

SECTION – C

CHAPTER – XI

URBAN POVERTY

11.1 INTRODUCTION

1. Population Growth in Urban Areas

According to the 2001 Census approximately 28 % of the total population in India lives in urban areas. A study report on the future population projection sponsored by the National Commission on Population mentions that the population of India is expected to increase from 1027.9 million in 2001 to 1400 million in 2026 i.e. an increase of 36% at the rate of 1.2% annually. However, the urban population in the country which is 28% in 2001 is expected to increase to 38% by 2026. The urban growth would account for over two-thirds (67%) of total population increase by 2026. In absolute terms, out of the total population increase of 371 million during 2001-2026 in the country, the share of increase in urban population is expected to be 249 million. A significant proportion of the urban population, which is poor, (around 23.6 % of the urban population lives below the poverty line), is economically active, working in the informal sector like vending, home-based economic activities or manual labour services. Since most of the cities are unable to meet the growing needs for basic facilities such as clean drinking water, sanitation facilities, garbage disposal, electricity and transportation facilities, these poor end up living in slums where their living and working conditions lack basic infrastructure facilities making their life vulnerable.

Housing is a major problem for the urban poor. A vast majority of the urban poor lives in tenements, which are appalling and dangerous to live in. Most civic and other authorities do not recognize slums and therefore the people residing there may not have access to basic civic facilities. The main asset of the urban poor is their capacity to sell

their labour and most urban centres provide ample opportunities for the poor for wage employment in addition to their self-employment. Though opportunities may be available to individuals to offer their services, they may not possess adequate skills to work in the manufacturing and service industries. A large proportion of the poor are absorbed in the un-organized sector as casual unskilled labour working for meager wages with no social security and others are home-based workers as self employed, engaged mainly in self owned small enterprises and activities. They have few assets to own. Social network is poor as the population has a tendency to migrate in search of jobs and shelter.

2. Estimation of Urban Poverty

The Planning Commission has been estimating the incidence of poverty at national and state level using the methodology contained in the report of the Expert Group on Estimation of Proportion and Number of Poor (Lakdawala Committee) and applying it to consumption expenditure data from the large sample surveys on consumer expenditure, conducted periodically by the National Sample Survey Organisation (NSSO). Poverty estimates for the years 1973-74, 1977-78, 1983-84, 1987-88, 1993-94 and 1999-2000 have been made available by the NSSO till now.

The latest available data is from the 55th Round of NSSO survey (1999-2000) covering the period July 1999 to June 2000. Two sets of different distributions of consumer expenditure from the 55th Round have been reported because of experimenting with the method of data collection. In the earlier large scale surveys, the NSSO estimated monthly per capita consumption expenditure on the basis of responses using a 30-day recall period though data were collected for some of the non-food items using reference periods of both 30 days and 365 days from the same household. In the 55th round, consumption expenditure on clothing, footwear, medical (institutional) and durable goods were collected by using a 365-day recall period. In the case of all other non-food items, the 30-days recall period was used as earlier. The data regarding consumption of food items were collected by using two different reference periods of last 30 days and last 7 days from the same household in that order. The two sets of data so collected were tabulated and the corresponding distributions of persons by monthly per capita consumption expenditure were included in the report, though the data based on 7 days

reference period for the food items were collected only for investigating the suitability of the shorter reference period. Since both consumer expenditure distributions have been published, the Planning Commission has estimated poverty from both distributions reported by the NSSO, using the accepted methodology. State specific poverty lines have been estimated using the original state specific poverty lines identified by the Lakdawala Committee and updating them to 1999-2000 prices using the Consumer Price Index for Agricultural Labourers (CPIAL) for rural households and the Consumer Price Index of Industrial Workers (CPIIW) for urban households. These Poverty lines are given at **Annexure-I**. The poverty lines have then been used in conjunction with each of the two consumption distributions, to estimate the percentage of people below the poverty line (poverty ratio) for each state. As in the past several estimates have been made for rural and urban areas for each state, which are then combined into a state level estimate.

