

Approach to Urban Poverty A Position Note

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ABSTRACT

This position paper presents the existing approach to alleviation of urban poverty in India. It discusses in specific terms how the five year plans, beginning with the Fifth Five Year Plan 1974-79, have looked at the urban poverty questions, and analyses the principal policy responses as well as the contents of the various poverty alleviation programmes. The paper points out that there are three complementary ways in which the problem of urban poverty is sought to be redressed: i) macroprocesses involving income growth and distribution, and resource transfers; ii) introduction of antipoverty biases in the sectoral programmes; and iii) direct attack on poverty through the Urban Basic Services (UBS) Programme, and the Self Employment Programme for the Urban Poor (SEPUP). The note also provides an analysis of the NSS time series data on the number of persons below the official line of poverty.

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.

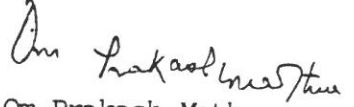
Such a major research effort requires sustained work, not of any one individual, but of a team of dedicated researchers and experts. At this Institute, the coordination of the programme was entrusted to Mrs. Usha P. Raghupathi, a senior colleague of mine. She has designed the field survey and the tabulation 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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APPROACH TO URBAN POVERTY A POSITION NOTE

Removal of poverty is one of the primary objectives of planning in India. Several policy and programme initiatives aimed at reducing the incidence of poverty have been taken in recent years. Though most of the initiatives are designed to reduce poverty in rural areas, urban poverty issues have also begun to attract increasing attention. In this position note, we have presented an overview of the approach to urban poverty in the country, and attempted to appraise whether or not the current approach and programmes are able to address the highly complex urban poverty issues effectively and adequately. We have also outlined in this note some of the basic questions which arise in relation to urban poverty.

1. 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.

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⁾

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

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

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.

Using the norms recommended by the Task Force on Projections of Minimum Needs and Effective Consumption Demand, and utilising the NSS data on household consumption expenditure, the Sixth Plan observed that nearly 50 per cent of the country's population was living below the poverty line continuously over a long period. It pointed out that with growth and distribution policies and specific programmes to reach the poor directly, it should be possible to bring down the percentage of the poor from 48.44 in 1979-80 to 30 in 1984-85. Table 1 gives the Sixth Plan projected data.

Table 1: Consumer Expenditure of Persons Below the Poverty Line, 1979-80 and 1984-85

| Area | Average monthly per capita consumption (Rs.at 1979-80 prices) | | Persons (million) | |
|-------|---|---------|--------------------|-------------------|
| | 1979-80 | 1984-85 | 1979-80 | 1984-85 |
| Rural | 51.27 | 60.31 | 259.56 (50.70)* | 166.02 (30.00) |
| Urban | 59.75 | 64.09 | 57.28 (40.31) | 49.14 (30.00) |
| Total | 52.80 | 61.17 | 316.84 (48.44) | 215.16 (30.16) |

* Figures in brackets are percentage of people below the poverty line

3) Source: Sixth Five Year Plan, Tables 3.35 and 3.37, p.52.

The Sixth Five Year Plan identified specific "poverty groups". A number of programmes aimed to reach those groups such as the Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Scheme (RLEGP) and many other area based programmes came to be either set up or reinforced during this period.

As in the case of the preceding Five Year Plan, the Sixth Plan did not address the urban poverty issues directly. In fact, it continued to display a distinct bias toward rural poverty. The following quote from the Sixth Plan is relevant here:⁴⁾

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.

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

4) Ibid, p.51

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:⁵⁾

- 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.

Two programmes aimed at directly assisting the urban poor have been launched in the current five year plan. The Urban Basic Services (UBS) Programme is designed to involve the low-income urban households

5) Planning Commission, Seventh Five Year Plan 1985-90, Vol. 1, p.34, New Delhi, 1985.

in enhancing their own quality of life. Covering all urban centres in 36 districts, this programme is aimed at improving the access of the poor to basic services and thus contributing indirectly to urban productivity.

The Self Employment Programme for the Urban Poor (SEPUP) is another programme for reducing the incidence of poverty. It focusses on the expansion of employment opportunities in all metropolitan and urban centres with population of over 10,000. In its broad thrust, it is an analogue of the old Antyodaya programme for the rural poor who are provided with an income yielding asset in the form of bank loans and an element of capital subsidy. Thirty three categories of urban self-employed have been identified for bank loan assistance of up to a maximum of Rs. 5,000. The Department of Banking is administering this scheme.

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.

Meanwhile, there has been a substantial decline in the incidence of poverty in both rural and urban areas, with claims that the policies and programmes of the past have begun to show results. In 1983-84, the proportion of those living below the poverty line was placed at 27.7 in urban areas, as against the targetted figure of 30. Notwithstanding these claims, the fact remains that there are 50 million persons - almost equal to the population of Great Britain, who are below the basic levels of poverty.

2. The Definition and Magnitude of Urban Poverty

Poverty level in India, as in most developing countries, is defined in terms of a level of consumption considered essential for "subsistence". In other words, the poor are identified as those who do not have incomes adequate enough to secure a predetermined level of minimum consumption. This definition corresponds to a measure of absolute poverty, and not to relative poverty which refers to inequalities in the distribution of incomes and other assets.⁶⁾

Following the concept of a minimum level of consumption, private consumption of Rs. 20 per capita/month at 1960-61 prices was taken as the minimum desirable standard in the Fourth Five Year Plan. This amount of Rs.20 per capita/month was considered essential to provide 2250 calories per capita/day, deemed by nutritional experts to be the minimum for subsistence under Indian conditions. In the Fifth Plan

6) In addition to the concepts of absolute and relative poverty, others such as primary and secondary poverty have also come under increasing usage. While the concept of primary poverty is equated to absolute poverty, secondary poverty is generally measured in terms of the degree of access to basic services and facilities.

