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Urban Poverty in India
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According to a United Nations study in 1995, by the year 2015, ten of the world’s fifteen largest cities will be in Asia (excluding Japan); three of these will be in India. The structural reforms instituted in the country since 1991 have expected to link India with the global economy, increase the inflow of foreign capital, facilitate indigenous investment and boost the pace of urbanisation. Close to a half of the world’s population that lives in poverty can be found in South Asia. According to the Government of India, the definition of poverty is linked to the expenditure required by an average household to meet a specified minimum nutrition in terms of calories and urban poverty in particular is denoted by an intake of 2100 calories per capita per day.

Eradication of poverty has continued to be the target of most of the policies framed in India. However, a large part of this discussion involves the rural poor and often it is misunderstood that urban poverty is not as prevalent as its rural counterpart. Removal of poverty became a distinct objective since the Fifth Five Year Plan (1974-79) in India. However, no distinction was made between urban and rural poverty. It was only in the Seventh Plan (1985-90) onwards that issues related to urban poverty were discussed. It lay down that poverty could be reduced only by generating employment, skill formation and improvement of the slum dwellers. The interest in addressing urban poverty peaked when the Planning Commission allocated a separate section to urban poverty in the Ninth Five Year Plan (1997-2002), putting an unprecedented focus on urban development and urban poverty alleviation.

Structural adjustment programs were introduced in the country post independence taking the loan from the IMF and the World Bank. There were two parts to this adjustment plan. The first consisted of short-term stabilization policies- and the second part consisted of long term economic reforms, which included streamlining the public sector and privatisation of social programs, etc. However, all of the above measures have been harsh policies and the impact has been the worst on the vulnerable sections of society such as the urban poor. The reform policies have brought about changes in the domestic economy, ownership structures, the industrial development scene, financial and capital markets, employment patterns, wage structures, inflation, prices, consumption patterns and migration trends. These have then resulted in affecting urbanisation as a whole, which is evident from the living conditions of a majority of the people in the cities.

Along with the fallacies of the SAP, consistent mismanagement by the governments who have undertaken to carry out the policy reforms has also added to the already rising number of persons below the poverty line. For instance, a large part of the national expenditure of India is spent on activities that are not economically and socially productive such as defence, etc. This has led to a failure on any ongoing initiatives to alleviate poverty. So in most cases, even if the government has undertaken programs for social expenditure, these have not been implemented and are thus failures.

Structural adjustment has changed the structure of production and hence the employment situation. Initially the manufacturing sector had responded positively to the reforms.
However, the recession post 1997 left the “weak and inefficient” firms with the struggle to stay alive in the highly competitive market environment. High investment in large-scale technology intensive ventures has become the norm for most industries. The stress on the service sector has led to low skilled jobs. Hence, investment was getting accelerated for economic gains at the cost of sustainable human investment. Deregulation of the job processes has led to a greater informalisation of the job scene as many of the tasks are sub-contracted and informalised. This has only led to informalisation of employment in the urban areas and thus insecure livelihoods and increasing levels of poverty.

The urban landscape has undergone a change since the reforms. Foreign investment favours the urban areas. Therefore, city authorities have to invest in infrastructure and services and urban renewal has gained momentum. This should ideally lead to more efficient enterprises, infrastructure and services. But this has only accelerated the rural-urban migration and a majority of this investment has reduced the investment which is actually required for essential services used by the common citizens and the poor. Further, privatisation of public services, especially water, electricity, education and health deprives them as these services become unaffordable and therefore, inaccessible.

The women are most affected in this. As part of this deregulation process, women are the last to benefit from any kinds of job expansion and the first to suffer from any job contractions. This leads to more women either creating their own jobs or casualisation of women’s work. In the latter, all labour intensive, lower paid informal activities are sub-contracted to women. However, feminisation of poverty has only increased over the years.

The exit policy proposed by the government and the IMF has led to casual employment, fluctuating wages and variable hours of work. So instead of extending the labour laws to protect casual and seasonal workers, the IMF program proposed to ‘help’ the poor by scrapping the labour laws altogether on the claim that the existing laws favour the labour aristocracy and discriminate against the non-unionised sectors of the labour force.

Related sectors like housing have also got affected. Entry of foreign capital and real estate developers has also meant that land prices in cities have risen. Under utilised lands have also come to be in demand. Pressure on slum dwellers and other unauthorised settlements to vacate their land has increased. Thus, evictions have come to be a very common thing. Alongside this, there are attempts to clean and beautify cities to attract more foreign and this puts pressure on hawkers, vendors and slum dwellers. Providing finance for houses for those who can repay the loan is very easy now, but the urban poor get neglected in the process.

The cities serve as magnets to propel more and more people from the smaller cities and rural areas to its vast yet limited space. There are opportunities for all in the urban areas. These people come in with the hope that despite the nastiness and misery, the city will help them keep their stomach full. The urban area or the City has land, employment opportunities; it is a geographical space, a social and cultural space and the struggle for
its ownership is heightened by every day that goes by. This struggle is made worse by limited resources, poor urban planning and politics that work on the principle of exclusion for most and inclusive for a few.

Wanting a world-class city to emerge is everybody’s dream. However, the basic issues for the poor in urban areas such as lack of secure housing, poor allocation for providing access to basic civic amenities like healthy and clean living environment, safe drinking water, public health facilities, basic education, food security, lack of gainful self-employment opportunities, inadequate income levels to secure food, shelter, health and education are not addressed. What is meant by a world-class city if the basic rights of any human being are denied? What is the better way to sort out efficient delivery of essential services for the poor in the urban areas? These are the kind of questions we wish to address in this issue of e-Vikalp and have thus dedicated the current issue towards examining the phenomenon of the urban poor- the neglected section of the population in the ever-changing dynamism of the urban area. The various papers have examined aspects that make the city for what it is for the urban poor. The articles have also attempted to look at ways for improving the situation of the cities and the extreme squalor that the poor have to work, live and survive in.

The first article is by Dr. Manisha Karne and is titled “A Need to Re-emphasise the role of Public Health Care in India”. The article talks about the Millenium Development Goals and the health agenda in it. According to the author accessibility of better infrastructure facilities creates an environment conducive for achieving the MDGs. She also goes on to say that the public sector should continue to play a major role, though in a decentralized framework in providing services such as family welfare programme, maternal care and control of infectious diseases which have wide spread positive externalities and thus important for achieving higher levels of important health indicators.

The second article is by Dr. Arun Kumar Singh and is titled “Delhi- City Water Supply and Urban Poor”. In this article, Dr. Singh examines the various aspects of Delhi’s population that is categorised as urban poor and the water that is supplied to them. There is iniquitous supply of water in the city. Privatisation of the water supply would have been the death knell for the urban poor. However, under immense public pressure, in October 2005 Delhi government finally withdrew its loan application to World Bank for DWEEP, providing some relief to the urban poor however a lot remains to be done in order to fructify the urban poor’s access to civic amenities.

The third article contains the report of the IFHHRO Conference 2005 and also outlines the IFHHRO 2005 Mumbai Declaration on engendering human rights and its implications for progressing towards gender equality in the realization of health and human rights. The conference recognized that the realization of health and human rights requires that inequality and discrimination, in particular in relation to gender, be urgently acted upon.

The fourth article is written by Jyoti Mhapsekar and is titled "Environmental Entrepreneurship Program for Urban Poor Women”. The writer works for the Mumbai
based organisation Stree Mukti Sanghatana and discusses the details of their program called *Parisar Vikas* which is an environmental entrepreneurship program for the urban poor women. Mhapsekar believes that the issue of waste and waste pickers who are engaged in various kinds of work like waste picking, segregation, recycling and at the organized level, door to door collection and composting and recycling recovery is an important issue of urban poverty. In India lakhs of people find livelihood opportunities in the area of waste and thus it is important to understand the various issues concerning them.

The fifth article is by Darryl D'Monte and is titled *Innovating Mumbai*. In the article D'Monte discusses the activities of two organisations based in Mumbai that work in the area of rehabilitation of the urban poor due the development activities of the state government under the MUIP or Mumbai Urban Infrastructure Project. These organisations are The Society for the Promotion of Area Resource Centres (SPARC) and Nivara Hakk Suraksha Samiti (NHSS, a housing rights organisation).

The sixth article is by Dr. Vibhuti Patel and is titled *Macro Economic Policies and MDG III – Promotion of Gender Equality and Empowerment of Women*. In the article Dr. Patel talks about the Millenium Development Goals and its focus on women. The article in particular looks at the location of the urban poor woman and how do these goals look at her. The MDG III has challenged discrimination against women, and seeks to ensure that girls as well as boys have the chance to go to school. But the issue of gender equality is not limited to a single goal; it applies to all of them. Without progress towards gender equality and the empowerment of women, none of the MDGs will be achieved.

The seventh article is by Dr. Chandrima B. Chatterjee and is titled *Mapping the Health Vulnerabilities of Poor Migrants in Urban Areas*. In the article Dr. Chatterjee discusses the health needs and the consequent provisions made by the state and central government for the benefit of the migrants to any urban area. It is many of these migrants that make up a large population of the urban poor and more often than not, their medical and health needs are absolutely neglected by the state. The writer makes a case for the relationship between mobility and health which is gaining rapid significance. Mobility and migration not only affects the health of the people on the move, but also the health of communities in which they stay, whether for long or short periods, and the home communities to which they return. Cities have a disproportionate burden of diseases chiefly because they have a concentration of the poorest and most vulnerable sectors of the population; the rural to urban migrants.

The eighth article is by Dr. Akhilesh Chandra Prabhakar and is titled *Political Economy of Globalisation, Poverty and Inequality – A Study of India, China, USA and the OECD Countries*. In the article the writer states that poverty, mass unemployment, and inequality have grown alongside the noted advancements in technological developments and the rapid expansion of trade and investment in the era of globalization. This paper searches the causes of poverty, unemployment, malnutrition and inequality, which exposes the condition of the urban poor in the world as being the outcome of imperialist globalization.
The ninth article is by Dr. Ram Puniyani and is titled **Sectarian Violence and Urban Poverty**. The writer has attempted to understand the relationship between growing urbanisation since Independence in India and the consequent rise in urban poverty and sectarian violence among the urban poor groups too. According to the author even before the newer patterns of urban elite came into being a section of the trading community were the one’s to support, the divisive politics which led to the sectarian violence in the pre eighties period. The nature and forces behind the violence gradually changed and after eighties a newer layer of social sector supported the communal ideology which in turn orchestrated the violence targeting the minorities. The aftermath of these cataclysmic episodes exulted in areas in cities, where the minority sections started concentrating as a measure of physical security in the face of repeated violence.

The tenth article is by Dr. Archna Sinha and this is a review of the book **Urban Poverty in India (Issues and Policies)** which has been edited by M. D. Asthana and Sabir Ali. In the review the writer discusses the various chapters of the book and the book provides a fresh perspective on the linkages between various dimensions and linkages of urban poverty in India. The study addresses several critical inter-connected policy issues especially women as a marginalized section amongst the urban poor, eradication of urban poverty and access to basic services.

The next article is by Ramesh Ramanathan and is titled **Urban Poverty Issues in India – Challenges and Responses**. Ramanathan looks at the growing pace of urbanisation where the level of growth is creating heaving fault lines beneath the urban surface, most of which citizens have little control over. He examines the case of Bangalore city where urban political and administrative leadership is unprepared to provide adequate governance even in the current situation, let alone in the chaotic future. At the most basic level, there are questions about the ability of government to deliver the basic support services to ensure a decent quality-of-life for urban residents. This problem is felt more acutely among the economically challenged sections of urban society who do not have access to minimum basic services in terms of water, sanitation, adequate dwellings, health, education, etc.

The last article is written by Dr. G. Y. Shitole and is titled **Urban Poverty Management in India with special Reference to Micro-finance to Urban Poor in Mumbai**. In the article the author discusses the multi dimensional character of urban poverty and the key factors that affect urban poverty in India. He has discussed the poverty alleviation programs and especially micro finance as an innovation for poverty alleviation. He locates the relevance of micro finance for the urban centre like Mumbai and reaches to the conclusion that urban poverty alleviation is much easier than the rural poverty alleviation in the country, because the rural poor people remain poor for generations together which is not in case of urban poor. Micro finance is an inspiring tool for concerned people be it businessmen, industrialists, professionals, administrators, researchers or students, for making Mumbai a better place to live, work and invest in. All these stakeholders can deploy micro finance institutions to solve the problems of the pavement dwellers first through the conduit of SHGs by availing of assistance of SIDBI.
and other facilities and freedom given by RBI towards mainstreaming and upscaling of micro finance sector.

Lastly we feature the Press Note issues by the National Alliance of People’s Movement (NAPM) on the Urban Poor and Displaced Unorganised Workers Challenge the ‘National Urban Renewal Mission’.

**Urban Poverty in India**

- A Need to Re-emphasise the role of Public Health Care in India – Dr. Manisha Karne
- Delhi- City Water Supply and Urban Poor – Dr. Arun Kumar Singh
- Environmental Entrepreneurship Program for Urban Poor Women - Jyoti Mhapsekar
- Innovating Mumbai - Darryl D’Monte
- Macro Economic Policies and MDG III – Promotion of Gender Equality and Empowerment of Women – Dr. Vibhuti Patel
- Mapping the Health Vulnerabilities of Poor Migrants in Urban Areas - Dr. Chandrima B. Chatterjee
- Political Economy of Globalisation, Poverty and Inequality – A Study of India, China, USA and the OECD Countries) – Dr. Akhilesh Chandra Prabhakar
- Press Note- Urban Poor and Displaced Unorganised Workers Challenge the ‘National Urban Renewal Mission’ – National Alliance of People’s Movement (NAPM)
- Sectarian Violence and Urban Poverty – Dr. Ram Puniyani
- Urban Poverty Issues in India – Challenges and responses - Ramesh Ramanathan
- Urban Poverty Management in India with special Reference to Micro-finance to Urban Poor in Mumbai - Dr. G. Y. Shitole

Delhi – City water supply and urban poor

Arun Kumar Singh
From the historical times, Delhi has been a chosen seat of power for successive dynasties and their political capital – Slave Dynasty, Khiljis, Tughlaqs, Sayyads and Lodis between 12th and 16th centuries. Later Mughals also made it their capital in 17th century and finally British in 20th century. So it was considered natural for Delhi to be the capital of independent India in 1947. Before entering into any discussion on prevailing water crisis in Delhi, it will be relevant to have a bird’s eye view of the city, the way its population lives, forest cover, Yamuna river and some other related aspects.