The consumer expenditure data of the 55th Round on a 30 day recall basis yields a poverty ratio for 1999-2000 of 27.09% in rural areas, 23.62% in urban areas and 26.10% for the country as a whole in 1999-2000 (**Annexure-II**). The corresponding figures from the 7-day recall period are 24.02% in rural areas, 21.59% in urban areas and 23.33% for the country as a whole (**Annexure-III**).

Although the 7-day estimates used in Annexure-III have been made available by the NSSO, for the present, the 30-day estimates as provided in **Annexure-II** are being used as the appropriate estimates of poverty. The change in methodology regarding the measurement of durable consumer goods from 30-day recall period in earlier large sample surveys to a 365-day recall period in the 55th Round implies that the 30-day estimate for 1999-2000 (**Annexure-II**) may not be fully comparable with the earlier estimates. This must be kept in view while assessing the trends of poverty over time. The next estimate of Poverty will be based on the results of 61st Round of NSSO Survey, which is yet to be published.

11.2 EVOLUTION OF URBAN POVERTY ALLEVIATION PROGRAMMES

1. History of Urban Poverty eradication in India

The issues of poverty reduction have dominated the course of economic planning in India since inception. The subsequent plans over the last twenty years while explicitly recognizing the integral link between rapid economic growth and reduction in poverty, incorporated poverty removal as a major objective of the Plan. The programmes related to poverty reduction has remained an important goal of urban policy in India.

The first formal attempt to experiment with community development approach in cities was the Urban Community Development (UCD) pilot project which was started in 1958 and followed by a series of UCD pilot projects based on an area-oriented approach. Subsequently, Environmental Improvement of Urban Slums (EIUS) was identified as a basic need of slum population in the Fifth Five Year Plan and consequently, the Scheme of EIUS was started in 1972 at the Central level to provide basic physical facilities to urban poor like safe drinking water, sewerage, storm water drains, community baths and latrines, street lighting, etc. This Scheme was later on transferred to State Governments for onward implementation in 1974.

Subsequently, in the Seventh Five Year Plan (1985-90) first conscious attempt was made to directly address urban poverty issues. Thus, in the very beginning of the Seventh Plan, Government of India had decided to expand the programme of Urban Basic Services (UBS) implemented during 1981-84 with collaboration of the UNICEF in 42 towns, to 168 towns. The UBS aimed at catering to the basic physical and social needs of the Urban Poor with a view to improving their living conditions.

Consequently, as a follow up of the recommendations made by the National Commission on Urbanization (NCU), the first major comprehensive intervention at addressing the issues of growing incidence of poverty in urban areas, was started in 1989, when the Government of India adopted a four pronged strategy comprising (a) employment creation for low income communities through promotion of micro enterprises and public works; (b) housing and shelter upgradation; (c) social development planning with special focus on development of children and women; and (d) environmental upgradation of slums,. Based on the above mentioned strategy, the

Government launched two schemes for the betterment of urban poor, namely, (i) The Nehru Rozgar Yojana (NRY) launched in 1989; to cater to the economic needs of the urban poor by providing them employment opportunities through skill upgradation and assistance by setting up their own micro enterprises; and (ii) the Urban Basic Services for the Poor (UBSP) which was a modified UBS Programme, started in 1990. The UBSP Programme envisaged fostering community structures comprising urban poor for ensuring their effective participation in their developmental activities.

The Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) for improving the quality of life of urban poor by creating a facilitating environment for them through community based planning and implementation was launched in 1995. The objective of the scheme was effective achievement of social sector goals, community empowerment, employment generation and environmental improvement. The programme was applicable to 345 Class II towns and 79 specifically identified district headquarters and hill areas.