1973-78, the corresponding amount was placed at Rs. 40.6 at 1972-73 prices.

In 1977, the Planning Commission set up a Task Force on Projections of Minimum Needs and Effective Consumption Demand to formulate a quantitative index of poverty. This Task Force defined the poverty line "as the midpoint of monthly per capita expenditure class having daily calorie intake of 2400 per person in rural areas and 2100 per person in urban areas."⁷⁾ At 1976-77 prices, the midpoints were Rs.61.8 in rural areas and Rs.71.3 in urban areas.

The Sixth Five Year Plan adopted the above definition of the poverty line, but revised, in line with 1979-80 prices, the midpoint to Rs. 76 in rural areas and Rs. 88 in urban areas. In the Seventh Five Year Plan, the same definition has been followed. The updated poverty line is Rs. 107 per capita/month in rural areas and Rs. 122 per capita/month in urban areas at 1984-85 prices. The official ceiling has been fixed at Rs.6,400 annually per household in rural areas and Rs. 7,300 in urban areas.

On the basis of the above official definition of the poverty line, the number of poor in the rural and urban areas has been assessed from time to time. The basic data for this purpose have been drawn from the periodic rounds of NSS surveys of private consumer expenditure. These are now obtained through quinquennial surveys of consumer expenditure.

7) Sixth Five Year Plan, p.51. The minimum calorie norms are 25 per cent lower than the average calorie norm. For average calorie norm by different age groups, see Annex 2. This has been taken from a paper by S.R. Hashim and Savita Sharma, "Estimates of Poverty", presented at the Second Seminar on Social Statistics, 4-6 Feb., 1988, New Delhi.

Estimates of the magnitude of poverty worked out on the above basis are given in Tables 2 and 3. Table 2 provides data on the incidence of poverty. In Table 3 is given the distribution pattern of private consumption expenditure by deciles.

Table 2: 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** ⁸⁾ | 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)

8) There are at least two other sets of data on the incidence of poverty, one placing it at 40.5 per cent for rural areas, and 26.7 per cent for urban areas. These have been prepared by using adjusted NSS distributions and CSO's implicit Price Index. Unadjusted distributions, however, place the incidence at 45.3 per cent or 249 million persons for rural areas, and 38.0 per cent or 67 million persons for urban areas. See for details, S.M. Kansal, "Measurement of Poverty in India - An Evaluation", presented at the Second Seminar on Social Statistics, 4-6 February, 1988, New Delhi.

Table 3: 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

Several features of the magnitude of urban poverty stand out from the above sets of tables, and need to be especially underlined.

- In 1983-84, 50.5 million or 27.7 of the country's total urban population were assessed to be living under conditions of absolute poverty. In other words, their nutritional levels were less than 2100 calories per capita/day, or their income levels were less than adequate to obtain 2100 calories. Assuming that no change has occurred in the incidence of poverty since the 1983-84 survey, there would be today (1987) approximately 70 million people below the poverty line in urban areas.
- The share of the bottom 30 per cent of urban population in total private consumption was assessed at 13.62 percent. What is important is that this share has stayed more or less at the same level between 1972-73 when it was reported to be 13.44 percent, and 1977-78.
- The disparities in the levels of consumption between the bottom and top deciles continue to be extraordinarily wide. The share of the bottom decile was 3.36 per cent as against 27.48 per cent for the top decile.

- The incidence of poverty in urban areas is lower than that in rural areas. This contradicts the assessment made earlier by Dandekar and Rath that the proportion of people living below the poverty line was somewhat higher in urban areas.9)
- The incidence of poverty in both rural and urban areas declined perceptibly during the period 1977-78 and 1983-84. In urban areas, the proportion of the poor declined from 38.2 in 1977-78 to 27.7 in 1983-84 - a sharper decline than projected in the Sixth Five Year Plan.10)

The incidence of urban poverty is quite uneven in the different parts of the country. Expectedly, its incidence is significantly higher in the low-income belt which includes Uttar Pradesh (40%), Bihar (37%), Madhya Pradesh (31.1%) and Orissa (29.5%). Rajasthan is the exception to this general trend with 26.1 per cent. On the other hand, the proportions of urban population living below the poverty line are low in relatively high-income states such as Gujarat (17.3), Maharashtra (23.3), Punjab (21.0) and Haryana (17.9). A statement giving the States' poverty status is appended to this note.

Assessment of the magnitude of poverty by using only the criterion of calorie intake (or its money equivalent) has attracted widespread criticism in recent years. Critics have contended that poverty is more than undernourishment, that it is multidimensional, and that its definition should be related to other components essential for human existence. Professor A.M. Khusro, for instance, observed that "indices of poverty based entirely on personal

9) V.M. Dandekar and N. Rath, "Poverty in India", in Economic and Political Weekly, Bombay, No.1 and 2, January 1971. They found that "nearly two-thirds (more than 63.26 per cent) of the rural population lived below this average and nearly two-thirds (more than 64.51 per cent) of the urban population lived below this average", p.3

10) These figures have been strongly disputed in the media, see The Economic Times of 26 June 1986, as well as other papers. See, Kansal, Ibid.

expenditure linked with calorie values are totally one-sided";¹¹⁾ and there is, therefore, a need to construct a suitable index of poverty incorporating all the relevant factors which affect the quality of life.