1. Population of Delhi

The national capital city of Delhi is spread over an area of 1483 sq km inclusive of area falling under New Delhi Municipal Corporation (NDMC) and Delhi Cantonment. On the basis of Census data, it has a population of 1.37 crore in 2001 and as per the new Draft Master Plan of DDA the city has a population of 1.60 crore. Delhi Jal Board (DJB) is the official agency responsible for provision of drinking water to citizens of Delhi. A majority of the population of Delhi, about 1.06 crore persons, live in Jhuggi-Jhompri (JJ), and merely 31 lakh people live in ‘Planned Colonies.’ The distribution of different categories of JJ colonies is shown in Table-1.

Table-1: Different Categories of JJ Settlement in Delhi

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Settlement-Type</th>
<th>Number of Settlements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Unauthorized JJ Colonies</td>
<td>1071</td>
</tr>
<tr>
<td>2.</td>
<td>Regularized JJ Colonies</td>
<td>567</td>
</tr>
<tr>
<td>3.</td>
<td>JJ Clusters</td>
<td>820</td>
</tr>
<tr>
<td>4.</td>
<td>Urban Villages</td>
<td>126</td>
</tr>
<tr>
<td>5.</td>
<td>Rural Villages</td>
<td>135</td>
</tr>
<tr>
<td>6.</td>
<td>Harijan Colonies</td>
<td>219</td>
</tr>
</tbody>
</table>

Source: NCR Fact Sheet

Thus, there are 2938 JJ clusters in Delhi, as per the latest available official data.

1.2. Current Sources of Water for Delhi

Till 1955, there was no major outer source of water in Delhi, as by and large, the Yamuna River was fulfilling the requirements. As stated earlier, with the settlement of large number of refugees from the Pakistan, the water shortage was being felt for the first time in the fifties. Around the same time the Bhakhra Nangal dam (the first ‘temple of modern India’ - Nehru) was also completed and became an important source in providing water to citizens of Delhi. A majority of the population of Delhi, about 1.06 crore persons, live in Jhuggi-Jhompri (JJ), and merely 31 lakh people live in ‘Planned Colonies.’ The distribution of different categories of JJ colonies is shown in Table-1.

Table-2: Sources of Water for Delhi

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Type</th>
<th>Source</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Surface Water</td>
<td>Upper Yamuna River Board</td>
<td>404 mgd (1835 tcmd)</td>
</tr>
<tr>
<td>2.</td>
<td>Surface Water</td>
<td>Bhakra-Beas Management Board</td>
<td>267 mgd (1213 tcmd)</td>
</tr>
<tr>
<td>3.</td>
<td>Groundwater</td>
<td>Yamuna River Ranney Wells</td>
<td>22 mgd (101 tcmd)</td>
</tr>
<tr>
<td>4.</td>
<td>Groundwater</td>
<td>Tubewells across Delhi</td>
<td>41 mgd (187 tcmd)</td>
</tr>
</tbody>
</table>

Source: Delhi Jal Board

Water for Delhi is released from Bhakhra Nangal dam to the town Tajewala (near Ambala) and it reaches further 70 km down at Munakh (Panipat). Munakh is the receiving point for the Delhi Jal Board.
Munakh, it is the responsibility of the Delhi Jal Board to take this water to Delhi. Delhi Jal Board sends this water to its two water treatment plants - Haidarpur (130 km from Munakh) and Wazirabad (150 km from Munakh). This transportation is facilitated through the old Yamuna Nagar canal and Indira Gandhi canal. This water is eventually supplied to all other water treatment plants of Delhi, except Bhagirathi.

The Bhagirathi water treatment plant, since 1990, receives its 270-cusec water from the upper Ganges through the Muradnagar canal covering a distance of 28 km. This water takes care the complete water requirement of eastern Delhi and most of the water requirement of southern Delhi.

Thus, the water from two-mega water storage dams, namely Bhakhra Nangal, built primarily on the pretext of irrigation, is being supplied to Delhi and soon Tehri will follow the same suit. It may be recalled here that since last one decade, the farmers from Punjab have been agitating against the water shortages. Similarly, farmers from Uttar Pradesh are also against supplying water from Tehri dam to Delhi, as it will adversely affect their share of water availability. Incidentally, 40% of the electricity from the Tehri hydroelectric power plant will also be diverted to Delhi. In such a situation one can't escape concluding that the real aim of such mega water projects is mostly to fulfill the requirements of urban centers, contrary to the declared project objectives.

1.3. Present Water Requirements of Delhi

At present the total water requirement of Delhi stands at 3830-MLD (million liters per day) and has a shortfall of 880-MLD. The total quantum of water received in Delhi is 725-cusec from Haryana and 270-cusec from the Ganges. However, there has never been much demand on Delhi's part to increase its share from the Ganges and over the years this share has been, more or less, stabilized. Moreover, this share will also be increased once the Sonia Vihar water treatment plant becomes functional, as it will be fed with the Ganges water. However, the share with Uttar Pradesh too has become a bone of contention, like Haryana.

Delhi has six functional water treatment plants (Table-3) with an installed capacity of 560 mgd (million gallons per day) though the total requirement of the city has been estimated to be 800 mgd. In addition to these, Sonia Vihar and Nangloi water treatment plants though completed are non-functional owing to lack of water availability to them.

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Name</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Wazirabad</td>
<td>120 MGD</td>
</tr>
<tr>
<td>2.</td>
<td>Chandrawal</td>
<td>95 MGD</td>
</tr>
<tr>
<td>3.</td>
<td>Haidarpur</td>
<td>200 MGD</td>
</tr>
<tr>
<td>4.</td>
<td>Nangloi</td>
<td>40 MGD</td>
</tr>
<tr>
<td>5.</td>
<td>Okhla</td>
<td>12 MGD</td>
</tr>
<tr>
<td>6.</td>
<td>Bhagirathi</td>
<td>100 MGD</td>
</tr>
<tr>
<td>7.</td>
<td>Sonia Vihar</td>
<td>Lying idle since Dec 1997</td>
</tr>
<tr>
<td>8.</td>
<td>Bawana</td>
<td>Lying idle since Dec 2000</td>
</tr>
</tbody>
</table>

Source: Delhi Jal Board 2005

[Note: All the first five treatment plants receive water from the Upper Yamuna Canal and Western Yamuna Canal whereas the sixth plant, Bhagirathi receives water from the Ganges and Upper Ganga Canal]

1.4. Iniquitous Distribution of Water in Delhi

As per the Bureau of Indian Standards (BIS), average requirement of a Delhi citizen is 160 lpcd. The Planning commission has estimated average requirement for different income groups - 130 lpcd (for lower income group), 150 lpcd (for middle income group)
and 200 lpcd (for higher income group), thus average being 160 lpcd. The design of water availability in Delhi clearly exhibits that urban poor are hurts most.

The distribution and availability of water in Delhi continues to be highly uneven. Top priority is accorded to the Central Delhi District and South Delhi district, especially the Embassy area in Chanakyapuri. Even within these districts, the palatial houses get more water than the lower income group housing board colonies and the hutment clusters are generally supplied water through one common connection or through tanker water supply. The hutment clusters of Southwest Delhi are in a state of perpetual water crisis. Similar is the situation in the East Delhi district, which is home to one third of the city's population. The problem is further compounded as this district has the highest concentration of multi-storied housing complex in Delhi. Consequently, those who can afford have installed high-power booster pumps directly on the main transportation water lines for personal use. The government has done virtually nothing in rectifying this uneven distribution or in checking malpractice.

Another aspect related to this is the wastage of water in Delhi. According to official sources, about 40 percent of the total water supplied in Delhi is put to wasteful uses. Most important among these is the factor of water used in industrial units. There is hardly any existing or operational mechanism for the recovery of secondary and tertiary water, so once this water enters into the industrial waste it is permanently put out of use. There are plenty of wasteful uses in the household activities also, like washing of cars, bathing of dogs, etc. The upkeep and maintenance of the civic water taps is pathetic practically throughout the city, resulting in loss of water in substantial quantum. This explains the root cause of the water crisis in spite of the fact that Delhi, as a city, ranks highest in per capita availability of water – about 280-300 lpcd.

The solution therefore lies not in the further augmentation of water, as is being advocated by the politicians, but in the better management and conservation of water by making general awareness and involving society in public-public-partnership. For example, the per capita availability of water in the city of Copenhagen (Denmark) is 200 lpcd but the City Council has fixed a target to reduce it to 110 lpcd through better management of water utilization.

According to a recent official publication, the average water availability in different areas of Delhi (Table-4) has been estimated as follows:

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Area</th>
<th>Average Water Available (lpcd)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mahrauli</td>
<td>29</td>
</tr>
<tr>
<td>2.</td>
<td>Narela</td>
<td>31</td>
</tr>
<tr>
<td>3.</td>
<td>Karala-Kanjhawala</td>
<td>32</td>
</tr>
<tr>
<td>4.</td>
<td>Najafgarh/Dwarka</td>
<td>74</td>
</tr>
<tr>
<td>5.</td>
<td>Vasant Kunj</td>
<td>74</td>
</tr>
<tr>
<td>6.</td>
<td>Shahdara</td>
<td>130</td>
</tr>
<tr>
<td>7.</td>
<td>New and South Delhi</td>
<td>148</td>
</tr>
<tr>
<td>8.</td>
<td>West Delhi</td>
<td>202</td>
</tr>
<tr>
<td>9.</td>
<td>Civil Lines and Rohini</td>
<td>214</td>
</tr>
<tr>
<td>10.</td>
<td>Old City</td>
<td>277</td>
</tr>
<tr>
<td>11.</td>
<td>Karol Bagh</td>
<td>337</td>
</tr>
<tr>
<td>12.</td>
<td>NDMC Area</td>
<td>462</td>
</tr>
<tr>
<td>13.</td>
<td>Delhi Cantonment</td>
<td>509</td>
</tr>
</tbody>
</table>
On June 4, 2005, Chief Minister of Delhi announced that 25 percent of water (35 mgd) from 140 mgd Sonia Vihar plant would be allocated to Cantonment area. This was done after the agitation and protest by civilian residents of Cantonment regarding inadequate supply of water as it is being diverted to the army areas. Earlier from Sonia Vihar plant 90 mgd was allocated to South Delhi and 50 mgd to East Delhi but now both these areas will have to share their allocation with Delhi Cantonment. After this, the water availability in Delhi Cantonment would skyrocket to 1000 liters per person per day.

According to officials, different quantum of water is being provided to different settlements since their standard use is not same and certain standards have been established in this regard. Standard for planned colonies is 225 lpcd, for resettlement colony and urban villages is 155 lpcd and for JJ clusters is only 50 lpcd. But the highly skewed water supply goes beyond and below this rationale.

In 1999, Delhi had 1100 slum clusters with an estimated population of 3.2 million. In addition to it, there were 1500 unauthorized colonies with an estimated population of 3.5 million, 52 resettlement colonies with population of 2 million and 216 urban villages with estimated population of 0.6 million. Thus in 1999, more than 10.3 million people, i.e. 78 percent of city’s population were living in sub-standard settlements. In 2001, this marginally declined to 76 percent. It is this population, which is worst hit so far as water supply is concerned (Table-5).

### Table-5: Water Supply Structure in Delhi

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Type of Settlement</th>
<th>Population (in millions)</th>
<th>Demand (mld)</th>
<th>Supply (mld)</th>
<th>Shortfall (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>JJ clusters, designed slums &amp; unauthorized colonies (I)</td>
<td>1.396</td>
<td>59.33</td>
<td>No supply</td>
<td>-100%</td>
</tr>
<tr>
<td>2.</td>
<td>JJ clusters, designed slums &amp; unauthorized colonies (I)</td>
<td>4.080</td>
<td>173.40</td>
<td>20.43</td>
<td>-88%</td>
</tr>
<tr>
<td>3.</td>
<td>Planned Areas</td>
<td>7.550</td>
<td>1698.75</td>
<td>990</td>
<td>-42%</td>
</tr>
</tbody>
</table>


### 1.5. Five Star Hotels & VIP Residences

On the one hand JJ clusters in Delhi are perennially thirsty, while on the other hand, average water consumption of water in a room of five star hotels is above one thousand liters. For instance, the average consumption of water of a hotel Taj Man Singh room is 2000 liters a day while at Oberoi it is 1120 liters per day per room. The average consumption at Taj Hotel is 1400 liters per room while Janpath Hotel, including its banquet halls and restaurants consumes around 67,000 liters per day. On an average each room of a five star hotel consumes 1600 liters water per day. But it is not only these hotels guzzling water the VIP residents too are not lagging behind. For instance, the Prime Minister’s house at 1 Race Course Road accounts for about 73,300 liters water per day and President residence, Rashtrapati Bhawan consume about 67,000 liters water per day.
day. Similarly, the residential houses of Ministers consume water to the tune of 30,000-45,000 liters per day.

Senior officials defended it by saying that private water tankers and underground water supplement the supply given to VIP residences and hotels. But it does not alter the fact that water is highly misused and abused in this case, especially hotels which have not taken up measures for recovery of secondary and tertiary water or recharge of groundwater.

1.6. World Bank’s Loan for Delhi Water Supply and Sewage Project

In 1998, a World Bank team visited New Delhi between July 20-31 and identified projects for providing sustained water supply and sewerage services. Delhi Jal Board officially sought for a World Bank loan in 1998 for betterment of its services and a loan of Rs. 1600 crore was approved in 2001. In 2001, Delhi Government signed a loan agreement with World Bank for Delhi Water Supply and Sewage Project (DWEEP), enabling it to procure Rs. 1600 crore. However, this loan came with too many strings attached, as World Bank also sent its own plans of Rs. 1200 crore along with this loan. Price Waterhouse Cooper (PWC) was appointed as a consultant for outlining a Project Preparedness Report of DWEEP.