It may be observed that the NRY, UBSP and the PMI UPEP were launched at different times having overlapping features. The PMIUPEP incorporated within itself, all the Components of UBSP as also the self-employment, physical infrastructure creation component and the shelter upgradation components of NRY. However, the PMI UPEP applied only to Class II urban agglomerations whereas NRY applied to all other towns and the UBSP applied to selected towns only. There were some dissimilarities between these Programmes as well. The NRY and PMIUPEP, because the latter was launched six years after the former, differed widely on vital ingredients such as, definition of "family", amount of available subsidies, amount of loan both for self-employment as well as for the shelter upgradation components. The abysmally low allocations for these programmes to States and Urban Local Bodies ensured that these programmes got the minimum priority both in the State Governments as well as with the Urban Local Bodies.

2. Launching of Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

A high level Committee was set up in February 1997, under the chairmanship of *Prof. S. R. Hashim*, then Member, Planning Commission to “Review and Rationalise Programme of Poverty Alleviation and Employment Generation”. Members of the Committee were Secretary to Prime Minister, Secretary (Expenditure), Secretary (SSI), Secretary (REPA) and Advisor (RD), Planning Commission. The Committee examined in detail various poverty alleviation schemes (both urban & rural) of Government of India and submitted its report to PMO in April 1997. PMO forwarded the Hashim Committee Report to concerned Ministries for consideration and follow up action. At that time there were three Urban Poverty Alleviation Programme for the urban poor, namely Nehru Rozgar Yojana (NRY), Urban basic Services for the Poor (UBSP) and Prime Minister’s Integrated Urban Poverty Eradication Programme (PMIUPEP). The main recommendation of the Hashim Committee regarding these Programmes were as follows:

-

- (i). The Self-Employment Component of NRY and PMIUPEP be combined or merged together so as to have single self-employment programme applicable to all urban areas in the country.
- (ii). A separate wage employment programme to be introduced which would apply to all urban centres with a population upto 5 lakhs.
- (iii). As regards, the shelter and housing upgradation component, it was recommended that either a separate scheme be drafted for this purpose or this component be merged with the National Slum Development Programme (NSDP)/Basic Services Programme.

Subsequently, as per the recommendations of the Hashim Committee Report, all the three Urban Poverty Alleviation Schemes, namely Nehru Rozgar Yojana (NRY), Urban Basic Services for the Poor (UBSP) and Prime Minister’s Integrated Urban Poverty Eradication Programme (PMIUPEP) were subsumed in a new scheme namely Swarna Jayanti Shahari Rozgar Yojana (SJSRY), which was launched with effect from 1.12.97.

The Swarna Jayanti Shahari Rozgar Yojana (SJSRY) is primarily an employment generation programme for the urban poor and the salient features of this programme are as under:

- (i) It seeks to provide gainful employment to the urban unemployed or underemployed through encouraging the setting up of self-employment ventures through the Urban Self Employment Programme (USEP) and has a provision of wage employment through the Urban Wage Employment Programme (UWEP)
- (ii) It also relies on creation of suitable community structures and delivery of inputs through the medium of urban local bodies and such community structures.
- (iii) The SJSRY is funded on a 75:25 basis between Centre and the States.
- (iv) The Programme targets urban poor, being as those living below the urban poverty line, as defined from time to time.
- (v) The Programme is applicable to all urban towns in India.

11.3. CRITICAL REVIEW OF SWARNA JAYANTI SHAHARI ROZGAR YOJANA

1. Financial and Physical Progress under SJSRY

The Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) is being implemented in the country through State/UT Governments and their designated agencies. The unspent funds left over from the earlier old Urban Poverty Alleviation Schemes of NRY, UBSP and PMIUPEP, as on 1.12.1997, became the opening balance for the SJSRY. Subsequently, Central funds were released to the States/UTs from 1997-1998 under SJSRY. Year-wise central release of funds under SJSRY from 1997-98 onwards is as under:

(Rs. in cores)

1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
98.63	158.47	118.77	85.13	38.31	100.92	100.74	122.01	155.88

It is pertinent from the above that, since its inception, total funds released under SJSRY upto 2005-06 are Rs. 978.86 Crore. After adding to it the unspent balance (Central Share) of Rs. 251.82 Crore, available from old UPA Programmes of NRY, UBSP and PMIUPEP, the total amount becomes Rs. 1230.68 Crore.