A survey of the literature reveals that there are at least five additional dimensions of urban poverty which require simultaneous examination:

- The employment status, that is, whether poverty is due to unemployment or underemployment;
- the shelter status, that is, whether poverty is associated with living in slums and squatter settlements;
- the access to services status, that is, the extent to which poverty is related to the inaccessibility of the urban poor to basic services such as education, health, water supply and sanitation;
- the migration status, that is, whether poverty is due to rural-urban migration as is often contended;
- the family size and attributes, that is, the extent to which poverty is related to large size of families, high dependency ratios, and low educational levels.

Data on these aspects are spotty, and often unavailable.¹²⁾

However, some data on employment status are available in the various rounds of National Sample Surveys and the Census of India, 1971 and 1981, which have been analysed here. Table 4 gives the unemployment data.¹³⁾

11) A.M. Khusro, "Poverty of Poverty Analysis", The Economic Times, 10 October, 1984.

12) National Institute of Urban Affairs has undertaken a major survey to investigate the above-mentioned aspects. Results of the survey will be available in mid 1988.

13) Following the recommendations of the Dantwala Committee, a three-fold classification of employment status is used by NSS. This includes usual status, weekly status, and daily status. See, Annex 4 for unemployment data by status.

Table 4: Usual Status Unemployment in Urban Areas, 1983-84
(Percent)

| Area | Male | Female | Total |
|---------|------|--------|-------|
| Rural | 2.32 | 1.76 | 2.15 |
| Urban | 5.95 | 8.14 | 6.35 |
| Average | 3.20 | 2.65 | 3.04 |

Source: Sarvekshana, Journal of the NSSO, April 1986.

The table shows that open urban unemployment, or chronic as it is often called in India, is not high by any standards. In 1983-84 when it was last assessed, only 6.35 per cent of the urban population (+15 years of age) were reported to be unemployed.¹⁴⁾ Among females, this proportion was comparatively higher. This somewhat low incidence of unemployment in urban areas lends support to the growing evidence that the poor can not afford to be unemployed; rather the problem of the poor is under or marginal employment and low-income occupations. This position finds support in at least two sets of data which are presented in Tables 5 and 6.

14) Open urban unemployment rates are reported to be higher in countries that have high literacy. See for data on selected countries, Johannes F. Linn, Cities in the Developing World, Oxford University Press, 1983.

Table 5: Percentage Distribution of Workers According to Usual Status of Employment Categories, Urban

| Employment Categories | Male | | | Female | | |
|-----------------------|---------|---------|---------|---------|---------|---------|
| | 1972-73 | 1977-78 | 1983-84 | 1972-73 | 1977-78 | 1983-84 |
| Wage Employment | 50.69 | 46.41 | 44.58 | 27.89 | 24.94 | 26.23 |
| Non-wage Employment | | | | | | |
| a) Self employment | 39.25 | 40.38 | 40.67 | 48.40 | 49.47 | 46.50 |
| b) Casual employment | 10.06 | 13.21 | 14.75 | 23.71 | 25.51 | 27.27 |

Source: Sarvekshana, Ibid.

Table 6: Work Participation Rates for Marginal, Main and Total Workers, Urban

| Workers categories | 1971 | | | 1981 | | |
|--------------------|-------|-------|------|-------|-------|------|
| | Total | M | F | Total | M | F |
| Marginal | 0.26 | 0.06 | 0.50 | 0.77 | 0.53 | 1.04 |
| Main | 29.32 | 48.80 | 6.65 | 29.23 | 48.54 | 7.28 |
| Total | 29.58 | 48.86 | 7.15 | 30.00 | 49.07 | 8.32 |

Source: Census of India, 1981, Series 1, India, Part II, Special.

These two tables are extremely significant and indicate possible explanations of the existence of poverty in urban areas. For instance, the tables show:

- Inability of the formal wage sector to expand fast enough to absorb the increasing urban labour force. According to Table 5, wage employment, as a proportion of the total, declined during the period 1972-73 and 1983-84. Its proportion which used to be a little more than half of the total urban employment in 1972-73 dropped to less than 45 per cent within a period of 10-12 years. A somewhat similar indication is available from the census data which showed a lower share of main workers in 1981 (29.23) as compared to 1971 (29.32).
- Expansion of the non-wage, informal sector. The non-wage sector of the country's urban economy showed appreciable expansion during 1972-73 and 1983-84. Non-wage employment as a proportion of the total increased from 50.31 to 55.42 per cent in the case of male workers and from 72.11 to 73.77 per cent in the case of female workers.
- Within the non-wage sector, the share of the casually employed rose much faster than those who were self-employed. Likewise, the proportion of marginal workers who otherwise constitute a small proportion of the urban labour force also showed some improvement.

What is important to note from the above set of data is the phenomenon of casualisation of the urban labour market and an increasing proportion of marginal workers in the urban labour force. To what extent urban poverty is due to casualisation or marginalisation, is difficult to say. One would, however, not be very wrong in assuming that the non-wage, casual sector is characterised by low and irregular incomes which happen to be among the main reasons for the high incidence of urban poverty in India.

Apart from employment, data on other aspects of poverty such as the shelter status or family composition or educational levels are not available. What is available is the estimate of the slum population which, according to accepted notions, represents a high concentration of the urban poor. This may be seen in Table 7.

Table 7: Estimated Slum Population by Size-Class of Urban Areas, 1981

| Population Size Class of Cities/ Towns | Percentage of Total Slum Population of the Country | Percentage of Slum Population to Total Population |
|--|--|---|
| One million and above | 43.27 | 30.78 |
| 0.5 - 1.0 million | 13.33 | 20.58 |
| 0.3 - 0.5 million | 6.47 | 17.74 |
| 0.1 - 0.3 million | 14.23 | 18.12 |
| 50,000 - 0.1 million | 7.55 | 12.16 |
| Below 50,000 | 15.15 | 10.04 |
| All Classes | 100.00 | 18.75 |

Source: National Building Organisation, Handbook of Housing Statistics (1982-83), Table No.3.15,p.25.