One crucial aspect of the DWSSP is that for the first five years only foreign companies would be allowed to take over DJB, after which Indian companies can take over. Why this specific restrictive clause? The experiences round the globe have shown that in 90 percent of the cases in developing countries where city water supplies were taken over by private companies, they were forced to leave within five years, in spite of liberal financial assistance form the concerned governments coupled with sharply increased water tariff - be it Africa, Asia or Latin America. Clearly this clause ensures that in early phase of privatization foreign companies should earn maximum profits and then leave the turf. By that time the situation would be deteriorated to an extent that no Indian private company would prefer to take over from there. It has happened in almost all the cases in developing countries, and there is no reason to believe Delhi will be an exception.

But even much before this, various units of DJB have been transferred to private parties (Table-6).

<table>
<thead>
<tr>
<th>SN</th>
<th>Plants</th>
<th>MNC</th>
<th>Nature of Work (year of transfer)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Rithala Wastewater</td>
<td>Degremont</td>
<td>Operation and Maintenance (1994)</td>
</tr>
<tr>
<td>3.</td>
<td>Delhi Gate Nala Wastewater</td>
<td>Degremont</td>
<td>Operation and Maintenance (2000)</td>
</tr>
<tr>
<td>5.</td>
<td>Sonia Vihar Water Treatment</td>
<td>Degremont</td>
<td>Operation and Maintenance (2000)</td>
</tr>
</tbody>
</table>

Source: Water Workers Alliance, 2003

In addition to this, various other relatively smaller works of DJB have also been handed over to Delhi-based local firms and individuals. For example, a Delhi based firm Computer Tech was assigned the task of billing in 1994 completely and it is now out of DJB hands. Another Delhi-based firm is operating about 300 booster-pumping stations and sewage pumping station. Yet another Delhi-based firm is also operating 600 water tankers. Maximum work of rehabilitation and desilting of sewer lines has been contracted to private firms for O & M, like Werm India, Michigan, Kaveri Infrastructure, etc. It is evident who is actually misleading public.
1.7. Impacts of Privatization

The complete range of impacts can be extrapolated from the measures suggested by the PWC Project Preparation Report but before that we must look at the objective of reform programme. PWC has unambiguously spelt out it in the following text:

“The objectives and the guiding principles of the proposed institutional framework for the UWSS (Urban Water Supply and Sewerage) sector are:

Separation of ownership (Government), management and regulation: Given the inherent nature of UWSS sector as a natural monopoly with lack of competition in the near future, as well as the inherent conflict in DWB mandated to frame its own regulation with respect to tariff and service quality and enforcing them, an independent regulatory mechanism is envisaged to act as the stimulator for an efficient operation of the utility. An enabling and facilitator role is envisaged for the government with the role of provision of services independently handled by the utility.”

In actual practice it means that people will have no say in such a vital subject like water and will be completely left at the mercy of MNCs. Let us now look at some significant impacts.

1.7.1. Retrenchment of Workers

This is the most prevailing impact of privatizing a city water supply. According to a report of Asian Development Bank [8] wherever city water supply is transferred to private companies, the number of workers per 1000 connection has drastically shrunked to 2, prior to this it was 20 workers per 1000 connections. At present the number of workers in DJB is 19.9 per 1000 connections. The report categorically states that momentum of privatization of DJB in Delhi is relatively slower than elsewhere and strong opposition of a section of workers has been held responsible for this. The massive retrenchment of workers after the takeover of municipal water utilities by private firms has been experienced throughout the world, like Uganda, Mozambique, Philippines, Atlanta City (USA), Bolivia, etc.

It also needs to be explored which categories of workers will be told goodbye and what \textit{modus operandi} would be used for this purpose. Decentralization is the first step of privatization in Delhi, as elsewhere. Under it, different zones/water treatment plants of Delhi will be transferred to private companies in the name of operational or managerial services. This would have a direct bearing on the administration of DJB, and clerical staff of revenue department, as lower and upper division clerks or head clerks will hardly be required anymore. This is further corroborated by the PWC report, which strongly recommends complete computerization of DJB. Many departments of DJB like, administrative department or labour welfare department and several others will cease to exist. In Orange Farm area of Johannesburg (south Africa) Degremont and associates invented a new mechanism to get rid of workers engaged in meter reading, billing and revenue collection. They issued pre-paid water cards and the water flows in pipes only after inserting this card in the newly installed meters.

In all the plants handed over to private companies in Delhi, there are no clerks anywhere. They sub-contract the work of employees to another local firm. For example, Rithala Wastewater Plant has been handed over to Degremont on contract but the employees working there belong to Extra Enterprise. Similarly, nitrification unit of Okhla water treatment plant has employees of Tanwar Company.

Let us look at the PWC’s prescription in this regard, as given in Chapter 2 of its report. The total sanctioned staff strength is 30,825 (including 4,200 of muster roll workers) in different groups and against this the actual filled-in staff is 26,878 (including 4532 muster roll workers and 440 contract drivers). It has identified 168 categories of employees in four groups in DJB. A break-up of group-wise filled-in staff (excluding muster roll workers and contract drivers) is given in Table-10. In the opinion of PWC, DJB is bottom heavy i.e. the lower staff in C and D groups comprises 97 percent of the total staff. Therefore it has proposed ‘Staff Rationalization’ of these overstaffed groups. It has suggested a number of reviews for restructured DJB (post-privatization) to look into this aspect.

Table-7: Categorization of DJB Employees

<table>
<thead>
<tr>
<th>Group</th>
<th>Pay Scale</th>
<th>Filled-in-staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>above Rs. 8000</td>
<td>176</td>
</tr>
</tbody>
</table>
PWC has proposed consolidation of employees’ categories pruning it down from existing 168 to 102 categories. The break-up of some of the redundant categories, i.e. categories that are proposed to be eliminated, is as follows:

a. 7 categories where recruitment rules have not been made and no posts have been filled
b. 42 categories where recruitment rules exist but the posts have not been filled
c. 17 categories where the recruitment rules and roles of functionaries are similar and hence they can be merged in lesser number of categories

It does not mean that only workers of lower categories will be affected. Many of the technical categories can be reframed after reducing their number, where one employee can perform multiple works. Adoption of Skada technique will render PLB and leak detection cell useless. The private companies are driven with the motive of profits and there is inverse relationship between number of employees and profit – less the number of workers, more is the profit. The public statement of Degremont that it will operate Sonia Vihar water treatment plant with 60-70 workers also corroborates this. All the wastewater plants run by Degremont are functioning with very little workers: Rithala with 35 workers, and there are never more than 5 workers seen in one shift at Delhi gate Nala and Sen Nursing Home Nala plants. Similarly, Okhla water treatment plant operated by Degremont hardly has 18 workers.

According to a rough estimate, 60-70 percent of the present employees of DJB may lose their jobs once the process of privatizing DJB is complete. A case of reforms in power sector Delhi can be cited which witnessed the similar situation. It would be relevant here to mention that Planning Commission’s tenth five-year plan report has found the power privatization process financially unviable. The Planning Commission said - The privatization programme in Delhi has been able to endure such huge distribution losses because the state government subsidy covered the huge gap and replicating the model across the country would be economically impossible.

1.7.2. Skyrocketing of Water Tariff

PWC report contains a complete chapter (5) on tariffs. In the very first page of this chapter, it opines: “One indication of the extent to which DWB tariffs are misaligned with the organization’s costs is the fact that the tariff is about half of what it needs to be if O & M costs and depreciation is to be covered. On an average DWB collects Rs. 4.63 per KL of water supplied. If O & M and depreciation were to be recovered, the tariff would have to rise to Rs. 8.75 per KL. If interests were included, it would rise to Rs. 13.18 per KL.” In a nutshell, this sets the agenda for the whole chapter. It has justified cost recovery by invoking the related sections of National Water Policy (2002) and DWB Act (1998). The Report has raised this issue by stating following (ibid):

1.2.1.3 Cost Recovery:

Presently, Delhi has the lowest tariff among all metros in India with DJB barely able to recover 40% of its operating costs. Despite the fact that the DWB Act mandates the full cost recovery, this philosophy has not been reflected in the tariff-setting decisions taken by the DWB. Given the persistent deficit on revenue account over the years, there is need for tariff rationalization accompanied with improved services whilst gradually phasing out the government subsidy, with the objective of achieving full recovery of costs of efficient O & M” (emphasis original).

The first two objective of water pricing policy, according to PWC are Revenue Sufficiency and Resource Conservation.

And how this would be implemented and achieved? PWC has recommended a two-part tariff system with both a fixed and a variable tariff system to put in place. Whilst the fixed charges would be uniform flat monthly fees, the volumetric tariff system would consist of two slabs with the tariff rate being higher for the higher consumption slab. The other key feature of the tariff design include reduction in the cross-
subsidy ratio among the other customer categories, increase in the sewerage surcharge from 50% to 100%, and additional surcharge of 30% on connections with non-working meters. The proposed tariff structure is presented in the Table-8.

Table-8: PWC-Proposed Water Tariff Structure

<table>
<thead>
<tr>
<th>Tariff Element</th>
<th>Domestic</th>
<th>Industrial</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Fixed Monthly Charge (Rs/Month)</td>
<td>25</td>
<td>125</td>
<td>250</td>
</tr>
<tr>
<td>Consumption Limit-Slab-I (in KL)</td>
<td>0-30</td>
<td>0-50</td>
<td>0-50</td>
</tr>
<tr>
<td>Consumption Limit-Slab-II (in KL)</td>
<td>&gt;30</td>
<td>&gt;50</td>
<td>&gt;50</td>
</tr>
<tr>
<td>Volumetric Charge-Slab-I (in Rs/KL)*</td>
<td>2.30</td>
<td>5.50</td>
<td>10.00</td>
</tr>
<tr>
<td>Volumetric Charge-Slab-II (in Rs/KL)*</td>
<td>6.00</td>
<td>12.00</td>
<td>17.00</td>
</tr>
<tr>
<td>Surcharge for sewerage services (%)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Addl. surcharge for non-working meters (%)</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Flat rate for unmetered consumers per month**</td>
<td>50</td>
<td>580</td>
<td>1500</td>
</tr>
</tbody>
</table>

* Surcharge to be applied  ** Inclusive of sewer surcharge

Let us see how this above tariff structure would hit the common man. According to PWC report, total revenue water available in 2005-06 is 330 MGD. The operational expenses (Rs. 830 crore), interest (Rs. 845 crore), and depreciation (Rs. 137 crore) were incurred on it, making the total cost of this water to Rs. 1812 crore. So, the unit cost of water in 2005-06 comes to \[\frac{18120000000 \times 1000}{(330000000 \times 4.54 \times 365)}\] Rs. 33 per KL. Assuming a consumption of 200 liters of water per capita per day, a family of 5 would consume 30 KL of water in a month. If they were charged on the basis of full cost recovery, their monthly water bill would be Rs 990 against Rs 192 at present, and if interest too is added then the monthly water bill will be more than Rs. 1500!

Though the PWC report mentioned about ‘Protection of Vulnerable Sections of Society’ but in the light of discussion contained therein, it appears merely a lip service. First of all, without any proper justification it has drastically reduced the average water requirement of poor to 40 lpcd, bringing down their monthly water requirement to mere 6 KL. Further, PWC has tried to transmogrify that existing positive discrimination towards them is in fact are ‘regressive subsidies.’ It must be borne in mind that officially more than 1.06 crore people live in JJ clusters and by invoking such steep water tariff they would be worst hit. The concern of PWC about poor can be taken with a pinch of salt, as it proposes no hike in tariff for NDMC and Cantonment areas, which have maximum average availability of water. It obviously translates into the fact that people living in rest of Delhi would bear the cost of their subsidy.

1.7.3. Government’s Financial Commitment Towards Privatization

The common perception is that once a private company takes over it will invest its own money and earn profits. But this has not been the case in water sector reforms anywhere. On the contrary, the private firms after taking over city water supply systems solely depend on receiving massive funds from the concerned governments. The same is case with Delhi too. PWC report, under the heading ‘summary of cash flow projections’ has specifically sought the year-wise government commitment as shown in Table-9.

Table-9: Loan from the Government to Finance the Cash Deficit

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>1445 crore</td>
</tr>
<tr>
<td>2005-06</td>
<td>3270 crore</td>
</tr>
<tr>
<td>2009-10</td>
<td>5737 crore</td>
</tr>
</tbody>
</table>
At present it is not in public sphere how much commitment government has made or is planning to commit. But more important question is - how this money sought by PWC will be generated? If it is going to be allocated from the regular budgetary provisions, then the entire exercise of reforms itself becomes futile. If the government is willing to incur such mammoth finances to private companies, it can definitely improve the existing set-up of DJB manifold with even one-third of this money.

In addition to skyrocketing water tariff, PWC has also suggested to impose various new charges, like development charge, meter maintenance charge, meter security charge, connection charge, and occupiers’ security charge, in addition to 100% raise in all the existing charge. These have been cited as other modes of generating revenue, irrespective of the paying capacity of consumers.

1.7.4. Other Issues of Concern

There are several other issues of concern, which emerge from the experiences of privatization of city water supply everywhere but paucity of space does not allow an elaborate discussion. These include: excessive work load on workers in post-reform period, violation of labour safety regulations and workers’ welfare, reduction in average quantum of water availability per family, dilution of potable water indices, apathy to consumer related problems and their redressal, deterioration of sewer line services, increase in frequency and number of plant accidents, and conflicts on control over ponds, wells, and other surface waterbodies with local residents, etc. Since the general framework of privatizing city water supply is same everywhere, so in all likelihood these problems will also come to fore in Delhi too, due course of time.

1.8. Conclusion

It is evident from the above discussion that urban poor living in Delhi have the lowest priority in the official scheme of things, in spite of the fact that more than 76 percent of the population of Delhi lives in 2938 Jhuggi-Jhompri clusters. Privatization of Delhi water supply system would have been their death-knell. Under immense public pressure, in October 2005 Delhi government finally withdrew its loan application to World Bank for DWEEP, providing some relief to the urban poor however a lot remains to be done in order to fructify the urban poor’s access to civic amenities. Unfortunately Delhi Master Plan 2021 fails in this regard and appears to be totally blind to their concern.