During the current financial year i.e. 2006-07 an amount of Rs. 250.00 Crore has been allocated for the Scheme. Out of this Rs. 236.11 Crore has been earmarked for releasing to the States/UTs for the implementation of the Swarna Jayanti Shahari Rozgar Yojana (SJSRY). As on 31.07.2006, an amount of Rs. 50.72 crore have been released during 2006-07 to States/UTs for the implementation of SJSRY.

Physical cumulative progress as per the Quarterly progress Reports received upto 31.07.2006 by the States/UTs under different components is as under: -

1. Urban Self Employment Programme (USEP)

1 (a)	Number of people given skill development training	866688
1 (b)	Number of Thrift & Credit Societies formed	158193
1 (c)	Number of DWCUA Groups formed	46257
1 (d)	Number of people assisted to set up individual micro enterprises	671794
1 (e)	Number of women assisted to set up micro enterprises (DWCUA Group enterprises).	174786
1 (f)	Total Number of beneficiaries assisted to set up micro enterprises = (1(d) + 1(e))	846580

2. Urban Wage Employment Programme (UWEP)

Number of man-days of work generated 592.36 lakhs

3. Assistance for Community Structures

Number of beneficiaries covered 337.40 lakhs

2. Targets and achievements during the Tenth Plan

Earlier during the Ninth Five Year Plan, no physical targets were fixed under Swarna Jayanti Shahari Rozgar Yojana (SJSRY), and the States/UTs were left to decide their own targets keeping in view the demand at local level as well as availability of funds under the Scheme. However, this appeared to be a major de-motivating factor for the effective implementation of the Scheme. As the allocation under the Scheme was also very little so as to make any effective dent in the urban poverty scenario in the country, the issue of fixing physical targets was not considered. However, later on as the allocations under the Scheme increased in subsequent years, Ministry of Housing & Urban Poverty Alleviation considered the fixing of targets in at least major self-employment components such as assistance for setting up micro-enterprises as well as providing skill training.

Subsequently, for the Tenth Plan, at the National level, physical targets of assisting 4 lakhs urban poor for setting up individual/group micro-enterprises and imparting skill training to 5 lakhs urban poor during the entire Tenth Plan period were fixed. On annual basis, this converts into assisting 80000 urban poor for micro-enterprises and 100000 urban poor for skill training.

During the first four years of the Tenth Five Year Plan, it has been observed that so far **4,50,949** urban poor has been assisted for setting up micro-enterprises and **4,89,737** urban poor has been provided skill training. Thus the targets set up under the Scheme for the Tenth Plan are fully achievable.

3. Bottlenecks encountered in the implementation of SJSRY

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

- (i). Project ceiling of Rs. 50000/- for individual projects is too less. This must be increased.

- (ii). There should not be any educational qualification limit criteria for beneficiaries under Urban Self Employment Programme (USEP).
- (iii). The minimum number of women for the DWCUA Groups should be reduced from 10.
- (iv). The funding pattern of 75:25 must be revised as some States like from NER find it difficult to provide the matching State share.
- (v). There is no scope for the innovative /special projects under the Scheme guidelines.
- (vi). There is no provision for financial support for Self-Help Group formation activities.
- (vii). There is no regular dedicated cadre of functionaries for the implementation of the Scheme. Most of the officials are on contract basis or on deputation from other departments and therefore there is no motivation/incentive for better performance.
- (viii). The ceiling on per capita skill training cost is too low to cover the modern and efficient training in modern upcoming trades like computers etc.
- (ix). The budget allocation for the Scheme is too low. Keeping in view the ceilings fixed for the A&OE/IEC expenditure as percentage of allocation, the situation becomes more alarming.
- (x). Authentic data regarding BPL population is not available. Updated BPL survey has not been done in many States/UT.
- (xi). Lack of cooperation from banks is a major impediment in the Self-employment programme.
- (xii). The awareness about the Scheme in masses is much lacking.
- (xiii). Sensitization of functionaries, Bankers, NGOs is required towards the problems of urban poor.
- (xiv). Lack of clarity in the Guidelines regarding expenditure on community empowerment activities is awesome.
- (xv). There is lack of proper marketing support for the products of the enterprises set up under the Scheme.

4. Critical Evaluation of SJSRY

During the initial days of the implementation, the Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was evaluated concurrently in 2001-2002 in 7 States namely Andhra Pradesh, Karnataka, Madhya Pradesh, Rajasthan, West Bengal, Uttar Pradesh and Maharashtra. Later on in 2005-2006, a comprehensive evaluation of the Scheme on all India basis was carried out through Human Settlement & Management Institute (HSMI), New Delhi. The major findings of the evaluation study carried out by HSMI are as under:

- (i). Good impact in facilitating employment is observed in all the States.
- (ii). Majority of the beneficiaries who were imparted skill training fall under the age group of 18-30 years.
- (iii). Loan approval by banks in majority of cases in South and East India took lesser time than in the North and West India.
- (iv). A good percentage of beneficiaries are having a decent earning from the SJSRY activities.
- (v). Women groups market their products on their own and do not require any middleman for marketing except in some of the East and North eastern States where majority of groups require middlemen for marketing.
- (vi). The formation of DWCUA groups has had a positive impact on the women members as their desire and confidence for getting self-employed has increased. This has led to increase in income and savings thereby improving their health, education and social prestige.
- (vii). Thrift and Credit Societies (T&CS) are very active in organizing Health camps, in providing assistance in making ration cards and in getting local children into primary schools enrolled. These have also been very effective in terms of promoting small savings and petty business, promoting group solidarity, resolving social and family discords and facilitating children's education.
- (viii). Majority of the wage labourers under Urban Wage Employment Programme (UWEP) component of the Scheme are employed for less than 3 months on an average and non-sustainable employment keeps them in BPL status.
- (ix). Bank officials highlighted, inter-alia, inadequate skill training, wrong choice of projects, non-viability of the projects, lack of adequate publicity as the major reasons for non achievement of physical targets by some of the States.

11.4 GOVERNMENT INITIATIVES

1. UNDP Project – National Strategy for Urban Poor

Ministry of Housing & Urban Poverty Alleviation, in collaboration with the United Nations Development Programme (UNDP), is implementing a project “National Strategy for Urban Poor (NSUP)” since November 2003. The project has following six broad outcomes:

- (i). Enhanced capacity at National level for the analysis of the urban poor livelihood issues.
- (ii). An all-India network on urban poor livelihoods to serve as a forum for dialogue and support between community and NGO activists and for knowledge networking/consensus building.
- (iii). Technical and financial support for innovative and promising livelihood initiatives broadened and deepened.
- (iv). Action based research to inform and improve the policy framework both at the Centre and State levels with direct bearing on urban poor livelihoods and living conditions.
- (v). A comprehensive review and capacity (institutional/civil society) analysis of urban poor livelihoods in NCR particularly relating to living, working and social security concerns of the poor in the urban informal sector.
- (vi). Targeted support to 21 community associations and NGOs to promote urban poor concerns and ground interventions to address multiple vulnerabilities.

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

- Policy research inputs to formulate National Strategy for the Urban Poor.

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

Details of the major activities undertaken as part of the GOI-UNDP Project are as under:

- (i). A National Resource Centre (NRC) has been set up at YASHADA, Pune in collaboration with AILSG, Mumbai, to work as an information centre for all urban poverty related issues at ULB/State/National levels.
- (ii). A Newsletter on Urban Poverty has been launched by the AILSG, Mumbai to focus on thematic and sectoral issues.
- (iii). A GIS based MIS system is being formulated by the National Resource Centre (NRC).
- (iv). Urban Poverty and livelihood profiles covering some representative States and cities are under preparation.
- (v). Register of innovations and documentation of innovative practices being compiled by NRC.
- (vi). Entrepreneurship Development Institute of India (EDII), Ahmedabad has been associated as one of the partners to formulate strategy for entrepreneurship development of the urban poor.
- (vii). National Institute of Urban Affairs (NIUA), New Delhi has been associated as the implementing agency for community based six pilot projects, which are aimed at improving livelihoods and living conditions at six sites in NCT of Delhi in partnership with 21 NGOs and the NCT of Delhi Government.

- (viii). The UNDP Project has been converged to provide support in policy planning for urban poverty and in the effective implementation of the JNNURM.
- (ix). SEWA, Ahmedabad, an NGO, was associated in the documentation of best practices in slum development for some of the States.
- (x). Jawaharlal Nehru University (JNU), New Delhi, and Institute of Economic Growth (IEG), New Delhi have been associated in the preparation of theme papers/reports on multi-dimensions of urban poverty including livelihoods, migration, gender issues, basic amenities, shelter etc.

The GOI-UNDP Project is likely to bring out country paper on urban poverty as the final outcome of the project by the end of December 2007.

2. Task Force on Micro-Credit

Ministry of Housing & Urban Poverty Alleviation set up a Task Force under the chairmanship of Secretary (Housing & Urban Poverty Alleviation), with the objective to evolve formulations for a viable micro-credit mechanism for the urban poor/informal sector. The Task Force comprised members from the various Government organizations including Reserve bank of India (RBI), representatives from Nationalized banks, NABARD, SIDBI, other financial institutions / rating agencies such as HDFC, ICICI, ICRA and Non-Governmental organizations such as SEWA, DHAN Foundation, Dr. Reddy's Foundation and Sa-Dhan.

The Task Force has since submitted its Report to the Ministry and it is under consideration. It is expected that this report will be a major milestone in setting up of a viable mechanism for delivery of micro-credit / micro-finance to the urban poor in the country.

3. National Policy on Urban Street Vendors

The total number of street vendors in the country is estimated at around 1 crore. Urban vending is not only a source of employment but provide 'affordable' services to the majority of urban population. The National Policy for Urban Street vendors (NPUSV), formulated by the Ministry of Housing & Urban Poverty Alleviation, defines vendor as a person who offers goods or services for sale to the public without having a permanent built-up structure but with a temporary static structure or mobile stall (or head load). The Policy was circulated by the Ministry to State/UT Governments with request to suitable and appropriate adoption in overall interest of the urban street vendors, with or without any change, to suit local conditions and also respecting any court decisions which may impinge on the issue. The overarching objective of the Policy is to provide and promote a supportive environment for earning livelihoods to the street vendors, as well as ensure absence of congestion and maintenance of hygiene in public spaces and streets. The objective of the policy is to provide legal protection, facilities, regulatory framework, self compliance, promote organization of street vendors, create participatory mechanism for vendors, rehabilitation of child vendors and also to create social security and provide financial services to them.

4. Task Force on Urban Poverty

Ministry has set up a Task Force on Urban Poverty under the chairmanship of Secretary (Housing & Urban Poverty Alleviation) comprising members from the Planning Commission, representatives from selected States, representatives from Ministries of Finance, Health, Banking, Human Resource Development, representatives from the Private Sector, NGOs, academic institutions and other stakeholders. The terms of reference of the Task Force comprise, inter-alia, an in-depth systematic and comprehensive assessment and analysis of the issues relating to urban poverty and suggesting strategies/policies at the National level to alleviate urban poverty in the country.

5. Setting up of National Core Group on Urban Poverty

Ministry has set up a National Core Group on Urban Poverty under the chairmanship of Secretary (Housing & Urban Poverty Alleviation) comprising distinguished members from the prominent NGOs and other stakeholders to look into the

issues of urban poverty alleviation specially with reference to the role of civil society in the formulation of the strategies/policies at the National level to alleviate urban poverty in the country.

6. Task Force on Land Tenure

Ministry has set up a Task Force on Land Tenure under the chairmanship of Secretary (Housing & Urban Poverty Alleviation) comprising members from the selected States, representatives from NGOs and other stakeholders. The terms of reference of the Task Force comprise, inter-alia, an in-depth systematic and comprehensive assessment and analysis of the issues relating to security of land tenure for the urban poor/slum dwellers specially with reference to provide them appropriate environment for facilitating micro-credit to cater to their consumer and housing needs.

11.5 RECOMMENDATIONS – FUTURE STRATEGIES

1. Mission Approach

There is a need to address the issue of urban poverty alleviation in a systematic, scientific and a time-bound manner by adopting the Mission approach as is being done in Kerala through the Kudumbashree Model. The approach has to be target oriented with specific focus on the primary issues relating to urban poverty such as skill upgradation, entrepreneurship development, wage employment etc. The convergence of service delivery to the urban poor through various Central and State Government programmes targeting the urban poor needs hardly any emphasis.

2. Earmarking of Budget for the Urban Poor by the Urban Local Bodies

The 74th Constitutional Amendment Act envisages that the functions of urban poverty alleviation and improvement of slums and their upgradation including the provisioning of urban basic amenities to the poor are among the key functions of the municipalities. Therefore, ULBs have to compulsorily provide appropriate provisions in their Budget to cater to the needs of the urban poor and develop separate P-Budget – Budget for the Poor. ULBs have to follow a convergence approach in formulating the

service delivery to the urban poor by optimum utilisation of both financial and manpower resources available in various Central and State sector schemes and programmes.

3. BPL Survey and identification of Urban Poor

BPL survey needs to be carried out in the cities/towns to identify the actual urban poor population and the data needs to be collected and the process for identification of the urban poor needs to be transparent by putting the data on public display/website. Once the BPL survey completed, BPL cards should be issued to the urban poor giving their complete profiles and also making them aware of the benefits that accrue to them from the various Central/State programmes. The card should be of multi-utility value and it may be used for all other Departments avoiding the overlapping and duplicity.

The Definition of BPL should also be rationalized and it should be city specific correlating with the specific conditions of the urban poor prevailing in that area. For this purpose relevant poverty index/parameters must be developed which should be easily comprehensible to the general public. These parameters also need to be made public before the same are applied for the Urban BPL survey.

4. Placing a proper Implementation and Monitoring infrastructure at the Central/State/ULB level

Any urban poverty alleviation programme without adequate manpower for its implementation is doomed to fail. Therefore, there is absolute necessity of having Urban Poverty Alleviation Cells at the ULB/District/State level with dedicated manpower for the effective implementation of the urban poverty alleviation programmes. This would require adequate budgeting for Administration and Other Expenses (A&OE) at all these implementation levels.

5. Capacity Building and sensitization

Even if the manpower is provided at various levels for implementation of the poverty alleviation programmes, but they do not have the capability, capacity and sensitivity to the effectively implement such social sector programmes, it will be of no use. Therefore, there is a need to build the capacity of the project functionaries at various

levels in the State and Central as also of other stakeholders including representatives of NGOs, FIs, Banking institutions, Training Institutes etc.

Both institutional capacity and human resource capacity at the ULB and State level need to be strengthened. It is proposed to launch a National Programme on Capacity Building for Urban Poverty Reduction.

6. Preparation of Urban Poverty Reduction Plans (UPRP) and its implementation

The city specific urban poverty reduction plans need to be prepared by the ULBs and the demands for funds from the State and Centre has to be made by them instead of making allocations and releases of funds in a routine manner. In other words, the fund release has to be demand driven and based on the City specific urban poverty reduction plans.

7. Facilitating access to Micro-Finance for the urban poor

The urban poor form part of the informal sector and the access to micro-finance in the formal system is not easily available to them. There is, therefore, a need to formulate a viable micro-finance mechanism for them so that they do not fall prey to the moneylenders who charge exorbitant rates of interest from them to fulfill their consumer and housing needs.

8. Health and Social Security networks for the urban poor

The Urban poor are the most vulnerable sections of the society. In so far as the delivery of health services is concerned, it is almost negligible and they are left to fend themselves. Therefore, there is a need to work out a comprehensive health and accidental insurance for the entire urban poor population as a special package to resolve the health related issues. There is also a need to develop social security network for this most vulnerable section specially the single women, widows, aged, disabled, weaker and minority sections of the society.

9. Skill development of urban poor to develop human resource

There is a need to have more focus on the skill upgradation of the urban poor to improve their “employability” and to facilitate their employment. Skill development has to be correlated to the demands of the industry and service sector in and around the city. For this purpose, periodic labour market surveys have to be carried out in collaboration with the private sector by professionally competent organisations/NGOs so as to devise appropriate training modules for building skills in the relevant disciplines, where the demand exists or is projected. This exercise is likely to lead to a pool of human capital, which can be appropriately utilized in the contemporary labour market.

10. National Poverty Reduction Fund – involvement of private sector/NGOs etc.

There is a need to have a dedicated fund at the National level in the form of National Poverty Reduction Fund to cater to the multi-dimensional needs of the urban poor. The contribution from the private sector, public sector, NGOs, International Organisations, bilateral funding and corporate sector can be pooled for this Fund. Suitable Tax concessions can be offered for contribution to this Fund. The administration of this Fund may be assigned to the Ministry of Housing & Urban Poverty Alleviation.

11. Security of Land Tenure to the urban poor

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

12. National Resource Centre on Urban Poverty at the Ministry for a repository of data on urban poverty related issues

A National Resource Centre is required to be set up at the National level in Ministry of Housing & Urban Poverty Alleviation, to have a complete data bank on all urban poverty related issues. This Centre will work as a knowledge hub and network with the other stakeholders including State Governments, International Agencies, prominent NGOs, Academic and Training Institutions and other Centres of excellence. Proper

networking with the State level implementing agencies should also be made and MIS should be developed on all urban poverty alleviation programmes.

13. Enhancement of Budgetary Resources for the Urban Poverty Alleviation Programmes

Taking into consideration the fact that the 23.62% of the urban population is Below Poverty Line (BPL), the allocation of Budget to deal effectively on the issues relating to urban poverty need to be substantially enhanced. A meagre budget of Rs. 541 Crore in the Tenth Five Year Plan for the SJSRY, the only urban poverty alleviation programme of the Government of India catering to the urban poor population of 6.71 crore was hardly sufficient to make any visible dent on the urban poverty. The proposed demand driven Mission approach during the Eleventh Five Year Plan for the SJSRY will require at least **Rs. 10700 crore** (for the entire Plan period) to inter-alia, to build a human capital of 10 million skilled urban poor in the next five years to cater to the growing demands of the labour market in the new economy.

14. Pro-Poor Governance & Inclusive Cities

The Constitution 74th Amendment Act 1992 envisaged that the functions of urban poverty alleviation, slum upgradation and basic amenities to the poor belong to the legitimate domain of elected urban local bodies. There has been a reluctance on the part of ULBs to “own” these functions. There is a need for reforms in urban governance so as to work with a vision of slum-free cities and poverty eradication. with the poor being involved in policy-making, planning, budgeting, design, implementation, monitoring and evaluation of urban sector programmes. They should be made partners in civic development and be involved in social audit of various programmes. There is also a need for focusing on resource mobilization for urban poverty reduction at ULB and State level.

15. Focus on Small and Medium Towns

There is evidence that the conditions of the urban poor in small and medium towns are worse than those in large cities and rural areas. In the spirit the concept of PURA (provision of urban amenities in rural areas), there is a need to focus on slum upgradation, poverty alleviation, employability and skill development for the poor in selected small and medium

towns including District Headquarter towns and other important urban settlements. There is a strong case for improving rural-urban linkages by focusing on special innovative project packages including agricultural marketing, agro-processing and home-based and small scale industries in small and medium towns. Further, the entrepreneurship base of the poor in these towns must be systematically promoted through entrepreneurship development programmes.