The above table shows the magnitude of the slum population by city size. The larger the city size, the higher is the proportion of population that lives in slums and other similar settlements.* To what extent it portrays the correct shelter status of the poor again can not be correctly assessed with this data.

3. Urban Poverty Alleviation Programmes: International and National Experience

A. International Experience

A review of global literature on urban poverty issues shows that the turning point on urban development and urban poverty was Robert McNamara's Annual Address of September 1975. In his address he pointed out that in developing countries, the urban poor exist in

* Annex 6 gives the estimates of population living in slums for cities of one million population and above. Annex 7 gives state-wise data on the slum population.

thoroughly squalid conditions, afflicted by malnutrition, devoid of rudimentary sanitary facilities, lacking employment, and possessing minimum shelter if at all. Adopting an absolute poverty measure based on the local cost of minimum nutritional and nonfood requirements, he estimated that 25 per cent of the urban population of developing countries lived in conditions of such poverty.¹⁵⁾

In the World Bank which became the centre of substantial poverty-oriented urban work, there were at that time (1970s) two schools of thought about the problem of burgeoning urbanisation and accompanying urban poverty in the developing countries. One emphasised policies designed to lower out-migrations from rural areas. This was one of the principal justifications for rural development policies of the World Bank and other international lending agencies in the 1970s. The second policy stressed urban decentralisation. However, doubts whether rural development or urban decentralisation could solve the fundamental problem of urban poverty soon arose within the Bank, and led to the more realistic acceptance of the position that urbanisation was inevitable, and, the more realistic question was what to do about the poorest groups of populations, rather than to attempt to slow down urbanisation or change its course.

It was against this background that in 1976, the World Bank outlined a revised strategy to reduce urban poverty in developing countries. This strategy was comprised of four components:

- To increase earning opportunities in the informal sector; this meant at least for international agencies, small scale enterprise development through credit and technical assistance;

15) See, The World Bank, World Development Report 1979, John Hopkins Press, 1979.

- to create more jobs in the modern sector; this implied mainly the encouragement of less use of capital and greater use of labour in the productive processes;
- to provide equitable access to basic urban services, meaning that the services should be directed towards the urban poor; and
- to establish realistic housing policies; these meant sites and services housing projects with lower standards that were affordable by the lower percentiles, and slum improvement.

The developing countries have more or less fallen in line with the thinking at international levels. For instance, much of the urban poverty related work in developing countries has a shelter bias, most typical of these being the sites and services projects wherein land plots fitted with rudimentary urban services are provided to poor people who then construct their own dwellings or contribute to their construction. The essential premise of this approach is that the current standards for urban housing are unrealistically high and have to be lowered in order to be brought within the reach of the poor people. Other instances of shelter bias in urban poverty programmes are the slum upgrading projects. The rationale for this is that upgrading is economically, socially and politically less costly than slum clearance and resettlement of the affected individuals. Thus, in both cases the poor are supposed to be able to repay the costs of the improvements.

Compared to sites and services and slum upgrading, the employment components in the urban poverty programmes have tended to be small; though there is a trend towards giving increasing importance to this component. In projects in Egypt and Calcutta, there are loans for small businesses. In Tanzania, serviced sites for workshops as well as credit for equipment and technical assistance to selected small

enterprises, cooperatives and artisans have formed part of the strategy to expand employment for the urban poor.

Notwithstanding such examples, employment components of the urban antipoverty programmes in developing countries are insignificant. As pointed out in one of the reports, the quantum of effort in this direction pales into insignificance when one looks at the actual job creation in relation to the total size of the problem.

The impact of international lending agencies on urban poverty issues in the developing countries has, however, been enormous. Apart from undertaking low cost projects or earmarking components of projects to benefit the poor, systematic guidelines on how urban poverty projects should be designed have emerged. For instance, many of the guidelines have the following components:

- To determine the number of people in the urban poverty group and their proportion of the population in the proposed project area;
- to identify the location of the urban poor within the project area;
- to identify from among the poor those who have no access to shelter or basic services;
- to estimate the impact of the project on the urban poor; including the percentage to be served by the project and the percentage and absolute number remaining unserved;
- to indicate the amount of the proposed project loan or credit that would be attributable to the urban poor as well as the percentage of beneficiaries who are poor; and
- to determine future actions required to satisfy the unmet needs of the poor.

Apart from this, yet another gain from international attention has been a better understanding of poverty issues. Many of the

myths which had grown in the developing countries as to "who the urban poor are, what they do, and where they live" have been exploded. For instance, it is now evident from the urban poverty related research work that urban unemployment and poverty are not necessarily caused by excessive rural-urban migration; and that urban poverty is not primarily due to the workings of the urban labour market; that is, the incidence of poverty is not simply attributable to unemployment.¹⁶⁾ Urban poverty profiles of many developing countries have also pointed to the proposition that interactions between incomes and household characteristics are the major determinants of urban poverty.