Acknowledgement

This paper is excerpted from a detailed study “Delhi’s Watery Woes” originally conducted for Centre for Trade and Development (CENTAD) New Delhi and assistance from CENTAD is thankfully acknowledged.
Urban Poverty Issues in India – Challenges and responses

Ramesh Ramanathan

Background
India no longer lives mainly in her villages. At the turn of the millennium 305 million Indians lived in nearly 3,700 towns and cities spread across the length and breadth of the country. This comprises 30% of its population, in sharp contrast to only 60 million (15%) who lived in urban areas in 1947 when the country became Independent. By 2050 over 50% of the population is expected to be in urban centres.

But urbanisation has not come without its share of problems. This level of growth is creating heaving fault lines beneath the urban surface, most of which citizens have little control over. As a young democracy, India has had little experience in managing urban issues. Our urban political and administrative leadership is unprepared to provide adequate governance even in the current situation, let alone in the chaotic future. Clearly, there are wrenching discontinuities at the grassroots. At the most basic level, there are questions about the ability of government to deliver the basic support services to ensure a decent quality-of-life for urban residents. This problem is felt more acutely among the economically challenged sections of urban society who do not have access to minimum basic services in terms of water, sanitation, adequate dwellings, health, education, etc.

However, while all urban residents have suffered the consequences of a weak governance environment, it is the urban poor who have suffered the most. Afflicted by the combination of their own economic circumstances, poor access to basic services like education, healthcare, water and sanitation, housing and public distribution services, the poor have been caught in a vicious delivery vacuum. On one hand, they are the victims of weak delivery systems in urban local governments; on the other hand, national pro-poor schemes have suffered from poor design, often caught in the schizophrenia between addressing the issues of “urban spaces” versus “urban people”.

This bias can be seen at many levels, from the Union government to state governments and even at the level of urban local governments. For instance, in the 2005-06 Union Budget, plan funding for urban areas was Rs 3500 crores, 2% of the total Plan budget of Rs 145,000 crores. With an urban population of over 30 crores, this works out to around Rs 100/capita. Specifically for the urban poor, Rs 1,000 crores are being spent on about 10 crore poor – again Rs 100 per capita.

For rural areas, the plan spend comes to Rs 45,000 crores. There are others, excluding non-plan expenditures that also have a rural bias, like the Rs 26,000 crore food subsidy. The total rural population is 75 crores, hence this works out to Rs 600/capita, six times the amount being spent for the urban citizen. For the rural poor alone, expenditures work out to Rs 1000/capita, ten times the figure for the urban poor.

Challenges

Beyond policy bias, the urban poor are also affected by the delivery challenges of government, even when there are programmes that are meant for them.
There are some services that need to be made available exclusively for the urban poor, to ensure that we are an equitable society - three items stand out prominently: food, housing and livelihood. There could be others, but these are fairly significant items. In each of these, the poor need a helping hand, to ensure that they climb out of poverty and that there is a safety net beneath them as they make this journey.

In this context, it would be useful to get a better appreciation of what these delivery gaps are. Let us examine the process, using examples from each of the three items of food, housing and livelihoods above, to illustrate the delivery challenges that we face.

**Beneficiary identification**

Take food supply, in the form of our public distribution system. Assume that there is a new food supply programme that is announced, for example more rice and grains and kerosene for each poor family, at subsidised prices. This scheme now needs to be implemented by some second-division assistant in the Food and Civil Supplies department. How will he do this? How do we determine who is poor, it is such a fuzzy term. There is a definition called BPL, which is “Below Poverty Line”. But what defines the BPL line?

Without getting into technicalities, it is defined in terms of calories of food intake per person per day; this is then translated into an income figure, which is different for different states.

So, let us say that we have an annual income figure of around Rs 20,000 for a family, below which they qualify to be on the BPL list.

Now, how does this second-division assistant determine income levels among the poor? They don’t pay taxes, or file returns; their incomes are invariably sporadic, cash-based, daily wages, seasonal and so on.

So, since the income cannot be determined, the department uses “proxies” for income: what is the type of house, do they have their own toilet, do they have an electrical connection and so on. In total, there are about 60 such parameters that the Food and Civil Supplies department uses to determine qualification for the BPL card.

This information now has to be collected; the agency has no staff to go around to do this, so they hire an outside firm to conduct this survey. Many of the parameters are quite subjective, and difficult to verify. In urban areas especially, it is difficult to really establish domicile.

In addition to the collection difficulties, this data now has to be maintained and updated, for lakhs and lakhs of records. In Karnataka, for example there are 70 – 75 lakh BPL card families. How does this data get stored? How are changes made? How often? What if someone dies, what if they move, or migrate? Simple logistical questions.

What has been described is for one department. If there is another department that also needs a BPL list for its own special programme, say, housing, they don’t use the same BPL list as the Food and Civil Supplies Department. Instead, this department generates its own list, which could have parameters that are not entirely consistent with that of the
F&CS department. Remember, inclusion on the list is the starting point to receive the benefits of the particular programme. So one can imagine the pressure being applied to arbitrarily “expand” the list.

In this regard, highlights of a study of BPL lists that Janaagraha conducted with 3 departments of the Government of Karnataka is produced below:

1. Area of Pilot: Bangalore City Corporation limits
2. Government Agencies involved:
   a. Food & Civil Supplies (F&CS)
   b. Directorate of Municipal Administration (DMA)
   c. Karnataka Slum Clearance Board (KSCB)
3. Area of survey - 3 declared slums:
   a. Edgah Mohalla – Ward 93 Devarajeevanahalli
   b. Manjunatha Colony – Ward 54 Srinivasanagara

The table below lists the number of poor identified in each of the lists, including a Actual BPL List identified by all 3 agencies together during the survey:

<table>
<thead>
<tr>
<th>Slum</th>
<th>F&amp;CS List</th>
<th>DMA</th>
<th>KSCB</th>
<th>ACTUAL BPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edgah Mohalla</td>
<td>580</td>
<td>107</td>
<td>116</td>
<td>328</td>
</tr>
<tr>
<td>Manjunatha Col</td>
<td>815</td>
<td>533</td>
<td>552</td>
<td>472</td>
</tr>
<tr>
<td>B’hind Vinayaka Talkies</td>
<td>446</td>
<td>-</td>
<td>-</td>
<td>279</td>
</tr>
</tbody>
</table>

More than the difference in the number of BPL families between these agencies is the fact that these names are not necessarily common across the agencies – i.e., persons who are on the DMA list are not necessarily on the F&CS or SLUM Board list. The actual common BPL names across all three lists is only 6%! The diagram below illustrates the discrepancy in the data available on the number of BPL households, in terms of the overlap between these lists.
These are the details that determine the success or failure of a programme. Unless fundamental changes are made to how we create, manage and update such poverty lists, we can be assured that even the few government programmes that are directed towards the urban poor will not find their way to them.

Programme Design

Beyond beneficiary identification, there are many other issues with urban poverty programmes – one specific example is in programme design. This can be seen by examining the issue of housing for the urban poor.

A typical housing scheme, Indira Awas Yojana in rural areas, (or Valmiki Ambedkar Malin Basti Avas Yojana (VAMBAY) in urban areas) is designed as follows:

- Cost of house: (approx.) Rs 50,000
- Upfront payment by the allottee: Rs 10,000
- Loan from government: Rs 40,000

There is an interest component, as well as a subsidy component.

Check any state government’s finances for the housing loan portfolio under these schemes. Hundreds of crores have been spent, which technically are to be recovered, with interest. The repayment rate is not even 5%. The entire housing loan portfolio of most governments can be classified as NPA.

There are several issues with the design:
First, the quality of construction leaves a lot to be desired; the allottees know this, that they are really getting only Rs 25,000 worth of home for the Rs 50,000 paper value.
Secondly, none of the allottees thinks of the “loan” as a financial obligation: there was no discussion on terms before the loan sanction, and there will be no pressure for repayment either, so the whole issue gets swept under the rug.

Thirdly, since governments don’t have robust financial management systems, these outstanding loans don’t show up in any formal financial statement, so there is no institutional mechanism to monitor, even where there is individual intent to do so. What cannot be measured cannot be managed.

So here is a programme whose benefits are clearly needed by the poor: good quality, affordable housing. But the intent is betrayed by the implementation. Leaving aside the beneficiary identification problems that we talked of earlier, the government has now gotten into the business of construction and housing finance, neither of which it has a core competence in.

What is the impact of poorly designed low-income housing? Massive.

Throughout 2005, the Mumbai Municipal Corporation has been demolishing thousands of slum dwellings. Media reports captured the standard responses: middle-class angst against illegal squatters, versus the outrage of the displaced about the inequity in treating those who form the underbelly of Mumbai’s economy.

The slum demolition is being framed in the context of Mumbai - the country’s commercial capital - losing its eminence. However, the story needs to be understood against a larger tapestry of two other developments: one, the increasing urbanisation of India, with a projected 600 million residents by 2030; and two, the booming housing finance market, which has gone from a Rs 10,000 crore industry barely five years ago to one that is touching Rs 100,000 crores.

The reality: urban land is all about money.

The situation in Mumbai actually requires some reflection about why the poor are squatting. India has an abysmal story to tell on urban poor housing. NSSO’s Survey in 2002 is revealing: 52,000 slums hold 8 million urban households, representing 14% of the total urban population, and only half the poor – the others live on the streets. About 65 per cent of the slums were built on public land owned mostly by local bodies, state governments, etc. Infrastructure facilities are atrocious: only 15% of these households have drinking water, electricity and latrines in their premises. Less than 25% of them have sanitation systems. The housing stock shortage in India is around 20 million, of which 50% is urban; of this, 70% - 80% is in the low-income segment.

This is not just about “slum demolition drives”; it requires a coherent low-income housing policy. Two questions could help in directing the discussions. The first, “Can the housing needs of the urban poor be served by market forces? If so, what needs to be done?”
After all, the boom in housing finance has happened due to market forces. So it is logical to ask why banks are not lending to the low-income group, and why real estate developers are not building for this gigantic 8 million-strong market. To provide some perspective, HDFC has financed a total of 2.5 million homes over 25 years. The NSSO survey shows that the urban poor spend close to Rs 1 lakh of their own money on housing: the nesting instinct is universal.

Housing finance companies and large banks don’t service the low-income market for a variety of reasons:

1. The inability to assess credit risk: no pay slips, no tax returns, uncertain cash flows
2. Lower profit margins due to smaller transaction sizes and fixed costs
3. Lack of clarity on recoveries: no land title, uncertainty about repossession

What about niche players? The famed microfinance movement in the country is institutionally hobbled; still insignificant in financial terms; substantially restricted to rural areas; and even there, focused on Self-help Group (SHG) lending, which cannot be the delivery channel for housing finance.

The third issue is the critical one, the structural constraint of land title. The absence of a guaranteed land title system in India has far-reaching implications. Current land ownership records only provide “presumptive title”: the sale deed and the tax-paid receipt. All developed countries have a system of guaranteed title, and most developing countries don’t. Herando de Soto, a Peruvian economist has written compellingly about this in a book titled, “The mystery of capital”. While many countries are changing their ways, no state in India has exhibited leadership in cleaning up the land title process.

Two policy tools are available to government to “release” these market bottlenecks:

1. A thorough revamping of land title systems, to move to a guaranteed system
2. The creation of zoning and land-use planning that specifically encourages low-income housing, and mixed income neighbourhoods

Market-driven solutions need policy support, and will emerge only over a period of time. Also, these policy changes will not ensure coverage for all the urban poor.

This leads to the second question, “What is the role of government in ensuring adequate low-income housing?” Over the past fifty years, government policy has matured from a fragmented scheme-oriented approach to one that sees housing as part of integrated development. The National Housing Policy and the National Housing Bank are results of this new thinking. HUDCO, which was established in 1970 has lent a cumulative amount of Rs 10,000 crores for urban housing. However, HUDCO’s structure of being a quasi-financial institution with minimal regulatory oversight or governance mechanism demands changes before it can fulfil its stated role. The results therefore continue to be inadequate, plagued by issues of transparency, participation and corruption. Solving this requires a different set of conditions:
• Strong local governments that can manage urban planning, have fiscal strength and enforcement credibility.
• Bottom-up participation of the affected communities, in determining housing solutions.
• Integrated delivery of services, not just housing. Examples show that for every rupee invested in infrastructure, the poor generate seven rupees of their own capital.
• A stock of publicly-created, innovatively-managed rental housing as part of low-income housing policy.

Unlike other relatively more intractable public policy problems, solving the low-income housing conundrum in India is tantalisingly within grasp. A few policy changes to catalyse the private sector, combined with restructuring government’s own initiatives could trigger dramatic change. Destroying slum dwellings only exacerbates the problem: the evicted slum dwellers are now pavement dwellers.

Livelihoods

Finally, let’s take the third programme: livelihoods. Like those in the middle class, even the poor have those who are more enterprising than the rest, and are risk-takers; the larger group are those who want the security of wage employment. If the intention of livelihood support is to provide a temporary helping hand, rather than a permanent dole, then both types of poor need to be helped; the former need entrepreneurial training and access to financial services, and the latter, appropriate skills for the changing economy.

Across rural and urban India, there are complex currents of economic change sweeping across the livelihood landscape. The author has tried for the past 6 years to get good quality information on urban economies in India, but there is practically no data being collected on urban economic activities.

As one example, in rural areas, under the aegis of NABARD, the entire banking industry is engaged in the creation of detailed annual District Credit Plans (DCPs). These are anchored by Lead District Banks, and reviewed by each State Level Banking Committee (SLBC) and the local District Collector from the government. At these reviews, priority sector allocations are discussed, challenged and monitored. On the face of it, it seems like a fairly rigorous system, quite well-institutionalised.

Unfortunately, there is no such structure for urban activities. None of the DCPs, including those districts which actually include cities and towns in them, have any detailing of urban economic activities. There is a complete credit-information vacuum of our urban micro-economy: the fact is that our governments and banks and policy makers are flying blind. The markets are working in gay abandon, and the government is running around with small strips of band-aid, trying to provide succour and attend to complex issues of social justice. A study that we are just completing suggests that the unmet credit needs of the lower half of urban residents in Bangalore alone is Rs 2,000 crores; this is being completely met by the informal sector, at interest rates anywhere
between 5% per month to 10% per day. Way above what Ratan Tata and Mukesh Ambani are borrowing at.

One could claim that this weakness applies only to the urban areas. However, even the reasonably well-mapped rural areas have a different affliction: an extreme reluctance on the part of banks to lend for priority sector activities due to artificial constraints on lending rates. Recovery rates on priority sector loans are often around 20%. While there are gradual moves to remove these ceilings from a regulatory standpoint, this relief is limited to a very small segment of priority sector lending.

This is at a time when we have a silent financial revolution that is sweeping across the country: we are piling up enough evidence to demonstrate that the poor are indeed bankable; that more than handouts, what they need urgently are intelligently designed banking services. The increasing share of microfinance loans to the poor, both in rural and urban India amply demonstrate that if the products are designed correctly, the financial services to the poor can be viable, with recovery rates in the high 90s%.

These credit gaps are felt by the self-employed poor. For the majority of the poor who wish to have wage-employment, what they require is skill development for new types of livelihoods, either in the rural areas or the urban ones. This needs a close connection to the marketplace, and a fairly thorough redesign of the EDP programmes and skill development courses that are currently being conducted by government.

**General Assessment**

A comprehensive study of all urban poverty alleviation initiatives of the Government of India since Independence was done a few years ago, and the author was a part of this study; this was published as part of a larger document on urban poverty issues in India. Reproduced below is a section from this study, related to general observations on Urban Poverty Alleviation Programmes in India:

**A Critique of Urban Poverty Alleviation Programmes**

While discussing the limitations of urban poverty alleviation efforts, one should note their successes and incremental improvements. However, this critique is meant to be constructive and thus discusses their weaknesses as well. These critiques have been divided into three categories: **Pre-Design, Design, and Implementation** and examined below.

The pre-design section primarily addresses the government’s knowledge of the issue of urban poverty and its intentions or motives in addressing this issue.

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1 from “Urban Poverty Alleviation – a General Assessment and a particular perspective” by Supriti, Sharon Barnhardt, Ramesh Ramanathan, Ramanathan Foundation, 2002
The design section addresses specific schemes of the UPAPs. It deals primarily with issues related to the accuracy and method of targeting the right beneficiaries, community participation, and innovation.

The section on implementation, as the name suggests, evaluates the UPAP after the design stage. It highlights the obstacles and accomplishments experienced in implementing and monitoring the schemes successfully.

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Summary

The urban poor are already caught in the penumbra of the spotlight on their rural cousins. Unfortunately, even after this policy bias, they face many challenges in procuring basic services for themselves. These challenges of beneficiary identification, programme design, and intelligent state-market linkages are substantial, and will not be solved overnight. But there is hope. There are changes that are taking place throughout the country. In small trickles admittedly, in little innovations across the towns and villages of India, with leadership being taken either by a committed government servant, an enterprising politician, a determined civil society activist, or rarer still, by a miraculous combination of all three.

The pace of this change needs to be accelerated, and new ideas need to be encouraged. In this regard, the author would like to submit the following suggestions:

Nagara Raj like Panchayati Raj: We need massive decentralisation, a pushing through of urban decentralisation reforms, giving local governments the authority and accountability to determine their destinies, with the full participation of citizens. This means a
paradigmatic shift in the power equation between the 3 layers of our federal system. The
detailing problems that we discussed earlier will be solved at the grassroot level,
differently in different settings. Focus can shift to outcomes, rather than irrelevant input
measurement. New service delivery arrangements can be experimented with, involving
public-private partnerships. New, locally appropriate solutions will emerge. Mistakes
that are made will be localised, from which there will be learning and adaptation. All
citizens, including the urban poor, will be able to participate in decision-making on issues
that matter to them.

**Introduction of a Common Poverty Scale**

Specifically, there are two fundamental weaknesses with the BPL approach. The first is
to do with the methodology itself. Even if there were a single BPL list, the concept of an
imaginary “line” that can adequately capture the vulnerability of the poor is at odds with
the complex realities that face them. The poor don’t elegantly rise above the “poverty
line” in some clinical manner; they slip and slide around with different degrees of
vulnerability for a while. The Kerala government’s Kutumbashree programme has
developed the concept of a “Poverty Scale” that measures vulnerability on 10-point scale:
the poorest are exposed to the greatest number of factors, the less poor have fewer
vulnerabilities. Such a Poverty Scale captures this exposure far better than the Poverty
Line, with more appropriately designed programmes. For example, those at the upper
end could get insurance support to prevent them from sliding back.

**Fixing the BPL lists:** The second weakness is about how such BPL – or Poverty Scale –
records are created and updated. Giving this to government servants is tantamount to
legitimising corruption and patronage; beneficiary identification is among the most potent
forms of largesse in government today. On the contrary, many local communities know
who among them is poor, who has lost a husband, who hasn’t had a meal. Legitimate
political platforms like the Grama Sabhas in rural areas can be mandated to maintain the
Poverty Scale lists; urban areas need similar platforms at the grassroot level in the form
or Ward Sabhas and even smaller units below the ward.

**New state-market relationship:** A new dynamic needs to emerge between the banking
system and policy-makers who wish to align the powerful forces of the financial markets
towards the poor. One where there is freedom to operate, with responsibility for
eQUITABLE outcomes. What is required on the part of government is an innovative
regulatory mechanism, like benchmarking the profitability of the priority sector segment
to the rest of the banks’ lines of business, and demanding sector-wise reporting. We need
to move beyond simplistic loan-melas and interest-waivers.

*Ramesh Ramanathan is the founder of the Bangalore based organisation Janaagraha.*

**Environmental Entrepreneurship Program for Urban Poor Women**

  
  
  **Jyoti Mhapsekar**
Mumbai, economically rich, prosperous and growing is a city of almost 12 million people. Who generate considerable amount of waste (around 7000 tons) every day. Growing affluence increases volume of waste. Workers in the informal economy are an invisible part of the urban landscape providing a variety of the services to ever increasing urban population.

“Sustainable human development is development that not only generates economic growth but distributes its benefits equitably; that regenerates the environment rather than destroying it; that empowers people rather than marginalising them. It gives priority to the poor, enlarging their choices and opportunities and providing for their participation in decisions affecting them. It is development that is pro-poor, pro-nature, pro-jobs and pro-women.” (Future of the United Nations Development Programme: Initiatives for Change. 1994)

Waste pickers, though sizeable in numbers, are among the most marginalized and invisible within this category of workers. As per the definition prepared by “SWACHH: Alliance of Wastepickers in India”, the term "Waste-pickers" and "Waste-pickers organisations" should be included and defined in MSW rules 2000 (Issued by Central pollution Control Board of India) as follows. “Waste pickers are those workers whose livelihood depends on informal collection, segregation and sale of scrap. It does not include poor workers such as domestic workers, watchmen, doorstep waste collectors hired by contractors, municipal workers/ safai karmacharis, all of whom may be supplementing their incomes through sale of scrap. The latter category earns salary/wages while the waste pickers do not.”

Waste pickers are engaged in various kinds of work like waste picking, segregation, recycling and at the organized level, door to door collection and composting and recycling recovery. The issue of urban poverty is intricately linked with waste. In India lakhs of people find livelihood opportunities in the area of waste. Therefore it is important to understand issues about waste in this context.

**Parasar Vikas: An Environmental Entrepreneurship Program for Urban Poor Women**

Stree Mukti Sanghatana, Women’s Liberation Organisation (SMS) established in 1975 has directed its efforts towards the upliftment of women irrespective of caste class, creed, religion, language & nationality; primarily by creating awareness in the society about women’s issues and the issues related to equality, peace and development. For last 28 years SMS is working among the men & women to achieve equal status in all spheres of life, i.e. political, economic, social cultural & psychological fields. It is an apolitical, autonomous, voluntary organisation.

Since its inception, SMS has made the significant contributions to the women's movement in Maharashtra thorough various activities such as ten Counselling Centres for distressed women, Five Day Care Centres Adolescent Sensitisation Program, Large scale awareness campaigns on issues regarding women in various parts of Maharastra and India using the medium of a Theatre, poster exhibitions, seminars, talks etc., Publication of book
and magazines, Production of audio-video cassettes and CDs. These efforts have now been recognized and appreciated at both the national and international levels. In June 1999 SMS received the consultative status from United Nations (ECOSOC).

SMS started the work for the Parisar Bhagini women of Mumbai in 1998. The Parisar Vikas programme aims at addressing the problems of rag picking women, engaged in the ‘menial’ tasks of ‘cleaning the waste’ and also the problem of waste management, engulfing the urban existence.

Background

Studies in Mumbai, Pune and Ahmedabad have effectively documented that

a. Waste picking is a caste and gender based activity.
b. All Waste pickers belong to the scheduled castes (Dalits)
c. Age group of Waste pickers - 7 to 70 years.
d. In most cities gender division of waste pickers is: women waste pickers – 85%, Men Wastepickers-10% and Children Waste pickers - 5%
e. 90% of all Waste pickers are the primary breadwinners for their families
f. 98% of Waste pickers are illiterate with no alternative skills
g. Most of waste pickers are from drought-prone areas of Maharashtra and other southern states
h. Waste pickers suffer serious health hazards resulting from unhygienic work conditions. Injuries from carelessly thrown glass and metal pieces, acid bottles, needles and dog and vermin bites are common occupational hazards. Most of them suffer from severe Anemia and occurrence of Tuberculosis, Respiratory diseases and backache are very common
i. Their day starts at the dawn and extends to more than 10 hours and entails walking 10-12 km. daily carrying heavy loads of up to 40 kg
j. Harassment by the police and municipal workers and exploitation by scrap traders and money-lenders is a common occurrence

After analyzing the findings of the survey of 2000 women waste pickers, SMS initiated a meaningful dialogue with waste pickers (Parisar Bhaginis). Twenty-five years of experience of working for women’s Cause helped SMS to ensure a comprehensive approach towards these problems with proper perspective.

SMS developed a specialized program for Parisar Vikas

i) Survey of 2000 Parisar Bhagini. Today, almost all of them are members of the organization. With the help of community workers though various awareness, educational and health activities SMS also tries to reach out to their families.

ii) Issuing Identity cards, with the endorsement from MCGM, to Parisar Bhaginis.
iii) Establishing 200 groups with a group leader. 170 groups out of these have already started working as saving groups. Saving groups have already disbursed Rs. Fifty lakhs for its internal lending up to 31st March 2005. Federation of these groups is already registered as an independent organisation `Parisar Bhagini Vikas Sangh. (PBVS)`

*Thus the program developed by SMS is actually a perfect practical application of most of the Millennium Development Goals stated by the United Nations in 2000.*

I. **Eradication extreme poverty and hunger**

SMS efforts of bringing change into this lot of urban poor lead to another important development. The Urban Poverty Eradication Cell of Municipal Corporation of Greater Mumbai has undertaken a number of initiatives and adopted innovative concepts and strategies in the implementation of various components of this program. A novel concept has been adopted in which the 'Waste picker' community has been addressed as a special group as they constitute the 'poorest of the poor' of this city. The concept paper written by CCDO Ms. Jyoti Pandya titled 'People's participation in the critical issue of Solid Waste Management and linkage with UPA program' bore fruit when all components of Suvarna Jayanti Shahari Rojgar Yojana SJSRY were applied in practice to this extremely needy group. Thus started a significant partnership between SJSRY (MCGM), SWM (MCGM) and SMS. Most of the components of Poverty eradication program are being covered under this joint venture.

**Access to resources**

1. Permission for Issuing of Identity cards jointly signed by SMS president and Deputy Chief Engineer, SWM.
2. Household Survey of these women for BPL status and their inclusion (100 groups and 1000 women so far) under SJSRY- another 70 groups are in the process.
3. Grant of Rs. 10000/- to each group as a running capital to start their micro enterprises- Out of 200 groups 63 groups with 678 women already received revolving fund of Rs.6,78,000/- disbursed under the 'Thrift and Credit Societies' component of S.J.S.R.Y.
4. Provision of tempo for collection of dry waste and inclusion of Parisar Bhaginis in such schemes in five wards
5. Recognition to SMS as the training Institute
6. Vocational training of 5 batches women under SJSRY
7. Under Infrastructure development of SJSRY, sanction to construct sheds in seven wards for storage of dry waste which will operate on Cooperative basis under the aegis of PBVS (5 such informal sheds are already in use.)
8. Formation of neighborhood committees
9. Approval of design submitted by SMS for the composting of wet waste in the pits of the size 5’x 3’x 2’
10. Sanction of grant to SMS to construct and maintain two NISARGRUNA PLANTS (Producing Bio gas and manure) at Shatabdi Hospital and Deonar abattoir respectively under the guidance of scientists of BARC for MCGM. Today SMS is maintaining five such plants.

Joint efforts are now being made by designing business proposals such as purchase of tempo, establishment of medicinal plant- nursery, sale of manure etc. to establish bank Linkages for self help groups. Urban Development Department of Government of Maharashtra has noted the importance of this partnership and in its G R of May 2004 has recommended adoption of this approach to all other Municipalities in the state.

II. **Universalization of primary education**

Making pre-primary education available to the children of the Parisar Bhaginis by starting Balwadis (Kindergartens) in the communities with the help of Pratham, an organization working for Universalisation of Primary Education. 300 girls were given special educational assistance with the help of local donors. Almost 80 % of the children of age group 6-14 attend the formal school. SMS is now trying to organize youth in the community and is also trying to give them orientation in further educational opportunities, professional courses, life skills etc. . . .

III. **Improvement in health, Combat HIV/AIDS, malaria and other diseases**

IV. **Reduction in child mortality**

V. **Improvement in maternal health**

- Holding Health camps for the women and children and provision of counseling facility to the needy families
- Development of special immunization, Anemia detection, cure and prevention program with the help of P.S.M. department of K.E.M. Hospital
- Starting a Crèche (a day-care centre), for the children of Parisar Bhaginis, in the Community Centre next to the Deonar dumping ground.
- Special health workers’ Training to community workers with the help of Alert India
- After sustained efforts waste pickers have been covered as special category under Janashree Vima Yojana and Antyodaya Yojana

VI. **Gender equality and empowerment Of women**

- Social empowerment
SMS has dedicated itself to the Women’s Cause. It has developed lot of material using various forms over the years such as theater (its famous play Mulagi Zali Ho or Beti Aayi Hai), songs, CDs. Poster exhibitions etc... on various issues pertaining to women and children. All this was extensively used while conducting various awareness programs in the communities, SMS also used the material developed by other organizations like Pratham, Tathapi, Institute of health management, Pachod etc. for this purpose. SMS is also organizing awareness and leadership development camps (36 Sessions) for the group leaders with many inputs such as Equality, Solid waste Management, Health, Importance of education, work culture, P.D.S., Atrocities, Effective parenting etc.

