*	Service benefits*
Income & Employment Enhancement Programme:		
A. Non-wage Employment Programmes		
1. Employment training for urban poor youth	10.0	-
Credit Support		
2. Existing micro-enterprise upgradation	20.0	-
3. Infrastructure development for micro-production units		
4. Market development support		
B. Wage Employment Programm		
5. Urban wage employment & public assets creation (@ Rs.100 days of extra work per family)	10.0	-
Expansion of Urban Basic Services		
6. Extending coverage of UBS/UCD	0.1	-
7. Family Planning, Health, Child and Women Development extension support	0.1	10.0
8. Intensification of non-formal educational services (improving utilisation of existing facilities)	0.5	15.0
9. Strengthening existing habitat upgradation programmes	-	25.0

Contd..

10. Extension of public distribution system	-	75.00
11. Extension of family security	3.0	-
12. Support for innovative programmes of voluntary groups	0.2	0.9
13. Support for training and action research	-	0.1
	44.0	126.0

* These beneficiaries (estimated to be 44 lakhs) are likely to experience substantial income/employment gains. An income/employment gain is substantial when it exceeds 15 per cent of the current level of income and employment of the participant.

The beneficiaries receiving service benefits might enjoy multiple benefits as a result of convergence of various service benefits at family level. Assuming that a family may enjoy two service benefits on average, the number of families receiving multiple benefits might be 6 lakhs.

Note: The requirements of investment, earmarkings and prioritisation are tentative and may be revised in the light of actual experiences after the programme is launched.

LIST OF ACTIVITIES COVERED UNDER THE SEPUP SCHEME

1. Rickshaw-Pulling
2. Weavers
3. Shoe Repairers (Cobblers)
4. Carpentry
5. Potters
6. Book Binders
7. Vegetable Vendors
8. Cycle, Thela, Mobile Shops
9. Launderers and Press Workers
10. Groundnut Vendors
11. Blacksmith
12. Plumbers
13. Caning of Chairs
14. Pan Bidi Shop
15. Scooter Repair Shop
16. Furnishers and Printing Shop
17. Tea Shop
18. Stove and Pressure Cooker Repair Shop
19. Welding and Fabrication Shop
20. Clay Moulding and Statue Making
21. Paper Bag and Polythene Bag Vendors
22. Magazine, Novel and Newspaper Shops
23. Fruit Vendors
24. Juice Vendors
25. Tailoring/Ready-made Garments
26. Agarbathi Making

27. Card-Board Box Making
28. Tyre Retreading Shops
29. Newspaper Boys
30. Shoeshine Boys
31. Milk Vendors
32. Fish Vendors
33. Bidi-Rollers

and

Other Similar Activities

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NIUA'S PUBLICATIONS OF RELATED INTEREST

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| Approach to Urban Poverty
A Position Note | This position paper presents the existing approach to alleviation of urban poverty in India. It discusses in specific terms how the five year plans have looked at urban poverty questions, and analyses the principal policy responses as well as the contents of the various poverty alleviation programmes. |
| Dimensions of Urban Poverty
A Situational Analysis | This study brings together the national-level NSS data and the data from the microlevel studies on urban poverty and attempts to develop a situational profile of the urban poor. It deals with the concept of poverty, the migratory and employment characteristics of the urban poor, their quality of life and also their spatial concentration and distribution. |
| The Media on Urban Poverty
A Content Analysis | This paper analyses the scope and coverage given to urban poverty by the media. Eight major English language dailies have been surveyed for this purpose and information culled out from them. The report provides an illuminating reflection of the kind of interest that urban poverty evokes in the media. |
| Urban Poverty
A Study in Perceptions | This study examines the extent to which people's perceptions on different aspects of urban poverty diverge or converge. The study provides an understanding of the thought processes of different population groups on a number of questions pertaining to urban poverty. The study also establishes the need to complement the quantitative base with qualitative information and sets out its use in policy making exercises. |
| Who the Poor Are, What They Do and Where They Live | Undertaken at the instance of the Ministry of Urban Development, this study on the urban poor provides answers to questions such as who the poor are, what they do, where they live, and what is the nature and extent of the deprivation they suffer from. This study is based on primary surveys conducted in 1987 in 20 sample towns spread over the country. |