In India, the role and assistance of international agencies such as the World Bank, in the alleviation of urban poverty has been conspicuously small. For one thing, such assistance has been confined to six urban sector projects in : Calcutta, Madras, Bombay, Kanpur, and a group of cities in Gujarat and Madhya Pradesh. Even though these places are the locations of some of the world's largest pockets of urban poverty, only a few people have directly benefitted from international credit assistance. In Madras, for instance, where the World Bank's total credit and loans have amounted to US\$ 66 million, only about 13,500 low income households have benefitted from the provision of sites and services and slum improvement programmes. In Bombay, the sites and services and slum improvement components have accounted for roughly 60 per cent of the total World Bank credit provided under the Bombay Urban Development Project. In other projects, the situation is by and large, the same. In other words, such projects have been able to merely touch the fringe of the

16) See in particular, Johannes F. Linn, Cities in the Developing World, Ibid.

problem, with overall poverty levels remaining unaffected by the internationally-assisted projects. Indirectly, however, these projects have helped in a better appreciation of the problems associated with urban poverty, as well as recognition that the solutions to urban poverty may lie in lowering the norms and standards for shelter and services (i.e., reducing the demand for resources), creating internal cross-subsidies within the projects to make housing affordable for the poor, and in improving the general efficiency of the economic system.

Mention should also be made here of the role of UNICEF in poverty alleviation programmes. Pursuing a participatory and community development approach, UNICEF with relatively modest investments has been able to reach a significantly larger proportion of the poor, and improved their habitat and accessibility to basic services. There are many examples in different parts of the world where this approach has made its impact, the Hyderabad (India) Urban Community Development Project being one of them. This approach has helped urban communities in improving their own living conditions at costs which are low, affordable and within the means of the poor.

B National Programmes

It was stated earlier that two programmes aimed at alleviation of urban poverty have been taken up in the Seventh Five Year Plan. The Self Employment Programme for the Urban Poor (SEPUP) is a programme under which loans up to Rs. 5,000 can be given to selected categories of the urban poor for undertaking small scale ventures such as

rickshaw pulling, carpentry, book binding, plumbers, vegetable/food vending, blacksmithy, tailoring, cycle repairing, welding, shoe shining, newspaper boys etc. Thirty-three such ventures have been identified under the programme. The main objective of SEPUP is to expand employment opportunities, and assist the poor to invest in ventures which on prime facie grounds have a growing demand in urban areas. The scheme is applicable to all cities and towns having a population of 10,000 or more and which are not covered by IRDP.

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. The Reserve Bank of India have issued instructions to continue with this scheme in the financial year 1987-88.¹⁷⁾

The Urban Basic Services Programme (UBS) - the second programme directed at alleviation of urban poverty, is a major attempt to involve the poor community and low-income households in improving their own quality of life. Emphasis is placed in this programme on evolving a mechanism under which basic services particularly those that are related to preventive child and maternal health, basic education, income earning opportunities for women, and other sectors which affect the quality of life can be developed, utilised and maintained in an effective participatory manner.

This programme covers all urban centres in 36 districts. It has a low capital base, and the funds provided for this programme in the Seventh Plan are in the nature of 'seed provisions'.

17) Source: Department of Banking, New Delhi, 1987.

In addition to these two which are designed to assist the urban poor directly, there are shelter programmes for the economically weaker sections in the urban areas. Under these programmes, the public sector has been providing 'sites and services' at cost price to the economically weaker sections. In addition, they are also provided with loans at concessional rates of interest. Also, under the Twenty Point Programme, environmental improvement of urban slums has been taken up on a large scale in the country.

The rationale for these poverty alleviation programmes stems from the basic notion that the main problem of the urban poor lies in 'access', access to income earning and employment opportunities, access to basic services, and access to shelter. According to the prevailing school of thought, 'access' is hampered because there is no equality of opportunities. If there are institutional rigidities, lack of mobility of labour, unequal levels of education, vastly unequal access to the means of production, and wide disparities in income levels, it is inescapable that growth should get warped in favour of a privileged few. This forms the raison d'etre of direct interventions to alleviate urban poverty.

When we view these programmes in a conceptual framework, we find that the thrust of the public policies in India has been to reach the urban poor through strategies that are related to employment (SEPUP), services (UBS), and shelter (sites and services, slum improvement and upgrading, and Twenty Point Programme). In this sense, the approach is not any different from what has been employed and experimented with in other developing countries.

The impact of these programmes and strategies on the incidence of poverty is however, not known. SEPUP and UBS (except for projects such as Hyderabad, Vishakhapatnam and a few others) are too new to have been able to make any impact on poverty levels. The official statistics on shelter-related programmes indicate overfulfillment of targets laid down for 1985-86 and 1986-87.¹⁸⁾ The Ministry of Urban Development's Fact Sheet on the Twenty Point Programme shows that the scheme of environmental improvement of urban slums achieved coverage of 137 per cent in 1985-86 and 130 percent during 1986-87.

Notwithstanding such reports, the fact that poverty in urban areas is widespread can not be disputed. The increasing marginalisation and casualisation of the urban labour market on which evidence has been presented in the previous section, declining levels of services, and growing urban tensions, violence and stress are all symptoms that point towards fast-spreading poverty in India's numerous urban settlements. Misgivings have simultaneously arisen with regard to especially the Self Employment Programme for the Urban Poor (SEPUP), this being viewed within the syndrome of a 'Loan mela'. Serious difficulties have arisen in the process of identification of the poor. In many instances, the poverty alleviation programmes have catered not to the poorest of the poor, but only those who are in the third and fourth population deciles. The reach of the various programmes has remained limited in relation to the size of the overall poverty problem.

18) Ministry of Urban Development, 20 Point Programme Fact Sheet, New Delhi (undated).

4. Approach to Urban Poverty
Some Questions

What should be done to reduce the incidence of urban poverty has become one of the most knotty problems of the present decade. The Seventh Five Year Plan, 1985-90 has laid down targets for poverty reduction - given in the following table, according to which the aggregate urban poverty ratios should be brought down from 27.7 per cent in 1984-85 to 19.3 per cent by 1989-90. This means lifting out 8.3 million persons above the poverty line within the tenure of the current Plan period.

This is a high target and would require for its achievement substantial efforts during the Plan period. In order to address the question as to how this problem should be approached, it is useful to recap some of the features of urban poverty that willy-nilly will enter into any decision making exercise. The first important feature about the urban poor is that they are not a 'homogeneous' group of people. As was indicated earlier, in the urban areas there are no equivalents of the small or marginal farmer, that is, one fairly homogeneous group of producers with access to land - a basic factor of the production process. This has numerous ramifications: it means, for example, that targetting is more difficult in urban areas than in rural areas. It means that, in many instances, the basic factors of the production process have to be supplied from outside. It means significantly enough that the multidimensional characteristics of urban poverty do not lend themselves to one single strategy.

Table 8. Poverty Reduction Targets

| Year | Poverty ratio % | | Number of poor (million) | |
|---------|-----------------|-------|--------------------------|-------|
| | Urban | Total | Urban | Total |
| 1984-85 | 27.7 | 36.9 | 50.5 | 272.7 |
| 1989-90 | 19.3 | 25.8 | 42.2 | 210.8 |

Source: Table 3.6, Seventh Five Year Plan, Vol.1.

A second feature that needs to be once again highlighted is that urban poverty is not caused by excessive urban unemployment. The poor, it has been said, can not afford to be unemployed. The statement is not to be taken literally, but it serves to point out that to engage in the 'queue' for a job, mechanisms such as transfer payments have to be in place in order that the unemployed can 'subsist'. Such transfer payments are exceptions rather than a rule. Nor is urban poverty confined to the informal sector. This means that the allocative performance of urban labour markets does not appear to be the primary cause of persistent urban poverty problems. Urban poverty problems probably rest in low incomes and low productivity, and in increasing proportions of marginal and casual employment as pointed out earlier.

Thirdly, the poor do not necessarily live in slums. For one thing, the incidence of overall poverty is higher than the percentage of population living in slum areas. In metropolitan cities such as Bombay and Delhi, because of very high land values and rents, even the people belonging to low and middle income groups move into slum areas. Sites and services and other EWS housing often benefit the higher

income groups. So the settlement behaviour of the poor is far more complex than what is often assumed, and the poor are scattered all over the urban areas.

Urban poverty issues have in the past been approached through three routes, namely: macro processes, incorporation of antipoverty bias in sectoral programmes, and micro interventions, that is, direct programmes for poverty alleviation. An elaboration appears useful on each of them.

Macro Processes: It is widely held 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, 1973-78 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."19)

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."

19) Fifth Five Year Plan, p.7

The Indian data in respect of income growth and distribution are hardly impressive. Income growth rates per capita have all along ranged between a low of 0.3 per cent and a high of 7.5 per cent per annum, that is, if we exclude those years in which the per capita net national product registered a decline.²⁰⁾ In recent years, the growth rates have ranged between 0.1 per cent (1982-83) and 5.5 per cent (1983-84). Similarly, the distribution of incomes has not changed in favour of the lower population deciles.²¹⁾ Internationally too, examples where macro processes have made a dent on poverty levels are few, South Korea and Taiwan being perhaps the only success stories.

Antipoverty Bias in Sectoral Programmes: A second route to urban poverty alleviation which has been tried is through incorporation of an antipoverty bias in sectoral programmes. Several examples of this route are available in international literature. For instance, when the World Bank's urban work began under McNamara, it was intended to reorient urban lending so that one-third of it would go for direct assistance to urban poverty target groups - this figure roughly corresponding to the proportion of the urban poor in the cities of the developing world.

20) For details on the income growth rates, see, Government of India, Economic Survey 1987-88, New Delhi, 1988.

21) Data on income distribution and even on income growth are not available. The World Development Report 1987 gives the income distribution data for 1975-76. According to this source, the lowest 20 per cent of the households held only 7 per cent of the incomes. The highest 10 per cent held 33.6 per cent of the total incomes. Income growth data are equally scanty. The Seventh Plan, for instance, gives data on the future perspectives and targets rather than the past growth rates.

This method has not been tried out on any appreciable scale in India. In an indirect manner, the Urban Basic Services Programme attempts to use the funds to attract additional capital for the benefit of low-income urban communities; however, as stated earlier, 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 Indian experience in this regard has already been explained in the earlier part of this note. 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 eluded easy solutions. In the course of the next 13-14 years, the urban population in the country will 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. This is a formidable task. Meanwhile, the debate on the possible explanations of, and future approaches to urban poverty has intensified. Many scholars have begun to point out that the income growth rates in the country have so far been extremely low, and unless these rates are stepped up to levels achieved by countries like South Korea, no dent will be made on the levels of poverty. Others have taken the position that the growth itself, that is, the way in which it has occurred, has produced pauperisation and marginalisation

on a large scale; the approach under these circumstances would involve major changes in the structure of growth. There are scholars who have preferred to maintain that poverty and growing income inequalities are essentially a function of the stage of economic development. Poverty and inequalities will begin to taper off as India moves on from the present to the higher stages of economic development.

Be that as it may, the fact remains that the incidence of poverty with over 50 million persons below the poverty line is large, and, therefore, unacceptable. All evidence, except the one presented by the NSS data for 1983-84, indicates that poverty is spreading. In the context of the growing incidence and the stalemate in the debate on urban poverty, it would seem imperative to make some beginning towards a proper understanding of the complex issues involved. The fundamental questions relate to who the urban poor are, what they do, and where they live. Any solution in the absence of data on the above will most likely compound poverty issues rather than resolve them.

ANNEX - 1 Poverty Levels in India

| States | 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 Institute of Urban Affairs, Urban Data Sheet, 1986, New Delhi.

ANNEX - 2 Weighting Diagram for Working out Calorie Requirements for the Year 1984-85 and 1989-90 for Rural and Urban Areas

| Age group | Percentage population | | | | Average calorie norm |
|---|-----------------------|-------|---------|-------|----------------------|
| | 1984-85 | | 1989-90 | | |
| | Rural | Urban | Rural | Urban | |
| 0 | 2.97 | 2.56 | 2.77 | 2.39 | 700 |
| 1-3 | 8.67 | 7.44 | 8.05 | 6.89 | 1200 |
| 4-6 | 8.31 | 7.19 | 7.74 | 6.68 | 1500 |
| 7-9 | 7.91 | 7.09 | 7.48 | 6.70 | 1800 |
| 10-12 Boys | 3.89 | 3.70 | 3.77 | 3.46 | 2100 |
| Girls | 3.57 | 3.58 | 3.45 | 3.38 | 2100 |
| 13-15 Boys | 2.41 | 2.35 | 2.38 | 2.41 | 2500 |
| Girls | 2.22 | 2.25 | 2.19 | 2.31 | 2200 |
| 15+ Males | | | | | |
| Heavy workers | 22.03 | 4.27 | 22.78 | 4.38 | 3900 |
| Moderate workers | 2.51 | 9.11 | 2.59 | 9.35 | 2800 |
| Sedentary workers | 2.74 | 15.02 | 2.83 | 15.41 | 2400 |
| Non-workers | 3.29 | 6.25 | 3.41 | 6.39 | 2400 |
| 15+ Females | | | | | |
| Heavy workers | 10.51 | 1.64 | 10.88 | 1.70 | 3000 |
| Moderate workers | 0.92 | 1.77 | 0.95 | 1.83 | 2200 |
| Sedentary workers | 0.50 | 3.23 | 0.51 | 3.34 | 1900 |
| Non-workers | 17.55 | 22.55 | 18.22 | 23.38 | 1900 |
| Overall Average (Per capita per day) | 2414 | 2117 | 2442 | 2132 | |

Source: S.R. Hashim and Savita Sharma, "Estimation of Poverty", presented at the Second Seminar on Social Statistics, 4-6 February 1988, New Delhi.

ANNEX - 3 Global Poverty Indicators: Regional Averages

| Region | Absolute Poverty (US dollars p.c.) | | Population Below Poverty (percent) | | Relative Poverty (US dollars p.c.) | |
|---|---------------------------------------|-------|---------------------------------------|-------|---------------------------------------|-------|
| | Urban | Rural | Urban | Rural | Urban | Rural |
| Sub-Saharan Africa | 108.8 | 74.1 | 26.8 | 47.6 | 124.4 | 59.6 |
| North Africa, Middle East, and southern Europe | n.a. | 194.9 | 18.2 | 24.2 | 295.1 | 309.2 |
| South Asia* | 80.2 | 67.2 | 50.3 | 44.6 | n.a. | 39.8 |
| East Asia and Pacific** | 140.8 | 122.8 | 27.7 | 40.4 | n.a. | 76.8 |
| Latin America and the Caribbean | 251.9 | 200.6 | 24.8 | 65.2 | 403.1 | 258.0 |

n.a. Not available.

Note: Table shows population-weighted geometric means, excluding the extreme values of the indicator and the most populated country in each group. The poverty levels shown in the table are defined as follows: Absolute poverty is that income level below which a minimal, nutritionally adequate diet plus essential nonfood requirements is not affordable. Relative poverty is that income level less than one-third of the per capita personal income of the particular economy. Estimated population below poverty level is that portion of the population who are either "absolute poor" or "relative poor," whichever is greater.

Source: World Bank estimates as of September 1978.

* Identical to "low-income Asia" group in Tables 1-8, except that Indonesia is not included.

** Includes economies of Indonesia, Hong Kong, Singapore, Fiji, Taiwan, Laos, Papua New Guinea, and Western Samoa, in addition to economies in "middle-income Asia" listed in Tables 1-8.

ANNEX - 4 Urban Unemployment

| Status | 1972-73 | 1977-78 | 1983-84 |
|--------|---------|---------|---------|
| Daily | 9.00 | 10.34 | - |
| Weekly | 6.55 | 7.86 | - |
| Usual | - | 8.77 | 6.35 |

Source: Sarvekshan, Journal of the NSSO, 27th, 32nd and 38th Rounds.

Annex 5 Credit Estimates of Loans under World Bank Assisted Urban Projects

| Sl. No. | Name of the Project | Total project cost (in \$ millions) | Amount of Credit/ | Date of effectiveness | Credit closing date | Project completion date |
|---------------------------------------|---------------------------------|-------------------------------------|-------------------|-----------------------|---------------------|-------------------------|
| <u>Closed projects:</u> | | | | | | |
| 1. | I Calcutta Urban Devp. | 96.93 | 35.0 | 10.01.74 | 31.12.79 | |
| 2. | I Bombay Water Supply | 158.20 | 55.0 | 13.03.74 | 30.06.81 | |
| 3. | I Madras Urban Devp. | 52.00 | 24.0 | 30.06.77 | 31.03.81 | |
| 4. | II Calcutta Urban Devp. | 183.71 | 87.0 | 07.04.78 | 30.06.84 | 31.03.82 |
| 5. | I Bombay Urban Transport (IBRD) | 50.53 | 25.0 | 10.03.77 | 30.06.84 | |
| <u>Ongoing Projects: Water Supply</u> | | | | | | |
| 1. | II Bombay Water Supply | 411.60 | 196.0 | 12.06.79 | 31.03.87 | 31.03.84 |
| <u>Urban Development</u> | | | | | | |
| 1. | II Madras Urban Devp. | 87.9 | 42.0 | 02.03.81 | 31.03.81 | 30.06.85 |
| 2. | Kanpur Urban Devp. | 51.7 | 25.0 | 22.04.82 | 30.06.86 | 30.06.85 |
| 3. | III Calcutta Urban Devp. | 303.1 | 147.0 | 07.10.83 | 31.03.89 | 31.03.88 |
| 4. | M.P. Urban Devp. (IBRD) | 50.1 | 24.1 | 16.01.84 | 30.06.89 | 30.06.88 |
| 5. | Bombay Urban Devp. | 256.7 | 138.0 | 22.08.85 | 30.09.90 | 31.03.90 |
| 6. | Gujarat Urban Devp. | 130.5 | 62.0 | | 31.12.92 | 31.12.91 |
| <u>Urban Transport Projects:</u> | | | | | | |
| 1. | Calcutta Urban Transport | 121.7 | 56.0 | 18.12.80 | 31.12.85 | 31.12.83. |

Source: Department of Economic Affairs, Ministry of Finance, Government of India.

ANNEX - 6 Estimated Slum Population in Metropolitan Cities

(in lakhs)

| Cities | Identified slum popula- tion 1981 | % to total population | Estimated population 1990 | Estimated slum popula- tion 1990 |
|--------------|---|--------------------------|---------------------------------|--|
| 1. Calcutta | 30.280 | 32.9 | 125.33 | 43.86 |
| 2. Bombay | 28.314 | 34.3 | 117.89 | 41.26 |
| 3. Delhi | 18.000 | 31.4 | 97.67 | 32.08 |
| 4. Madras | 13.630 | 32.1 | 60.22 | 21.08 |
| 5. Bangalore | 3.050 | 10.4 | 51.86 | 10.37 |
| 6. Hyderabad | 5.000 | 19.6 | 37.07 | 11.12 |
| 7. Ahmedabad | 5.363 | 20.3 | 37.76 | 11.33 |
| 8. Kanpur | 6.140 | 37.5 | 22.84 | 8.00 |
| 9. Pune | 2.743 | 16.3 | 25.73 | 5.15 |
| 10. Nagpur | 4.161 | 31.9 | 18.82 | 5.64 |
| 11. Lucknow | 2.850 | 28.3 | 13.12 | 3.94 |
| 12. 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.

ANNEX - 7 Estimated Urban Population and Slum Population 1990

(Persons in Lakhs)

| Sl.No. | Name of the State/UT | Urban population 1981 | Identified slum population 1981 | Estimated urban population 1990 | Estimated slum population 1990 |
|--------------|---------------------------|-----------------------|---------------------------------|---------------------------------|--------------------------------|
| 1. | Andhra Pradesh | 124.88 | 28.58 | 190.37 | 38.07 |
| 2. | Assam | 20.47 | 1.24 | 33.14 | 6.63 |
| 3. | Bihar | 87.19 | 32.70 | 137.72 | 32.70 |
| 4. | Gujarat | 106.02 | 15.32 | 155.05 | 31.01 |
| 5. | Haryana | 28.27 | 2.74 | 45.86 | 9.17 |
| 6. | Himachal Pradesh | 3.26 | 0.76 | 4.58 | 0.92 |
| 7. | Jammu and Kashmir | 12.60 | 6.27 | 19.44 | 6.27 |
| 8. | Karnataka | 107.30 | 5.74 | 165.62 | 33.15 |
| 9. | Kerala | 47.71 | 4.10 | 68.16 | 13.63 |
| 10. | Madhya Pradesh | 105.86 | 10.75 | 168.81 | 33.76 |
| 11. | Maharashtra | 219.94 | 43.15 | 312.55 | 62.51 |
| 12. | Manipur | 3.75 | 0.17 | 9.61 | 1.92 |
| 13. | Meghalaya | 2.41 | 0.66 | 3.99 | 0.80 |
| 14. | Nagaland | 1.20 | - | 2.75 | 0.55 |
| 15. | Orissa | 31.10 | 2.82 | 53.02 | 10.60 |
| 16. | Punjab | 46.48 | 11.67 | 68.93 | 13.79 |
| 17. | Rajasthan | 72.11 | 10.25 | 115.69 | 23.14 |
| 18. | Sikkim | 0.51 | 0.02 | 1.29 | 0.26 |
| 19. | Tamil Nadu | 159.52 | 26.76 | 213.78 | 42.76 |
| 20. | Tripura | 2.26 | 0.18 | 3.24 | 0.65 |
| 21. | Uttar Pradesh | 198.99 | 25.80 | 326.54 | 65.31 |
| 22. | West Bengal | 144.47 | 30.28 | 198.57 | 49.64 |
| Total States | | 1526.30 | 259.96 | 2298.71 | 477.24 |
| 1. | Andaman & Nicobar Islands | 0.49 | N.A. | 0.93 | 0.19 |
| 2. | Arunachal Pradesh | 0.41 | N.A. | 0.93 | 0.19 |
| 3. | Chandigarh | 4.23 | N.A. | 7.65 | 1.53 |
| 4. | Dadra & Nagar Haveli | 0.07 | N.A. | - | - |
| 5. | Delhi | 57.68 | 18.00 | 92.84 | 38.25 |
| 6. | Goa, Daman & Diu | 3.52 | 0.24 | 5.45 | 1.09 |
| 7. | Lakshadweep | 0.19 | N.A. | - | - |
| 8. | Mizoram | 1.22 | N.A. | 3.80 | 0.76 |
| 9. | 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.