- **Economic empowerment**

SMS Established two training centres in M-ward (Chembur), for training Parisar Bhaginis in bio composting, vermiculture and gardening. 300 women have been trained in manure and gardening techniques so far. As a result of this 250 women have gained meaningful employment...

As a trainer and facilitator SMS secured work opportunities for Solid Waste Collection and Treatment in major public and private sector housing colonies and office premises viz. Tata Power, T.C.S., R.B.I. Navy, BEST, Pfizer, CIDCO, MCGM, BARC, Somaiya etc.. 250 trained Parisar Bhaginis successfully brought near zero-waste status in these colonies, campuses and also in the small housing complexes spread over 13 wards in Mumbai. In last 2 years work has spread to Navi Mumbai, Kalyan, Dombivili and now in Thane.

At WSF 2004, PBVS took over the contract of collection and disposal of waste and made a sizeable profit.

In November 2004 along with SMS experts, Parisar Bhaginis participated in training the staff, workers and residents of IPCL Township in Nagothane (Dist. Raigad). Today IPCL Nagothane is first Petrochemical Township in India achieving near zero waste status.

SMS as facilitator helped Parisar bhaginis to register six service-cooperatives, 50 women each under the Cooperative act for business entrepreneurship.

SMS is one of the conveners of the following networks

1. **Swachha:** Alliance of Wastepickers in India
2. **AWM:** Alliance on waste management. (National Alliance of organizations working on waste issues)
3. **MMAF:** Maharashtra Microfinance Action Forum (Alliance of organizations working with self help (Micro finance) groups)

**VII. Environmental sustainability**
The approach adopted by SMS in Parisar Vikas is found to be most sustainable as it imparts the beneficiaries with the knowledge and skills, advocates for their rights and helps them to be organized. It combines Economy, Empowerment and Environment. This will help Parisar Bhaginis to have increased bargaining power, better social organization, increased income and self-sufficiency.

To make this model sustainable, SMS Simultaneously developed 5-6 composting models for use with the available space in localities of different Socio-Economic background. SMS also took help of the concept of Advanced Locality Management Groups (Citizens’ groups) encouraged by MCGM Authorities. Many of these local groups gave employment opportunity to trained Parisar Bhaginis in their lanes. In turn Parisar Bhaginis brought near Zero waste situation in these areas. Soon SMS received an opportunity to upscale its activities. SMS received maintenance contract for NIsarga Runa (Biomethanation) plant developed by BARC scientists with capacity of treating 5 tons of biodegradable waste every day. Today SMS is maintaining 3 such plants at Anushakti Nagar. SMS has also constructed two such plants for MCGM and maintaining them. One of the plants has successfully produced electricity from the biogas generated.

Three factors - poverty, gender inequality and poor ‘quality of life’ - pose major challenges to sustainable urbanisation. If good governance can combine adequate powers, resources and operational capacities with community and partner empowerment, local authorities can take a central role in sustainable urbanisation. Mobilisation of local resources, whether private or public or community-centric, is a major challenge. There is a greater participation of voluntary organizations along with Municipal Corporation in the field Solid waste management now. SMS therefore feels that treatment of waste can become a potential opportunity to increase the people’s participation in the whole process and make them aware of their own responsibilities. This initiative can also convert the wet waste into Green Gold and make a considerable difference in the environment. Use of such manure or soil in the cities will stop the relentless exploitation of hills and river basins in the rural area. It will also create better working conditions for the Municipal conservancy workers who struggle day and night to keep the cities clean. It will bring the necessary attitudinal change in the people, which will help in the gradual acceptance of the Parisar Bhaginis by the society as responsible partners of the environmental entrepreneurship program.

VII. Global partnership for development

SMS secured funds from War on Want, a UK-based organization for the purpose of carrying out the above program

Observations

Parisar Vikas is proving to be a learning experience for all the workers and the SMS as an organization. Help from private and public sector is coming in the form of providing solid waste management contracts from residential colonies.
“There is a direct, although non-proportional relationship between population growth and waste generation. According to TERI calculations the population growth 1981-1991 was from 8.2 million to 12.3 million, a growth of about 49%. At the same time, the municipal solid waste (MSW) generated increased from 3,200 tonnes / day to 5,355 tonnes / day, an increase of around 67%. Thus the growth in MSW has clearly outpaced population growth, which is likely to happen in other places as well.” (Up scaling people’s participation in urban solid waste management Pub. by Toxics Link, New Delhi)

Proper function of solid waste management needs involvement of people at every stage. People are not informed on what this solid waste is where it is taken and what happens to it afterwards. The Municipalities in any of the developing countries do not do any recycling recovery on their own. They still view solid waste management from the conservative (traditional) perspective of waste collection, transport and disposal. This needs to be changed to include resource conservation and recycling and get reflected in the solid waste management rules by giving due importance to the formal and informal players in the same. Contribution of waste pickers was not recognised even in the MSW Rules 2000. Their presence needs to be acknowledged, recognized and strengthened in multiple ways so that there is convergence between the livelihood protection and upgradation needs of waste pickers (poverty alleviation) and the statutory obligations of municipalities in respect of management of urban solid waste Poverty Alleviation Program. For developing countries recycling of waste is the most economically viable option available both in terms of employment generation for the urban poor with no skills and investment. Indirectly this also preserves the natural resources going down the drains. Some local governments have taken initiative to burn waste through incineration or gasification for insignificant quantity of electricity generation with astronomical cost and dangerous environmental impacts, which will take away the livelihoods of lakhs of urban poor. In their haste to comply with the Municipal Solid Waste Rules 2000, Urban Local Bodies in certain cities have contracted out door to door collection to private contractors displacing and further marginalizing waste pickers who can no longer access waste. The negative fall out is already seen in Nashik (1000), Nerul, Virar, Pimpri-Chinchwad and Nagpur (2000); Surat (2000) and Ahmedabad in Gujarat. The belief of municipal administrators and citizens that NGOs are small scale, inefficient unprofessional, and unaccountable and therefore incapable of providing such services has little basis in fact. The lack of cooperation, vested interest in waste collection and transportation, lack of coordination and accountability at municipal levels despite their infrastructure and manpower discourages voluntary organizations to upscale their efforts. NGO initiatives and arrangements that do not fit in their conventional contractual framework.

The Significant Contribution of waste pickers to the city is

- Reduction in municipal waste handling and transport costs
- Supply of raw material to recycling factories
- Saving space at dumping ground
- Resource recovery in form of valuable compost
- Conservation of environment
SMS therefore feels that the Municipal Authorities should issue identity cards to Wastepickers authorizing them and granting them permission to collect scrap for recycling. The BPL survey to be conducted should take special note of waste pickers under BPL. While outsourcind door to door collection of waste even private contractors, should be asked to employ waste pickers on first priority basis. This should be written into the contract between municipality and Contractor. Wastepickers’ organizations should be encouraged, promoted and given preference by municipalities when outsourcing door to door collection of waste as mandated by the MSW rules 2000.

With the full cooperation of IPCL Authorities SMS could achieve 90% zero waste situation in IPCL- Nagothane Residential colony and Factory campus. However due to lack of cooperation by Municipal authorities could not complete B.C.P.T. funded project of Area Adoption in Chembur. SMS also participated in the study of B ward undertaken MEDC which shows that first step for decentralisation of waste management is the proper dedicated services to collect the segregated waste of hotels and Markets. This waste then can be sent preferably for Bio methanation in Nisarga Runa Plant and or Bio composting. Second step can be tackling of the waste generated by Public and Private sector residential complexes and their disposal then and there. Separate collection and scientific disposal of Debris (Brick making) and Medical waste (Hydrolysis) can take care of inert material and health hazards. The third step should be providing area wise sheds for dry waste, Encouragement and incentives to citizens for segregation at source and composting and public education can transfer the face of Waste management in Mumbai. In Pune, PMC has taken a policy decision to incorporate waste pickers in house to house collection. It has also warned citizens about Corporation’s non ability to collect dry waste. Public- private partnership of this kind can definitely benefit Municipal Corporations and the environment.

Reduce, Recycle and Reuse is the slogan for waste Management R of Responsibility need to be added to this slogan. Because that sustainable waste management requires reducing the waste and controlling the products that do not create undesirable waste. All over the world and in Europe EPR (Extended Producers’ Responsibility) is fundamental to the waste policy, while we in India have not looked at this. Manufacturers should be required by law to create Eco-friendly packaging and put proper instructions on the product as to how best to dispose them in an Eco-friendly way. For example, sanitary napkins-which are otherwise biodegradable -should not be using plastic shields and have clear instructions as to how they can be disposed in the paper bags only. Similarly Municipal Corporations should issue clear guidelines to the citizens or industries when they are undertaking the interior designing or civil Work. Recently SMS with help of Tetra Pak has successfully completed pilot project of collection and storage of 6 tons of Tetra Pak, which is multi layered and therefore otherwise would have gone to dumping ground and stayed there.

The main constraints faced by SMS are:

- Management and organizational skills
- Capital and financial management skills
- Technological and design inputs for suitable equipment.
- Interface between voluntary approach and professionalism
Improvement of productivity, reduction of health hazards
Marketing and logistic support.

The experience of Parisar Vikas, the initiative of involving Waste Pickers in the mainstream of Solid Waste Management system of MCGM, is a lesson on managing such challenges. Above all, it highlights the reality that women from marginalize groups need not be passive victims of poverty and human rights violations; they can successfully participate in the struggle to survive, to gain control over economic, social and political resources and lead a life of dignity.

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Engendering Health and Human Rights
The IFHHRO Conference 2005: A Brief Report

The fundamental health challenges inherent in the contemporary global political economy are equity and sustainability which have been central to the struggle for health within countries and outside it for the past few decades. Addressing them requires an understanding of the social systems and the embedded health systems which are fundamentally asymmetric. The IFHHRO Conference 2005 on Engendering Health and Human Rights was organized between 30th September and 1st of October to discuss several such issues related to health equity and development from the human rights framework. The organizers for the conference were the, Centre for Enquiry into Health and Allied Themes (CEHAT), and the International Federation for Health and Human Rights (IFHHRO). The venue for the conference was Mumbai, India.

The interaction between the different forms of inequities has created a complicated web of emerging vulnerabilities. In the conference, there was an elaborate discussion on what constitutes right to health. A rights-based approach to health is to be understood as participation, accountability, non-discrimination, and empowerment and must have explicit linkages to human rights standards. A rights-based approach to health builds on these guiding principles and supports the fulfillment of internationally agreed human rights requirements, particularly those that are relevant to the health sector. Prof Paul Hunt, The UN Rapporteur to Right to Health, in his keynote address mentioned that the Right to Health has matured in the scale of evolution and has reached a crucial stage in the history of health movements with an increased capacity to negotiate justice, shape domestic and international policies and change lives. This maturity in right to health has been possible by intensified campaign, awareness and involvement of people at all levels.

But the question remains….. What does a right to health approach bring to a particular health problem? By looking through the lens of right to health, attention is focused on the need to addresses and redresses the policies affecting health; give importance to local needs, increase importance of evidence-based information and education, promotion of needs-based drug research and the presence of an effective networking of monitoring
mechanisms. Right to health explicates an improved access to health; promotes equality, inclusion and non-discrimination; improves the quality of health services and respect for diversity; involves consultation, participation and empowerment of different social-economic groups. In the context of gender, right to health provides a framework of giving importance to gender, understanding and recognizing the differences as injustices and emphasizing the presence of health right obligations. On the opening day of the conference Alied Boss, spoke extensively on the International Conventions, Committees and the role of international law, governments and health professionals in combating violence against women.

Throughout the conference the speakers provided evidences of persistent gender inequalities and discrimination, how it derives policy implications both in the domestic and global arenas. Prof Vibuti Patel, and Laxmi Murthy in their plenary address gave vivid accounts of the discrimination and human rights violations on women in South Asia and emphasized on the importance of women’s movements in putting the gender perspective in place. On the second day of the conference, Sofia Gruskin’s plenary address highlighted the relation between gender equity and rights. According to her, there was a need to recognize the importance of understanding discrimination in operational terms. Gender inequity traps have created various vulnerable groups. There are close links between human rights and public health and these indicate that violations of women's human rights often carry with them serious consequences for women's health.

The Conference recognized the intrinsic value of gender equity and the importance to use rights framework to ameliorate the health problems related to gender across nations. But there were some questions constantly resurfacing throughout. Can public action bring about positive change? How can we engender right to health beyond it’s understanding as mere abstract principles adopted by states to people whose rights are violated in the field? Does right to health really exist or they are just a western construct? What happens when diversities clash? Is it idealistic to consider right to health in a conflict context? How does one monitor the unmonitorable and what do you do when rights are violated? The different parallel sessions held during the two days of the conference, deliberated on these concerns.

Three parallel training sessions were taken on the second day of the conference. There was a session on, Applying the Rights Based Approach and the Principles of the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) which was taken by Ms Manisha Gupte. The session on, Orientation on Gender Equity Concerns in Health and Human Rights was taken by Prof Vibhuti Patel and Sofia Gruskin and the session on Combating Sexual assault, Strengthening the role played by he Health Sector, taken by Dr Amita Pitre, Dr Ruben Naidoo and Djordje Alempijevic.

The Conference received many delegates from all across the world and the length and breadth of India who shared their experiences. There were in total 240 participants at the conference with fifty-two presentations. The discussions and debate during the conference made it clear that right to health means investing in people, expanding access
to justice, better infrastructure, increasing equity within developing countries, making policies that correct persistent inequalities in opportunity and promoting fairness and build greater endowments. The rights to health framework helps people contextualize their rights and in doing so they gain awareness, feel promoted and protected and therefore may stand a better chance of having their rights realized.

The Conference ended with a valedictory address by Ms. Aruna Sharma from the National Human Rights Commission who discussed at length the work of the NHRC relating to addressing violations of human rights and its recent focus on health rights.

There was a film festival on the second day of the conference. Several films were screened during the film festival. Bol (Speak)! War and Peace, When Women Unite, Dead Mums Don’t Cry, Munna Bhai MBBS, were some of them. At the end the IFHHRO 2005 Mumbai Declaration was prepared as an outcome of the conference.

**IFHHRO 2005 Mumbai Declaration**

Engendering human rights implies progressing towards gender equality in the realization of health and human rights.

The conference recognized that the realization of health and human rights requires that inequality and discrimination, in particular in relation to gender, be urgently acted upon.

1. The conference calls on State Parties to respect, protect, and fulfill all human rights—especially the right to the enjoyment of the highest attainable standards of health—as they all impact on health.

2. Health professionals are key players in enabling individuals and communities to enjoy the right to health. This conference calls upon health practitioners and their national and international professional associations to abide by ethical and human rights principles in their practice and acknowledge, confront and address effectively all abuses of ethical standards and violations or neglect of human rights by health professionals.

3. Disease targeted programs and integrated health programs alike, must proceed and be framed according to gender sensitive health and human rights principles. Monitoring and redress mechanisms must be put in place to reveal and address violations and other forms of deviation by these programs from health and human rights principles.

4. The conference calls on all State Parties, health professionals, international agencies, donors, health industries, and other actors to work towards the realization of the highest attainable standard of health by all people regardless of their capacity to pay.

*Declaration by participants at the International Conference on Engendering Health and Human Rights, Mumbai, 1st October 2005*

*Innovating Mumbai*
Ever since Mumbai, India’s most populous city, faced a deluge on July 26 and its aftermath of destruction and disease, it is questionable whether it is capable of innovating anything. Till this disaster – which was partly natural but to a larger extent man-made – the Maharashtra government (Mumbai is the state capital as well as the commercial hub of India) was fond of likening Mumbai to Shanghai. No less than Prime Minister Manmohan Singh also endorsed the idea on a visit to the city. The notion of “transforming Mumbai into a world-class city” was in 2003 recommended by the corporate think-tank, Bombay First, based on a report by the international consultancy firm McKinsey. The government has set up a task force to implement this vision.

This report has come in for considerable criticism, mainly on the ground that it does not adequately address some of the main problems plaguing Mumbai – the lack of housing and neglect of public transport. The Society for the Promotion of Area Resource Centres (SPARC), a leading slum NGO, however, believe that both the report and task force are “very welcome initiatives (which) are representative of a genuine will to improve the face of Mumbai, of which making the city slum-free is an important component”. Adds Sheela Patel, SPARC Director: “Bombay First and other such reports jolt the state and are good number-crunching exercises, but until the state government and citizens participate to transform the equity, all reports will come and go.”

Probably no city with as huge a population – around 14 million – has as many homeless people: 55% by official count. Earlier this year, Chief Minister Vilasrao Deshmukh demolished some 90,000 slum dwellings in order to “beautify” Mumbai and had to be restrained by his Congress Party high command in New Delhi. According to slum activists, SPARC has not been part of any coalition to protest against such anti-democratic measures. Many treat it, in relation to the government, as collaborationist rather than confrontationist.

SPARC has, however, been active in helping the government relocate 16,000 of some 22,000 slum families which had been living along the railway tracks to implement the second phase of the World Bank-funded Mumbai Urban Transport Project (MUTP). U.P.S. Madan, who was the first Project Director of the project, recalls that when he took over in 1999, SPARC was the only NGO that had already worked in areas along the railway tracks. “Such rehabilitation of project-affected people was a pre-condition for the World Bank loan, which became the government policy. We didn’t have too many options with NGOs. It had already conducted surveys in these areas some 15 years previously. I had been associated with them from the late 1980s, when I had been dealing with slums and encroachments in the city: they had a proven track record.

“It cost Rs 2 lakh ($4650) to rehabilitate each family, 9% of the total cost of the project. SPARC had the confidence of the people as well as the government. Till today, despite other NGOs, they are probably the number one in the field in dealing with such large numbers. It is unique because it has the pulse of the people with the involvement of the National Slum Dwellers Federation [an affiliate led by Magsaysay award-winner A.
Jokin]. Besides Sheela Patel, the SPARC Director, and Sunder Burra, a former bureaucrat, know the functioning of the government from within – a very good mix.” It has also subsequently been asked to relocate 35,000 homes which were proving an obstacle in constructing roads under the Mumbai Urban Infrastructure Project (MUIP); the first 3,000 have been relocated already.

SPARC has also cooperated with the municipal corporation is delivering sanitation to some 1 million households who now resort to defecating in the open by building 250 community blocks. “Such plans were on the anvil for ten years,” says Patel. “The government didn’t believe that a sanitation programme would work. It asked: ‘Who will bother to maintain these toilets?’ The scale was only possible through a people’s process of consultation and involvement. We had to dirty our hands – this is the politics of delivering such services.”

A third and final example of innovative solutions was SPARC’s setting up of 200 “police panchayats” or self-help groups, consisting of three men, seven women and one policeman, in slum colonies. Half of these function efficiently, meeting once a week. “The idea is to sort out problems at this local level,” explains Patel, “whatever is socially acceptable to both sides of a dispute, to prevent them from taking it to the police. When there is a case of domestic violence, for instance, the police doesn’t know what to do. They are hardly a presence in the slums. In fact, they are seen as a symbol of harassment both ways: they will harass you at someone’s behest or when you go to make a complaint, extort money from you.

“These groups operate in the public domain and are thus enforcing accountability from the police. A.N. Roy [the present Police Commissioner] admits that the police won’t reform themselves; a dialogue with the public is necessary and this engagement is bound to be positive. In the current relief works [after the Mumbai deluge], the network formed by these groups has helped to streamline the distribution of commodities.” She illustrates the dynamics of working within poor communities by referring to how leprosy patients in a slum cluster want to be resettled separately to avoid the stigma of their (disease-free) children being ridiculed by the rest of the slum dwellers.

Other Mumbai slum resettlement NGOs do not necessarily agree with SPARC’s method of functioning. P.K. Das, an architect and activist from the Nivara Hakk Suraksha Samiti (NHSS, a housing rights organisation), believes that its role has been to facilitate the ongoing work of the government by negotiating with slum dwellers. In its resettlement projects, he points out that the government provides with what are known as the PAP [“project affected people”] components, like transit camps, relocation sites and the like. “SPARC isn’t housing but rehabilitation NGO,” he maintains.

“It is a government-appointed, registered contractor now, a construction agency. It receives huge grants, Citibank and international funding. NHSS, by contrast, is fighting to assert the rights of the people in relation to the government, whereas SPARC complements the work of the government. The situation is like this: if there’s a fire, NHSS will ensure that the government provides a blanket, while SPARC provides the
blanket. It is encouraging the government to shirk its responsibility. Its method of functioning weakens democratic structures in the city rather than strengthen them – in that sense, there is a political difference.”

NHSS has been engaged in relocating 20,000 families which used to live on the fringes of the Sanjay Gandhi National Park. Mumbai is one (if not the only) major metropolis in the world which has such a reserved area within its confines. Das claims that this is the single largest rehabilitation at one site in the country. “The government had to provide the land and infrastructure; the people became the owners. This is a true public-private partnership.” In an 85-acre site at Chandivali, in the western suburbs, NHSS is working on a Rs 500 crore [$116 million] scheme with a builder under the government’s Slum Redevelopment Authority.

Other housing activists observe that SPARC has chosen to remain out of coalitions of such organisations. These, like YUVA and the National Association of People’s Movements, led by Goldman environmental award-winner Medha Patkar, have been protesting against the state government’s demolition drives and cut-off dates for recognising tenure at a site. They emphasise how such cut-off date policies do not take into account movement from one slum to another or the natural population growth, under which the children of a slum family may be denied rights if they do not figure in the last slum census. They believe that rehabilitation should be a participatory, not a target-oriented process, and allege that SPARC have become contractors and are part of the co-option of NGOs.

Shahar Vikas Manch [City Development Forum], a network of urban poor communities, believes that the MUTP and MUIP projects do not have uniform rehabilitation policies. MUTP, influenced by the World Bank, rehabilitates project affected people. MUIP, funded by the State and Central governments, rehabilitates only project affected people who have proof of residence before 1995. Besides being discriminatory in principle, it also excludes people who may have lived in the city for years, but have changed or transferred their residence after 1995.

The rehabilitation policies of both MUTP and MUIP fail to recognize the losses incurred by the informal livelihood sector in their assessment for compensation. This includes home based workers, street vendors and other economic activities which are practised widely, but do not receive support or recognition from the State.

MUIP does not undertake the required environmental impact assessment to gauge the physical and ecological consequences projects is not undertaken in MUIP. The disastrous consequences of the lack of long term planning in implementing such projects were experienced in the recent floods that devastated Mumbai, and other part of Maharashtra. In Mumbai particularly, areas that are directly in the vicinity of mega projects for land filling, and modification of natural water routes.
Macro Economic Policies and MDG III: 
Promotion of Gender Equality and Empowerment of Women

Dr. Vibhuti Patel

“We need a vision of mankind not as patients whose interests have to be looked after, but as agents who can do effective things—both individually and jointly. We also have to go beyond the role of human beings specifically as ‘consumers’ or as ‘people with need’, and consider, more broadly, their general role as agents of change who can—given opportunity—think, assess, evaluate, resolve, inspire, agitate, and through these means, reshape the world.”

Prof. Amartya Kumar Sen

Introduction
MDG III has challenged discrimination against women, and seeks to ensure that girls as well as boys have the chance to go to school. Indicators linked to this goal aim to measure progress towards ensuring that more women become literate, have more voice and representation in public policy and decision making, and have improved job prospects. But the issue of gender equality is not limited to a single goal; it applies to all of them. Without progress towards gender equality and the empowerment of women, none of the MDGs will be achieved. Prioritizing women and girls offers a compelling, and in many cases, win-win approach for policy makers and planners towards implementing the MDGs.

Analysing from this perspective, experiences of last one and half decades have shown that the macro economic policies (MEPs) pursued by the nation states are not in consonance with the MDGs.

Bleak Scenario
Neo-liberal MEPs have accentuated inequality and poverty [1] and has had massive influence on the urban, rural and dalit/tribal poor women as paid, underpaid and unpaid workers of the economy. [2] As homemakers the poor women have shouldered disproportionate (triple) burden of globalisation due to commercialisation of day-to-day survival needs such as drinking water, degradation of environment and health services [3] and cash controlled and privatised education by corporate driven globalization [4]. Expensive transport, erosion of public distribution system that provided grains, fuel, cloth material, soap, etc., have reduced chances of schooling, nutritious diet and healthy growth of poor women’s children. Laissez-faire in the labour market has threatened the employment opportunities of the adult and married women. During the last one decade, there has been drastic increase in the girl child labour.

The Impact of MEPs on Women Workers in India
Women of the third world are seen as the most flexible of the world's labour force. The lower supply price of these women provides a material basis for the induction of poor
working-class urban women into export industries such as electronics, garments, sports goods, toys and agro-industries. [5] In the export-oriented industries, the production of leather goods, toys, food-products, garments, diamond and jewellery, piece-rate female labour is employed, working from sweatshops or from home.[6] Outsourcing is name of the game. The relationship between the formal sector and the decentralised sector is a dependent relationship where the formal sector has control over capital and markets and the 'informal' sector works as an ancillary. In India, 96% of the urban and rural poor women work in the decentralised sector, which has a high degree of labour redundancy and obsolescence. These women have less control over their work and no chance for upward mobility because of temporary, routine and monotonous work. [7]

Women constitute only 14% of the total employment in the organized sector. It is concentrated in Maharashtra, Delhi, West Bengal, Uttar Pradesh and Tamil Nadu. In the urban areas, Female Economic Activity Rate (FEAR) in tertiary sector has increased, from 37.6% in 1983 to 52.9% in 1999. (Economic Survey, 2002, GOI).

Here too, though women workers and employees get relatively better wages, there is gross violation of labour standards. Much applauded recommendations of the IInd Labour Commission grant increased freedom to the employers to hire and fire workers at their whims and fancies.

Perpetuation of Wage Differential (WD) by economic globalisation is such that for identical tasks done by both men and women, women are paid less. And women are also confined to relatively inferior tasks, casual work. The Trans National Corporations (TNCs) and Multi National Corporations (MNCs) are cashing on patriarchal attitude and myths about women’s low productivity. Effects of WD have been subordination of women, son preference, man being treated as a “bread winner” and a Head of the Household (HoH). Affirmative Action to remove these prejudices is a need of an hour. Both, the state and the social action groups need to join hands to provide gender justice in the labour market.

**Primitive Accumulation of Capital for Expansion of World Capitalism**

Marked feature of neo liberal policy is enlightened self- interest activated through market forces in the era of economic Globalisation (G). G rides on the back of cheap labour of women and children.

Landscape of urban and rural informal sector in dozens of South Asian (India, Pakistan, Bangladesh, Sri Lanka, Nepal) and South East Asian (Thailand, Indonesia, Philippines, Malaysia) countries, Indochina (Laos, Kampuchea and Vietnam) and China is flooded with sweatshops, ghetto labour markets and stigmatised migrant workers.

ASEAN countries have recently discussed establishment of Special Economic Zones that would ensure flexibilisation of the labour force to attract Foreign Direct Investment (FDI).
During the 1990s employment of adult women decreased and employment of adolescent girls and child labour increased. Women were and are given less skilled and underpaid jobs. Budgetary cuts for balwadis and crèches enhanced the burden of poor working women. FTZs and EPZs thrive on young women’s super-exploitation. The employers overlook occupational health hazards.

Displacement in the Name of Development: The most disturbing aspect is the very space to live and work is withdrawn from the urban poor in favour of parking spaces and flyovers. Throughout the 20th century, the urban poor women have been employed in food, beverage, tobacco, textiles, and wood / bamboo / cane and ceramics industries. Here too, they have been targets for retrenchment and forced to join the unorganized sector. Women are squeezed out of the marketing, vending spaces because global traders have made local labour and skill obsolete.

Sizeable section of the informal sector goods and services are produced, frequently by means of contracting and subcontracting, which are paid for on piecework rather than a time-rate basis. Much of the economic activity in the informal sector is founded on capital from the formal sector and given the low cost of labour and taxed minimally or not at all, return to where it came from with tidy profit. Primitive accumulation in its classical form included plunder, slavery and colonialism, while primitive accumulation in the contemporary period includes sweat-shops, labour concentration camps and criminalisation of the working class. In 1998, the world economy had 1.2 billion poor i.e. population with an income of less than 1 dollar per capita per day.

As a result of Structural Adjustment Programme, sacked/ retrenched formal sector workers and employees are forced to work in the informal sector. Victims of Voluntary Retirement Scheme have downward economic mobility. Rationalisation, mechanisation and automation have had labour reducing implications. Massive urban unemployment and rural underemployment and disguised unemployment have resulted into social tensions in terms of ethnic and religious chauvinism in several Asian countries. Women pay the heaviest price due to communal and ethnic conflicts. Incidents of economic crimes have risen drastically.

Labour Standards as set by the ILO under the impact of economic globalisation have been violated resulting into erosion of workers’ rights and collective bargaining process due to informalisation, casualisation and marginalsation of the working class as a result of economic liberalisation policies adopted by the nation states in the region. Trade union workers from all Asian countries expressed their anxiety about countries competing with each other to cut costs by compromising labour standards. In the name of labour flexibility, exploitation of the workers is enhanced and feminisation of poverty has taken place. The social action groups must demand of uniform labour standards for all countries that are part of World Trade Organisation so that the nation-states stop competing for cutting the cost by violating workers rights.

Co-existence of high wage islands in the sea of pauperised working class has enhanced human misery and social conflict in the context of massive reduction in the welfare
budgets of the nation states in South Asia and South East Asia. With rising ethnic and communal tension jeopardising economic activities, visible and invisible activities of underground extra-legal economy is displaying a tendency to expand. Introduction of contract system in public sector has institutionalized neo-liberal dual economy model.

Immigrant women face job discrimination in pre-entry phase & wage discrimination in post entry phase. They remain the first to be fired and the last to be hired. They are the major victims of casualisation of the labour force. Dualistic models in urban India promotes differentiation based on language, caste, religion, ethnic background and exclusion from informal network for upward economic mobility. Majority of the toiling poor rot in the external sector in which real wages change at disparate rates. Institutions like extended family, caste and village nexus play an important role in providing safety nets to migrant workers. Forced eviction to accommodate mega projects, capital driven globalisation has perpetrated tremendous human miseries by resorting to forced eviction of poor people from their dwelling place and work-place.

“Women...and other vulnerable individuals and groups suffer disproportionately from the practice of forced eviction. Women in all groups are especially vulnerable given the extent of statutory and other forms of discrimination which often apply in relation to property rights (including home ownership) or rights of access to property or accommodation, and their particular vulnerability to acts of violence and sexual abuse when they are rendered homeless.”

(UN Committee on Economic, Social, and Cultural Rights, Sixteenth Session, 1997)[8]

Displaced Population due to Natural as well as man-made disasters:
Women victims of natural disasters such as floods, earthquakes and social disasters such as caste, communal, ethnic conflicts and war and economic disasters in the name of development (building 350 flyovers in Mumbai, mega plants, shopping plazas displacing people) need rehabilitation in terms of proper housing, civic amenities, safe transport and work.

Girl Child Labour and Globalisation
Nearly 10% of girls were never enrolled in schools due to paid and unpaid work they had to do in homes, fields, factories, plantations and in the informal sector. Sexual abuse at the work place is a hidden burden that a girl worker endures. The child labour policies, however, do not spell out anything specific to girl child workers. There is no implementation of prohibition of girls working in hazardous occupations as per Child Labour (Prohibition and Regulation) Act, 1986. About 6% of the males and females in rural areas and about 3% males and 2% females in age group 5-14 in urban areas were found to be working during 1993-94.[10]

HIV AIDS and STD among Urban Poor Girls:
Tourism driven globalisation has promoted sex-tourism and child prostitution. Tourists seeking uninfected short-term sex partners increasingly pursue young girls based in the urban centres as well as on the national highways and have paid sex with child
prostitutes. Young girls may be forced into sex or otherwise have little power in sexual relationships to negotiate condom use, particularly if their sexual partner is older—a double risk since older men are more likely to be infected. Belief that the sex with virgin girls cures STDs among men has intensified trafficking of girls from rural hinterland to the urban red light areas.

STD pathogens can more easily penetrate the cervical mucus of young girls than that of older women. The cervix of a girl is more susceptible to gonorrhoeal and chlamydeous infection as well as to the sexually transmitted human papilloma virus (HPV), which causes cervical cancer. They may be even more reluctant than the adults to seek treatment for STDs because their sexual activity is frowned upon. Also, they may not know that they have a disease. They may be too embarrassed to go to a clinic, have no access to a clinic, or be unable to afford services. They are instead taken to unqualified traditional healers or obtain antibiotics from pharmacies or drug hawkers without proper diagnosis. Improper and especially incomplete treatment of STDs may mask symptoms without completely curing the disease, making it more likely that STDs will be transmitted to others and that complications such as infertility will occur. In our country millions of adolescents live or work on the street, and many are forced to sell sex under extremely barbaric and unhygienic conditions that increase their exposure to STDs.

Criminalisation of day-to-day Survival Needs in the Urban Slums and Predicaments of Poor Women:
The urban slums are getting increasingly criminalized due to the working of land-sharks, violent political rivalries and youth unemployment. Violence against women such as rape, kidnap, induction of girls for pornographic filming, child sexual abuse, kidnapping of girls in the urban slums have increased many fold in the recent years. Globalisation has made it extremely easy to import XX and XXX pornographic films and literature that promotes sado-masochistic relationship between men and women and escalates male violence, paedophilia and child sexual abuse.

MEPs and Educational Needs of Women:
Liberalisation of educational services under General Agreement on Trade and Services has given a major blow to the state supported educational institutions. Privatisation of education is oriented to profit and commodification of educational services. Women are the main losers as parents channelise financial resources for son’s education, daughter’s education is considered to be less important. There has been massive retrenchment of women teachers from schools and colleges. Foreign educational institutions operating within purely commercial parameters are expanding their tentacles all over the country. At present, all educational institutions are thriving on super-exploitation of workers, employees and teachers working on a contract basis where totals control over hire and fire policy rests with the management; majority of contract workers happen to be women.

Health Sector Reforms and the Poor Women:
In the name of cost-efficiency patients are discharged earlier from the public hospitals. This has increased women’s invisible labour, whose stretchability has limits. Their physical and mental health suffers. Now, medicines are not freely available. Only
contraceptives and high potency tranquillisers to check mental illnesses are easily available.

Women’s health is determined by the forces working at homes, work places, society and the state. According to Dr. Amartya Kumar Sen, “Burden of hardship falls disproportionately on women” due to seven types of inequality- mortality (due to gender bias in health care and nutrition), natality (sex selective abortion and female infanticide), basic facility (education and skill development), special opportunity (higher education and professional training), employment (promotion) and ownership (home, land and property).[12] Economic globalisation has accentuated all 7 types of inequalities faced by women from womb to tomb.

As a result of sex-determination and sex-preselection tests, sex ratio of the child population has declined to 927 girls for 1000 boys. Sixty lakh female infants and girls are “missing” due to sex-selective abortion of female foetuses and pre-conception rejection of daughters. Sex-ratio (number of women per 1000 men) of Greater Bombay has reduced from 791 in 1991 to 774 in 2001 in spite of rise in its literacy rate.

**Violence and Health Issues of Women over the Life Cycle:**

As unborn children, they face covert violence in terms of sex-selection and overt violence in terms of female foeticide after the use of amniocentesis, chorion villi biopsy, sonography, ultrasound, imaging techniques [13] IVF (In Vitro Fertilization) clinics for assisted reproduction are approached by infertile couples to produce sons. Doctors are advertising aggressively, “Invest Rs. 500 now, save Rs.50000 later” i.e. if you get rid of your daughter now, you will not have to spend money on dowry.

As girls under 5 years of age, the urban poor women face neglect of medical care and education, sexual abuse and physical violence. As adolescent and adult women in the reproductive age-group, they face early marriage, early pregnancy, sexual violence, domestic violence, dowry harassment, infertility, if they fail to produce son, then face desertion, witch hunt. The end-result is a high maternal mortality. Causes of maternal deaths in our country are haemorrhage, abortion, infection, obstructed labour, eclampsia (blood pressure during pregnancy), sepsis, and anaemia.

Escalating number of cases of domestic violence, dowry deaths and bride burning has motivated Bombay Municipal Corporation (BMC) run K.B. Bhabha Municipal General Hospital to collaborate with an NGO, CEHAT to launch a project Dilaasa (means reassurance) to provide social and psychological support to women facing domestic violence. On March 8, 2002, the BMC declared its intention to replicate this model in all BMC run hospitals in the Greater Bombay.

Sexual harassment at work place should be treated as an occupational health hazard as it causes damage to both physical and mental health of women.[14] Women workers working in foreign land have often reported sexual harassment and torture by employers and agents.
Home and Work Conditions Affecting Women’s Health:
Pollution of air and water, noise pollution and chemicalisation of environment affect everybody. Scarcity of fuel, water and food-grains as a result of commercialisation has taken heavy toll of women’s health. Urban poor women have to take up 2-3 jobs to supplement their income to meet the basic survival needs of their family members. Floods create deaths, destruction and epidemics. Global warming has resulted in resurgence of older epidemics such as cholera, typhoid, malaria, dengue, and haemorrhagic fever. Burgeoning sex-trade have made 2 million sex-workers potential carriers of HIV, STD, and AIDS. Moreover, women in prostitution may suffer from T.B., other STDs, malnutrition, malaria and skin diseases. [15] At present, there is an evidence of rising HIV rates among young married women who are infected by their husbands. Data from 7 cities in India of ante-natal clinics reveals that HIV-AIDS prevalence rates among pregnant women are 2% to 3.5% in Mumbai and 1% in Hyderabad, Banglore and Chennai. [16]

Modern lifestyle and environment has increased breast and uterine [17] cancer among Indian women. Techniques meant for detecting cancer (e.g. self-examination of breast and pap-smear) are rarely used by the urban poor women. As a result, detection of cancer and its treatment at earlier stage becomes impossible.

All types of fruits are cornered by liquor industry and alcoholism is aggressively promoted among the toiling poor. As a result, men don’t contribute for daily necessity of the households. Women have to shoulder major burden of household expenditure. Use of bio-fuels- wood, dung, crop residue resulting into indoor air-pollution takes away the lives of 5 lakh women annually. [18]

Health-care Facilities for Women:
Profit motive of five star hospitals and multinational pharmaceutical industries determine the health agenda, not the public health concerns. As a result, in India, only 49.2% of total pregnant women received ante-natal check-up by health professionals. Health workers visited only 21% of pregnant women. Tetanus toxoid coverage of pregnant women was 53.8% and Anaemia prophylaxis coverage among pregnant women was 50.5%. [19] Majority of Indian women are left with no choice than to deliver at home. [20] Every 5000 population has an auxiliary nurse midwife (ANM) with responsibility to attend childbirth. Only negligible parts of home-births are attended by ANMs. [21] Institutional deliveries constituted only 22% of total deliveries at the national level. Urban areas were better covered: 55 percent as against a very megre 18% in rural areas. [22]

New Reproductive Technologies (NRTs) and the Urban Poor Women:
Profit obsessed MEPs have given boost to bio-medical research that lacks ethical standards. NRTs perform 4 types of functions. In Vitro Fertilisation (IVF) and subsequent embryo transfer, GIFT (Gamete Intra Fallopian Transfer), ZIFT and cloning assist reproduction. [23] Contraceptive Technologies prevent conception and birth. Amniocentesis, chorion villai Biopsy, niddling, ultrasound are used for prenatal
diagnosis. [24] Foetal cells are collected by the technique of amniocentesis and CVB. Gene technologies play crucial role through genetic manipulation of animal and plant kingdoms.[25] Genomics is “the science of improving the human population through controlled breeding, encompasses the elimination of disease, disorder, or undesirable traits, on the one hand, and genetic enhancement on the other. It is pursued by nations through state policies and programmes”. [26] The urban poor women are treated as genie pigs for experimentation of the NRTs.

It is important for the social action groups to examine scientific, social, juridical, ethical, economic and health consequences of the NRTs. Globalisation has facilitated NRTs that treat women’s bodies as site for scientific experimentations. Globalisation had also accentuated a process by which the poor women from Africa, Latin America and Asia have been treated as raw material for bio-medical researches.

Contraceptives targeted at women, with serious side effects are Quinacrine, Net-en, Norplant, Depo-Provera, anti fertility vaccine and RU 486. Side effects of long acting hormonal contraceptives are menstrual disturbance, circulatory and cardio-vascular problems, thyroid, chest-pain, giddiness, migraine, increased risk of cancer and infertility. [27] Aggressively promoted HRT (Hormone Replacement Therapy) i.e. oestrogen therapy for menopausal women has generated opposition as several studies have shown that HRT has carcinogenic implications for women.[28] Modus operandi of contraceptive research in the Asian countries treats coloured women as raw material for experimentation for eugenics.

**Population Policy:**
The focus of health programme should change from a population control approach of reducing numbers to an approach that is gender sensitive and responsive to the reproductive health needs of women/men. Women groups have raised hue and cry against sexist, racist and class biases of the population control policy, which perceives uterus of coloured women as a danger zone. They have opposed genetic and reproductive engineering, which reduce women to reproductive organs and allow women being used as experimental subjects by science, industry and the state. [29] They believe that instead of abusing reproductive biology, responsible reproduction is an answer to overpopulation and infertility. Any coercion, be it through force, incentives or disincentives in the name of population stabilisation should be rejected. Instead enabling women to have access to education, resources, employment, income, social security and safe environment at work and at home are precondition to small family norm. Reproductive rights of women which guarantee women healthy life, safe motherhood, autonomy in decision-making about when, how many and at what interval to have children are a central axis around which a discourse on population policy should revolve. