

The Media on Urban Poverty

Research Study Series
Number 26

National Institute of Urban Affairs
New Delhi
March 1988

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ABSTRACT

Is the media alive to and concerned with the increasing problem of poverty in urban areas? What aspects of urban poverty is the media most concerned with? This research paper addresses itself to these questions.

What this paper shows is that while the media has impressively covered the problems of poverty, the coverage pertains to rural and not urban poverty. References to urban poverty are few and sparse. The eight English national dailies surveyed made only 59 references to the problems of urban poverty in a time span of twenty months, from July 1985 to April 1987.

Most references in the media are concerned with three issues: i) the nature and extent of urban poverty; ii) public policy on urban poverty; and iii) prescriptive strategy for anti-urban poverty programmes.

A PREFATORY NOTE
ON THE
PROGRAMME OF RESEARCH ON URBAN POVERTY

In early 1987, the National Institute of Urban Affairs embarked on a major programme of research on urban poverty, with the primary objective of coming to grips with the nature and characteristics of urban poverty in India, and to arrive at a better understanding of the state of the urban poor, that is, "who they are, what they do, and where they live"¹. The reasons for undertaking this programme of research are now history, but two factors which played a decisive role deserve to be mentioned in this note. One was the absence of any systematic work on urban poverty in India, and a total lack of data on the poor. The only nation-wide data that were available related to the number of the urban poor, which was derived indirectly from the expenditure data collected quinquennially by the National Sample Survey Organisation (NSSO). Other studies on urban poverty were of a micro nature, and, therefore, had a limited value.

The second factor that induced us to take up this research programme emerged from the first one. If there were no data on the urban poor, their household characteristics and employment and shelter profiles, then, we asked ourselves, how is the content of the various poverty alleviation programmes determined? Are these ad-hoc exercises based on the judgement of a few? Could the judgement of a few on the needs and priorities of the poor be a substitute for empirical data

1 This phrase has been borrowed from Rakesh Mohan and Nancy Hartline's study on the poor of Bogota. See, The World Bank, "The Poor of Bogota: Who They Are, What They Do, and Where They Live," Staff Working Paper No. 635, Washington, D.C., 1984.

and scientific analysis? Both these factors underlined the need to fill the vast data and knowledge gap about the poor.

In a somewhat imperceptible manner, other factors also influenced us. Ever since the disenthronement of "income growth" as the primary goal of development and the emergence of a new development ethos (basic needs approach, unified approach to development, participatory approaches, and full employment and poverty alleviation strategies), a considerable amount of work had been done on urban poverty at the international level, the results of which questioned in a sense, the traditionally-held notions about the poor and their attributes. Many myths about them were demolished in the process. What was important was that the impact of the evidence collected internationally began to be felt not only on the thought processes but also on the planning modes of several developing countries. The position of the National Institute of Urban Affairs was that irrespective of the merits and strengths of the international evidence and scholarship on urban poverty issues, the Indian policies and programmes should be founded on data from within the country and not of outside. There were no reasons to be overtaken or overshadowed by external evidence. This provided yet another rationale for the programme.

The programme of research on urban poverty thus came to be established at this Institute. The objective of the programme was clear: to create a proper data base on the urban poor and urban poverty questions. The Ministry of Urban Development lent full

support to the programme and provided funds for a primary survey of the urban poor households, and for desk research on poverty issues.

Almost coincidentally, the National Commission on Urbanisation (NCU) set up by the Government of India, constituted a Working Group on Urban Poverty (with the Director, NIUA, as one of the members) to review all that had been done in the country to alleviate urban poverty, and suggest strategies to deal with this growing problem. The Working Group proposed to mount a series of research studies including one on how different population groups perceived urban poverty and the problems and priorities of the poor. This study was entrusted to the National Institute of Urban Affairs. Other governmental departments too showed interest in knowing where we stood with regard to these issues.

The past one year's work at the Institute has resulted in five research studies of a complementary nature. These are:

1. Approach to Urban Poverty: A Position Note
2. Dimensions of Urban Poverty: A Situational Analysis
3. The Media on Urban Poverty
4. Urban Poverty: A Study in Perceptions
5. Who the Urban Poor Are, What They Do and Where They Live

The first four are being brought out in the Institute's research studies series. The fifth one, incorporating the results of a primary survey of the urban poor households will be published shortly.

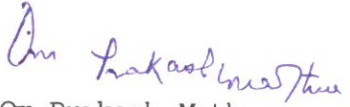
Such a major research effort requires sustained work, not of any one individual, but of a team of dedicated researchers and experts. At this Institute, the coordination of the programme was entrusted to Mrs. Usha P. Raghupathi, a senior colleague of mine. She has designed the field survey and the tabulation schemes, and prepared together with me reports of the first, fourth and fifth of the studies listed above. She has been assisted by several researchers whose names appear in the respective reports.

The study on Dimensions of Urban Poverty: A Situational Analysis has been prepared by Professor D.D. Malhotra, a senior member of faculty at the Indian Institute of Public Administration (IIPA) and a short term consultant to the Institute on this programme. The comprehensive nature of the study is a testimony to his perseverance and hard work. The credit for preparing the report on the Media on Urban Poverty goes to Dr. Gangadhar Jha, Assistant Professor at the IIPA. The National Institute of Urban Affairs would like to place on record its appreciation for their assistance.

Shri Kirtee Shah, Chairman of the Working Group on Urban Poverty and Dr. William Cousins, UNICEF Consultant have continuously interacted with us on the entire programme of research on urban poverty. Their incisive comments have been of utmost help to us in the articulation of our ideas and in the preparation of these documents.

The problem of urban poverty in India cannot be encapsulated in a few research reports. It requires continuous probing and examination. The NIUA proposes to continue research on this subject.

March 1988


Om Prakash Mathur
Director

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THE NATURE AND EXTENT OF URBAN POVERTY

There is evidence of a general debate in the media about the relevance of the official definition and concept of the poverty line with reference to a minimum health and nutritional standard. In the absence of nationwide income data, the Planning Commission uses expenditure data as a proxy for income and suggests the expenditure per month which would assure 2100 calories of food per individual in urban areas in order to remain above the poverty line.¹

The media indicate a wide range of disagreement in accepting this concept of poverty. In a continuing debate on the conceptualisation of poverty,² a section of the media refers to the famous Engel's Law which suggests a declining proportion of total expenditure spent on food items along with an increase in income. This does not appear to tally with the official definition of poverty which is linked with the maximum consumption of calories. The argument is substantiated by referring to A.M. Khusro's observation that "indices of poverty based entirely on personal expenditure linked with calorie values are totally one sided."³ Hence there is the need to construct a "suitable index of poverty incorporating all the relevant factors which affect the quality of life." This is said to be an imperative for poverty amelioration programmes.⁴

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1. Malcolm S. Adiseshiah, "Mid-year Review of the Economy - III," The Financial Express, 17 October 1986.
 2. M.M. Ansari, "Poverty Analysis : A Reply," The Economic Times, 20 July 1985.
 3. A.M. Khusro, "Poverty of Poverty Analysis," The Economic Times, 1 October 1984.
 4. M.M. Ansari, op. cit.

Disagreement with poverty defined as undernourishment is reinforced in yet another piece appearing in the media. Quoting V.K.R.V. Rao's observation that poverty is "more than undernourishment," it suggests the identification of poverty "with deficiency in the total level. Total level of living includes not only energy required but also balanced diet needed for health and other components of basic needs essential for human existence at tolerable level."⁵

Apart from disagreeing with the conceptualisation of poverty, the media also questions the Planning Commission's claims regarding the decline in poverty levels between 1977-78 and 1983-84.⁶ After comparing the results of the revised 32nd round of the National Sample Survey (NSS, 1977-78) with those of the provisional data of the 38th round (January to June 1983) the Planning Commission concluded that the incidence of poverty had declined by 11 percentage points, that is by 22.6 per cent during this period.⁷ The number of people living in poverty in urban areas declined from 38.2 per cent in 1977-78 to 28.1 per cent in 1983-84.⁸ Moreover, due to the combined result of the contemplated growth pattern and the more effective implementation of various poverty alleviation programmes the Planning Commission expects a further reduction in urban poverty from 38.2 per cent in

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5. Renu Mittal and S.D. Chamola, "Poverty: Some Methodological and Conceptual Issues," The Financial Express, 25 May 1986.
 6. Malcolm S. Adiseshiah, op. cit.
 7. Ibid.
 8. Ibid.

1977-78 to 19.34 per cent in 1989-90.⁹

The media, however, questions these claims of the Planning Commission. To quote:

There is some evidence that during the seventies (i) there has been an increase in the average level of calories consumption; (ii) that the increase in the average intakes of calories was accompanied by a concomitant reduction in the percentage of households consuming inadequate levels of calories; (iii) that the increase is due mainly to increased consumption of rice rather than millets; (iv) that the consumption level of protective foods like pulses and vegetables did not show much change; and (v) that the lowest income group (with Rs.30 per capita monthly income) have benefited most.¹⁰

In view of the above, it holds that "the poverty status of the country is, by and large, unchanged." This view is based on a basic flaw in the Planning Commission's methodology. The NSS methodology, according to this view, is beset with "errors and biases." The media therefore feels that an objective interpretation of the 32nd and 38th rounds reveals a decline in rural poverty by 5 percentage points and not by 10.8 percentage points as calculated by the Planning Commission, and by 10.29 percentage points for the urban areas which is close enough to the Planning Commission's 10 percentage points. In absolute terms "This means that even using NSS data, the number of people lifted from poverty in 5 years is 8.38 million and not 34 million as claimed by the Planning Commission."¹¹

9. Ibid.

10. Ibid.

11. Ibid.

In yet another piece in the media a former Union Minister of State observes that despite several pious avowals of good intentions in the successive Five Year Plan documents for reducing inequality, "poverty levels, poverty, unemployment and inequality instead of diminishing have been on the uptrend from plan to plan."¹² He observes that "having failed to change the poverty situation in any significant measure, the Planning Commission took recourse to statistical jugglery and announced in its mid-term appraisal of the Sixth Plan, that 57 million persons were raised above the poverty level in the first two years of the Sixth Plan."¹³ This has not been accepted by eminent economists, as the Planning Commission's views are based on two untenable assumptions of equal distribution of income and raising of all the beneficiaries of IRDP above the poverty line.¹⁴ It observes that there is "enough evidence to prove that the poverty-unemployment-disparity situation has aggravated, and not eased. The number of unemployed on the live registers of Employment Exchanges has been increasing at an alarming rate of more than 1.60 lakhs per month. The disparity between the rich and the poor has increased, through generation of more black money in the society."¹⁵

12. Bhanu Pratap Singh, "Why Poverty and Unemployment Persist," The Hindu, 16 July 1985.

13. Ibid.

14. Ibid.

15. Ibid

Magnitude of Urban Poverty

India ranks very low on the poverty line among the community of nations. A section of the media believes therefore, that large scale urban poverty should not be amazing as India happens to be the sixth poorest country with only Bangladesh, Bhutan, Laos, Burma and Nepal¹⁶ below the poverty line. Of its total population, as much as 40 per cent was officially said to be living below the poverty line.¹⁷ Urban settlements are therefore not immune to this national economic phenomenon. Of the total estimated urban population of about 192 million in 1986, more than a quarter (28.1 per cent to be specific) is estimated to be below the poverty line.¹⁸ As many as 60 per cent of them struggle for livelihood in metropolitan cities such as Calcutta, Bombay, Delhi and Madras.¹⁹ The appalling living conditions, at times below subsistence level in rural areas, compel a very large number of rural poor to flock to urban settlements in search of a living. It is estimated that about three to four million people are added to urban centres each year.²⁰ Urban poverty is therefore writ large in Indian cities and towns. Bombay is cited as an example of the magnitude of urban poverty. The population of Bombay doubled from about 45 lakhs in 1961 to about 90 lakhs in 1981, but the number of

16. Jay Dubhashi, "Poverty : Figures and Fiction," The Tribune, 15 October 1985.

17. Rita Monteiro, "Garib Hatao Drive in Bombay," The Statesman, 28 October 1985.

18. Editorial on Financial Succour to the Urban Poor, The Hindu, September 1986.

19. Ibid.

20. Ibid.

people living in squatter settlements increased ten times during the period, from 4 lakhs to about 40 lakhs.²¹ Besides the squatter population, a large segment of Bombay's population is residing in slums, sleeping on pavements and finding shelter in unlaidd drainage pipes and on semi-permanent sites.

Even a medium town such as Ludhiana situated in a prosperous state does not present a different picture.²² About 15 per cent of Ludhiana's population resides in as many as 45 slum areas. This is primarily due to the influx of landless rural labour.²³ According to the Planning Commission's own estimate, about 32 to 40 million (out of the total urban population of 160 million) are living in slums where the living conditions are miserable.²⁴ Of these, about 13 million are children who are born and brought up in deprivation and who account for about two-fifths of deaths in urban areas. Of those who survive, not many are able to reach anywhere near the full potential of their development.²⁵

Rural migration being the prime instrument in transforming rural poverty into urban, Indian cities and towns have to bear with a far more aggravated situation of poverty than their rural counterparts. An analysis, in a section of the media, of employment data in rural

21. H.U.Bijlani, "Affordable Shelter for the Urban Poor, "The Hindu, 7 October 1986.

22. Ibid.

23. "The Plight of Slum Dwellers," The Tribune, 19 January 1985.

24. Editorial on "Tackling Urban Poverty" in The Hindu, 10 January 1986.

25. Ibid.

and urban areas shows that the unemployment situation is much more
grim in the latter.²⁶ The range of unemployment in rural areas for the
age group 15-49 years is 4.54 per cent as against 13.39 per cent of
the labour force in urban areas.²⁷ This reveals urban unemployment to
be as high as three times that of rural unemployment.²⁸ Moreover,
the problem of chronic unemployment is more severe in urban than in
rural areas. In the latter, chronic unemployment is observed in 0.97
per cent males and 0.32 per cent females. In urban areas, it is 3.11
per cent and 1.05 per cent for males and females
respectively.²⁹

Thus it is argued that urban poverty is much more grave and
hence calls for special programmes for amelioration.³⁰ It is also
argued that certain situations, features and conditions obtaining in
urban settlements make for more programmatic relevance of anti-poverty
policies as well as more likelihood of success. The media attribute
this to the following³¹ :

26. B.S. Pathak, "Employment for Urban Poor : Perspective and Prospect," The Economic Times, 20 November 1986.

27. Ibid.

28. Ibid.

29. Ibid.

30. Swaminathan S. Aiyar, "The Neglect of Urban Poverty," The Indian Express, 3 September 1985.

31. Swaminathan S. Aiyar, "The Neglect of Urban Poverty," The Indian Express, 3 September 1985.

- i. Studies of anti-poverty programmes such as IRDP "which seeks to make entrepreneurs of the poor by giving them assets like milch cattle, shops or bullock carts has shown that greatest success can be expected in areas with a well developed infrastructure and good administration... The areas with the best infrastructure are urban and most of all in the metropolitan cities."³²
- ii. Programmes such as the IRDP require for their success backward and forward linkages. These are again to be found in urban settlements which have a better network for supply of inputs, support services and marketing outlets.³³
- iii. Social systems in rural areas being still based on traditional levels, do not permit the low castes to enhance their income and status. In urban areas "there is far less caste discrimination and there is no social animus against a low caste person doing well. Social mobility is infinitely higher in a town than in a village."³⁴
- iv. "The very fact and abilities which make the immigrant take on the unknown risk of shifting to a city are qualities needed for successful self-employment." The migrants to the cities are the most dynamic among the poor. The success rate is therefore likely to be high in urban areas.³⁵
- v. Economies of scale mean that investment in urban infrastructure will often be more cost effective in alleviating poverty than in rural areas.³⁶

32. Ibid.

33. Ibid.

34. Ibid.

35. Ibid.

36. Ibid.

AN OVERVIEW OF PUBLIC POLICY ON URBAN POVERTY

The media has looked at the problem of urban poverty as a consequence of rural poverty.³⁷ While looking at the strategy for elimination of urban poverty, therefore, it examines the strategy for amelioration of rural poverty with a critical eye. Lack of a comprehensive programme for urban poverty also explains the limited coverage given by the media to the strategy for anti-poverty programmes in urban areas.

Since the planners realised that rural poverty was the root cause of urban poverty, more attention was given to the rural sector than to the urban sector.³⁸ The concept of "growth with social justice" emerged and a few gainful employment schemes were formulated and introduced for effective implementation.³⁹ Realisation also dawned that the country's problems could not be solved by growth alone. However, just as the growth in GNP has been below expectation in successive Five Year Plans, the anti-poverty programmes have also not performed satisfactorily. This is documented in a section of the media which looks at the evolution of the programmes for the poor ever since the advent of planned development.⁴⁰ The Second Five Year Plan tried to promote large scale expansion of employment opportunities and reduction of inequalities in income and wealth. The Third Plan aimed at "establishing greater equality of opportunity, and to bring about

37. B.S. Pathak, op. cit.

38. Ibid.

39. Ibid.

40. The Hindu, 16 July 1985.

reduction in disparities in income and wealth,⁴¹ and an even
distribution of economic power."⁴² The Fourth Plan intended that the
"benefits of development should accrue in increasing measure to the
common man and the weaker sections of the society."⁴³ The Fifth Plan
set out to accomplish removal of poverty and attainment of self
reliance.⁴⁴ The Sixth Plan envisaged the welfare and significant
improvement in the living conditions of the poorest of the poor as the
major objective of planning.⁴⁵ The Seventh Plan now aims at bringing
down the percentage of population below the poverty line to less than
20 per cent by 1994-95. Despite these sincere hopes unemployment and
inequality persist even now.⁴⁶ A section of the media believes that
the problem of abject poverty would have been solved by 1978-79 if the
preferred variant of the Fifth Plan which was accepted by the National
Development Council in January 1973 would have been adopted.⁴⁷ This
variant had envisaged the raising of the average monthly per capita
consumption of the poorest 30 per cent of the population by 60 per
cent in real terms. However, the basic model of development for the
removal of poverty has been reduced to schemes for dispensing
political and bureaucratic patronage, "It has led to
inefficiency and corruption and has also the danger of being

41. Bhanu Pratap Singh, op. cit.

42. Ibid.

43. Ibid.

44. Ibid.

45. Ibid.

46. Ibid.

47. The Financial Express, 22 November 1985

used for perpetuation of poverty on a patron-client basis."⁴⁸

Apart from generalising on the broader issues in anti-poverty programmes, the media discuss of the specific programmes for dealing with urban poverty such as DRI, SEPUP and UBS.

The scheme launched in 1972 for giving bank advances at a differential rate of interest (DRI) of 4 per cent for enabling the urban poor to earn income is examined to evaluate its operationalisation.⁴⁹ According to the Annual Report of the Union Ministry of Finance the number of beneficiaries of the DRI stood close to 43 lakhs. They were advanced a total loan amount of Rs.443.50 crores by 1984.⁵⁰ Against the target of lending the advance to 40 per cent of the socially disadvantaged groups such as scheduled caste and scheduled tribe, the actual disbursement went to 51 per cent of such groups.⁵¹ This impressive achievement of the target is laudable, but it has been found that the income norm has restricted the eligibility, especially in the semi-urban and urban areas, to persons whose family income does not exceed Rs.3000 per annum. Studies have revealed several operational, infrastructural and other deficiencies.⁵² Moreover, the limited amount of loanable funds with the banks has put further constraints and consequently, a large proportion of eligibles have been kept out of this scheme.

48. Ibid.

49. Editorial on "Loans for the Urban Poor," The Hindu, 10 July 1986.

50. Ibid.

51. Ibid.

52. Ibid.

By the end of 1983, the loans advanced constituted 1.2 per cent of the total advance of all the public sector banks against the target of 1 per cent.⁵³ The achievement is said to be creditable. Nevertheless, the supply of funds was far below the demand. This is said to be one of the reasons why the scheme could not make much of an impact on urban poverty.⁵⁴ Yet another section of the media observes that the scheme of bank advances at a concessional rate of interest was merely a lip service to the cause of the urban poor.⁵⁵ Little attention has been paid to urban poverty which has been increasing, but DRI was implemented on a "sporadic basis where there was neither enthusiasm nor sympathy towards poor."⁵⁶

Self-Employment Programme for the Urban Poor

The media have given wide coverage to the Self-Employment Programme for Urban Poor (SEPUP) launched in September 1986, and have also analysed its efficacy in dealing with urban poverty. However, before looking at the samples of opinion expressed in the media on SEPUP, it would be desirable to have a brief account of what this programme is about.

53. Ibid.

54. Ibid.

55. B.S. Pathak, "Employment for Urban Poor: Perspective and Prospect," The Economic Times, 20 November 1986.

56. Ibid.

Launched on 1 September 1986, it is said to be the first⁵⁷ "major attack" on urban poverty. The programme envisages advancing of bank credit to help the poor take up self-employment ventures. It is operative in all the metropolitan and urban areas with populations of more than 10,000. Included in the priority sector, the programme intends to disburse Rs.150 crores, to begin with, in the form of three-year loans to the urban poor for various activities such as riskshaw pulling, weaving, carpentry, vegetable vending, shoe repairing, pottery, book binding and so on. A maximum loan of Rs.5000 is to be advanced to one out of 500 persons. Thus, in all, about 3 lakh families are to benefit. Eligibility criteria suggest that the beneficiary should be a permanent resident of the city/town and should have lived there continuously for at least three years. His/her family income should not exceed Rs.600 per month and he/she should not have availed of a loan from any bank or credit institution. The loan is to be disbursed for a period of three years with a three-month grace period at 10 per cent interest.

The programme is to be implemented by selected branches of the public sector banks. The government provides a 25 per cent subsidy to the banks so that each beneficiary has to repay only 75 per cent of the disbursed loan. According to the guidelines issued by the Reserve Bank of India (RBI),⁵⁸ the beneficiaries are to be selected by a committee of bankers constituted by the lead bank of the city.

57. The Statesman, 29 August 1986; See also The Hindu, Editorial, 10 July 1986 and 1 September 1986; The Tribune, 1 September 1986; and M.G. Chandrachud, "Employment for Urban Poor: Planning and Problems," The Economic Times, 8 October 1986.

58. M.G. Chandrachud, op. cit.

The loan is to be sanctioned within fourteen days of the receipt of applications. Neither owner's contribution as margin money nor any collateral security guarantee is to be given by the borrowers.

SEPUP: AN EVALUATION

The media have praised and also criticised this programme. Taking the brighter side first, some say that there are three good points about this programme. Firstly, it is the first major programme launched for amelioration of urban poverty ⁵⁹ per se. Secondly, since the programme is in the priority sector lending, the banks have to achieve the target fixed by the RBI. ⁶⁰ Finally, the selection of beneficiaries rests with the banks through a specially constituted selection committee. Therefore there should be no room for complaints about wrong identification and selection of beneficiaries and also the activities to be funded. ⁶¹ In view of these, the SEPUP opens a soft loan window for the urban poor and hence ⁶² it is a modest beginning.

Yet another section of the media appreciates this programme firstly because the rate of interest of 10 per cent suggests that there is no intention of watering down the commercial viability of the loans to any significant extent, ⁶³ as in the case of the differential rate of interest scheme. Secondly, the decision to

59. The Statesman, 29 August 1986.

60. B.S. Pathak, op. cit.

61. Ibid.

62. Ibid.

63. Editorial on "Financial Succour to the Urban Poor," The Hindu, 1 September 1986.

extricate the loan arrangement from cumbersome and sometimes vexatious collateral requirements and guarantees would eliminate the procedural delays.⁶⁴ Thirdly, it tends to spread the cult of self employment among the urban poor. This may produce a wholesome spin-off which would traverse beyond the economic objective of reducing unemployment among the urban poor.⁶⁵ If administered efficiently, the programme might generate manifold expansion in consumer services of a decentralised nature. This could even provide a fillip to the growth of satellite towns and metropolitan neighbourhoods.⁶⁶

The media have expressed apprehensions too about certain aspects of the SEPUP :

- i. The ceiling of Rs. 6000 may not be sufficient for all types of activities. Such activities which are to be carried on in fixed places in urban areas would require a high rental to be paid for the use of space. Extremely high rents for urban commercial space may require the ceiling to be increased otherwise prohibitive rental values would make the self-employment proposition too costly to be chosen as a vocation.⁶⁷
- ii. The programme meant for financing of self-employment schemes, may ultimately result in the selection of too many beneficiaries for a single activity thereby diminishing its scope and making it uneconomic. The experience of a similar programme launched a couple of years ago in Madhya Pradesh reveals that too many beneficiaries selected for a single activity make the units unviable so that the beneficiaries have to incur heavy losses in the initial stage itself.⁶⁸

64. Ibid.

65. Ibid.

66. Ibid.

67. Ibid.

68. B.S.Pathak, "Employment for Urban Poor," The Economic Times, 20 November 1986.

- iii. Anti-poverty programmes are ultra sensitive to natural calamities such as sudden illness of the entrepreneur, family members, ceremonies in the family and the like. Therefore additional funds generated are automatically diverted or the entrepreneur is compelled to resort to private borrowing. It is therefore necessary to provide for loans for consumption and medical purposes. This calls for regular contact with the borrowers and establishment of rapport with them.⁶⁹
- iv. Urban business is highly competitive. Entrepreneurs therefore need skills to compete in the market. The business has therefore to be linked with assured marketing. The beneficiaries also need to be given training in marketing.⁷⁰
- v. In urban areas, especially in the metropolitan and large cities, it is very difficult to get a place for running a business. Public intervention is therefore needed to provide commercial space also.⁷¹
- vi. The SEPUP is an urban version of the IRDP and therefore is likely to carry with it all the latter's shortcomings.⁷² If there has to be a positive dent on the problem of urban poverty, the clue lies in operating the programme in an effective manner. It has also to be assured that money does not go down the drain due to misutilisation either in terms of its end use or because of its reaching the wrong person. The shortcomings, lapses and malpractices that have militated against the differential rate of interest or the IRDP have to be avoided.⁷³ Half the difficulties that beset beneficiary-oriented programmes will have been removed if the executing agencies are insulated from political pressure and interference.⁷⁴

69. Ibid.

70. Ibid.

71. Ibid.

72. Editorial on "Loans for the Urban Poor," The Hindu, 10 July 1986.

73. Ibid.

74. Ibid.

A section of the media thinks that the scale of urban poverty is gigantic. A proper solution therefore calls for a special economic strategy that could make some headway at least over a specified period. This may not exactly be what has prompted the SEPUP.⁷⁵

Scramble for SEPUP

The media reports an annual scramble for loans under the SEPUP. To quote from the media "there has been a virtual run on banks in many parts of the country with the government's novel self-employment programme for urban poor."⁷⁶ It has evoked "enthusiastic and massive response." The enthusiasm took the form of a deluge of loan applications and applicants resulting in a lathi charge for controlling the anxious aspirants in Madras, Bhavnagar and Amritsar. Besides injuring the aspirants, this adversely affected the operations and functioning of the banks.⁷⁷

The bank officials believe that the "government had thrust the easy loan scheme on banks. The banks are groping in the dark and there is a lot of misunderstanding about the scheme."⁷⁸ There is therefore a feeling that the "Reserve Bank should issue a format of application, impart training, and provide infrastructure to banks as otherwise the good scheme would misfire."⁷⁹

75. Editorial on "Financial Succour to Urban Poor," op.cit.

76. The Economic Times, 17 September 1986; see also Editorial, "SEPUP Scramble" in this very edition.

77. Ibid.

78. Ibid.

79. Ibid.

Urban Basic Services Programme

The Urban Basic Services (UBS) Programme has been conceived specially for the most vulnerable sections of the urban poor, the women and the children.⁸⁰ UBS combines in itself various UNICEF aided schemes. The programme is to be extended to about 250 towns in 52 districts. The programme addresses itself to the objective of improving the survival rate and the quality of life of children belonging to low income groups. Low cost solutions, community based approach and people's participation are the merits claimed on the basis of results obtained in cities such as Hyderabad, Ahmedabad and Baroda.⁸¹

According to a section of the press the low cost solution for the delivery of basic services to the urban poor has proved the validity and feasibility of the low cost urban basic services strategy to reach the urban poor directly through the local bodies. It also suggests replicability of the strategy for reaching the urban poor. The enthusiasm generated at the level of the local bodies by these experiments was such that, between 1981 and 1984 it was extended to 250 towns in the Seventh Plan.⁸² The special feature of this programme, the media believes, is the opportunity for the beneficiary communities to involve themselves and participate in the process of plan implementation and evaluation of projects in their towns. The

80. Editorial, "Tackling Urban Poverty," The Hindu, 10 January 1986.

81. Ibid.

82. The Times of India, 10 April 1985.

community participation approach will ensure that Plans respond
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directly to the actual needs of the neighbourhoods.

However, another section of the media does not think the prospect to be so rosy. Commenting on the operational aspects of the UBS programme, it feels that projects such as these call for input
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management. It refers to the pivotal role given to the civic authorities in securing the participation and involvement of the community in planning, plan implementation as well as evaluation processes and calls it "ambitious" as these authorities are financially enfeebled, organisationally weak and have been run by the bureaucracy for years together. It expresses a considerable amount of scepticism even in the realm of planning. Formulation of well integrated plans at district, town and locality levels and for each neighbourhood requires a community council and also a decentralised budget. The experience of IRDP, on the other hand, suggests that this is hardly carried out on the ground. The success of the UBS scheme would depend primarily on avoiding these pitfalls through advance action in training of the community organisers and volunteers for a
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catalytic role in strengthening civic administrative units.

83. Ibid.

84. Editorial in The Hindu, op. cit.

85. Ibid.

PREScriptive STRATEGY FOR ANTI-URBAN POVERTY PROGRAMME

Besides the critical evaluation of the strategies so far tried for dealing with urban poverty, there are elaborate suggestions for the amelioration of urban poverty. The prescriptive strategy ranges from macroeconomic policy for acceleration of economic growth with social justice to social security programmes.

Macroeconomic Policy

A section of the media feels that the existing programme can not provide a durable and adequate solution to the problem of poverty whether rural or urban. A proper and effective solution to the problem requires the evolution of a strategy as an integral part of the development process of the economy itself. Elements of such a strategy are already there in the Seventh Plan and the agricultural programme contained in it. "These are to be brought together into a single integrated programme of employment oriented agricultural and rural development, and made a part of the entire growth process in the Seventh and subsequent five year plans."⁸⁶

It observes that the existing anti-poverty programmes, by their very nature, "are welfare programmes with a strong distributional bias. The problem of poverty is basically a problem of low productivity." Therefore what is required is to increase the income of those who are poor. This calls for an immediate switch over from the "Feldman-Mahalanobis growth model which stipulates capitalist

86. B.M.Bhatia, "Poverty and Growth Strategy," The Indian Express, 14 September, 1985.

87. Ibid.

industrialisation-led development of other sectors of the economy through the 'trickle - down' or percolation effect" to an agricultural demand led industrialisation model of growth.

Accelerating the Process of Urbanisation

The problem of poverty can not possibly be solved "without a substantial degree of urbanisation."⁸⁸ Poverty can be eradicated by "a progressive shift of the workforce into manufacturing and services which can sustain a much higher level of wages." Even successful agriculture requires the support of urbanisation. Sustenance of the Green Revolution requires a network of agro-based industries as has happened in Punjab where especially Ludhiana has given the lead in this regard. Besides being the heart of the Green Revolution,⁸⁹ Ludhiana is also the most urbanised district in Punjab.

Poverty being essentially a problem of low income, the employment and income in urban areas could be enhanced not by giving cattle to the urban poor but the assets to operate services such as transport, manufacturing of goods.⁹⁰ A study of IRDP by the Plan Evaluation Organisation of the Planning Commission reveals that one rupee invested in agriculture yields an incremental income of only 25.7 paise and in animal husbandry it yields about 37 paise. But the yield from manufacturing is about 113 paise and the services yield about 127 paise.⁹¹ There exists a large urban demand for carpenters,

88. Swaminathan S. Aiyar, "The Neglect of Urban Poverty," The Indian Express, 3 September 1985.

89. Ibid.

90. Ibid.

91. Ibid.

tailors, masons and so on. A training programme in these vocations and making the credit available to them for the purchase of equipment⁹² could quickly raise the beneficiaries above the poverty line.

Wage Labour

A wage labour scheme could be another method for dealing with the problem of urban poverty. This scheme could be devised for building up the urban infrastructure such as levelling of building sites, digging of drains, planting of trees, constructing school buildings and so forth. The on-going programme for the Integrated Development of Small and Medium Towns could be linked with the wage labour scheme for⁹³ alleviating urban poverty.

Social Security

The organised sector accounts for only 11 percent of the total⁹⁴ employment. For the remaining vast majority, availability of social security is fragmented and limited for the urban informal sector. Anti-poverty programmes aim at improving the economic status of the poor through self-employment and wage labour. The worst placed are those who cannot participate in economic activity due to old age, disability and sickness. Social security therefore must be an⁹⁵ essential component of any anti-poverty programme.

92. Ibid.

93. Ibid.

94. S.Guhan, "Reaching out to the Poor," The Economic Times, 19 December 1986.

95. Ibid.

Work programmes try to inject purchasing power into the poor population. "This can be done more economically and efficiently via direct payments in cash and/or in the form of food-grains...."⁹⁶ Works, however, involve overheads and leakages. The present practice of giving old age pension is also constrained by restrictions relating to destitution, domicile and the ceiling placed on the extent of coverage. It is estimated that the coverage is only one-fifth of the total need. Therefore there is the need to liberalise old age pensions. "They should be made available at least from the age of 60; restrictive conditions must be removed; and the lagging states persuaded and induced to conform to a humane national pattern with an appropriate sharing of the costs by the Centre."⁹⁷

Another very important aspect of the social security programme is to give financial assistance after death.⁹⁸ The death of a bread earner is a contingency which plunges poor families into sudden and acute distress. A scheme for providing benefits to the survivors could help a great deal. This could be done by extending group insurance on an area basis covering all householders below the poverty line. Identification of the group, collection of premia and monitoring of payments could be done with minimum cost and red tape in a decentralised manner by insurance societies constituted for defined urban areas. In order to encourage insurance as an anti-poverty measure, it will be legitimate for the state and central governments

96. Ibid.

97. Ibid.

98. Ibid.

to meet two-thirds of the premium for an earning member in poor families.⁹⁹

Introduction of a group insurance scheme for the poor in Gujarat from January 1981 and its implementation has proved that it is an effective umbrella for providing protection against unforeseen calamities.¹⁰⁰ A group insurance scheme has been introduced in the state for the employees working in shops and establishments. This has been done through a special legislation - the Gujarat Shops and Establishment (Employees Life Insurance) Act, 1980. Under the scheme, each employee pays a premium of Rs.12 per annum. Half of this amount is placed by the employer. The initial insurance cover was to the extent of Rs.2,500 which has been enhanced to Rs.5,000 without any increase in premium.¹⁰¹

To Create Local Level Institutions

Amelioration of poverty requires the adoption of a development approach. Individualised charity and the gruel kitchen comprise an anti-development strategy likely to perpetuate poverty.¹⁰² Success in elimination of poverty will depend very much on the ability and patience in creating local level institutions and local resource development through cultivation of organisers and change agents from amongst the local people. They have to be encouraged and aided to develop economic organisations for raising productivity through viable

99. Ibid.

100. Sanat Mehta, "Insurance Cover for the Urban and Rural Poor: Some Experiments in Gujarat," The Economic Times, September 1986.

101. Ibid.

102. The Financial Express, 22 November 1985.

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activities.

Publicity for Anti-Poverty Programmes

The success of anti-poverty programmes depends to a great extent on the people's awareness of the facilities available under the various schemes. The Consultative Committee attached to the Union Ministry of Personnel, Public Grievances and Pensions therefore has suggested the launching of a major public drive to give wide publicity to the programme for amelioration of poverty.¹⁰⁴ In the opinion of the sub-committee appointed by it, the present method of publicising the scheme for the vulnerable sections is unsatisfactory and therefore, there is a need to evolve a conscious policy and arrangements for sustained dissemination of information about various programmes. "The present ad-hoc publicity arrangement has rendered the beneficiaries mute recipients of subsidies and other facilities and has seriously affected the quality of implementation....."¹⁰⁵ It therefore suggests that training be given to the field level officials for making them conversant with the philosophy and practical aspects of the schemes and for communicating them to the people.

Apart from suggesting strategies for dealing with the problem of urban poverty, the media also talk specifically of housing and urban development. It comments on the status of urban planning vis-a-vis the urban poor and gives an account of the attempts made and the policies suggested for housing the urban poor.

103. Ibid.

104. The Economic Times, 25 April 1987.

105. Ibid.

Urban Planning

Urban planning in India, the media believes, has not been conforming to the obtaining realities in the cities and towns. "Even though the target group comprises the poor who form an overwhelming majority, the urban plans, controls, regulations and by-laws continue to be elitist."¹⁰⁶ The emphasis is on building something grand and aesthetic. Huge and costly structures are built which can not be afforded by the target group. Flyovers and wide avenues are planned even though a vast majority of the population use bicycles.¹⁰⁷ The plans to provide infrastructures continue to be costly and are based on western norms and standards. The building by-laws do not permit the construction of small one-room tenements for the urban poor. Plans and programmes conceived for the urban poor, in many instances, are either not implemented or if implemented, there is complete distortion in effectuating the avowed objective.¹⁰⁸

Taking Bombay as an example, a section of the media observes that lack of vacant land for housing the urban poor is a myth. Giving figures from an official report, it says that the amount of vacant land is estimated to be 12000 hectares. Under the Urban Land (Ceiling and Regulation) Act (ULCR), 2592 hectares have been declared vacant. The entire slum population of Bombay can be housed on only 2400 hectares according to the estimates made in 1982. Therefore it is the

106. H.U. Bijlani, "Affordable Shelter for the Urban Poor," The Hindu, 7 October, 1986.

107. Ibid.

108. Ibid.

shortage of will to shelter the urban poor, rather than the shortage of land.¹⁰⁹

Housing the Urban Poor

The strategy for housing the urban poor needs to be realistic. hence it should recognise slums as permanent features of urban India for a long time to come. Slum improvement would therefore be a realistic strategy for improving the already available stock of shelter. A section of the media therefore hails the two-pronged strategy of slum improvement and sites and services tried for housing the urban poor in the cities of Madras and Bombay.¹¹⁰ Quoting the World Bank, it observes that improvement of slums in Madras is one of the most successful schemes due to its scale and high rate of cost recovery. Another unique feature of the programme lies in its unconventional building standards.

The media also refer to the refreshing ideas contained in the Draft National Housing Policy (DNHP) and the Interim Report of the National Commission on Urbanisation (NCU). On housing the urban poor, it makes a reference to the DNHP's suggestion of reviewing and if necessary, even to bring an amendment in the ULCR for facilitating housing for the EWS. Likewise, the media also refer to the NCU's suggestion of imposing a cess on vacant urban land at the rate of Rs.3

109. Rita Monteiro, "Garib Hatao Drive in Bombay," The Statesman, 28 October 1985.

110. "Housing the Urban Poor," The Hindu, 31 March 1987.

per sq.m. per annum in urban agglomerations of category D and from Rs. 5 to Rs.50 in categories A,B and C. The entire proceeds from this are to go to the shelter fund for the EWS. With the excess vacant land and average levy of Rs. 5 per sq.m. a year, it is calculated that the cess would generate about Rs.600 crores.

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111. Ibid.

CONCLUSION

The content analysis of the coverage given by the media to urban poverty suggests that despite the paucity of adequate public policy response to the problem of urban poverty, the media have been sensitive to this problem. Let us conclude the analysis on a note of optimism cherished in a section of the media regarding the future view of poverty. Quoting a UNICEF study, it suggests that India can, in the foreseeable future, "eliminate mass poverty and its attendant ills like malnutrition, ill health illiteracy and isolation....."¹¹² This rosy picture is based on an optimism about India's economy which is said to have "strength and dynamism in terms of self-reliant agriculture, diversified industry, sophisticated technology and trained manpower." India has already succeeded "in providing, a third of its people, with an essential minimum standard of living."¹¹³

112. The Hindustan Times, 26 January, 1987.

113. Ibid.

ANNEXURE

The Nature and Extent of Coverage given by the
Media to Urban Poverty July 1985 to April 1987

Sl. no.	Newspaper	Editorial	Articles	News reporting	Staff papers	Total
1.	Economic Times	2	10	4	5	6
2.	Indian Express	-	3	4	-	7
3.	Financial Express	1	1	3	2	7
4.	Hindustan Times	-	1	4	-	5
5.	Hindu	3	1	4	1	9
6.	Tribune	-	1	2	2	5
7.	Statesman	2	2	1	1	6
8.	Times of India	-	1	3	-	4
Total		8	20	23	8	59

Source: Tabulated from the newspapers mentioned above.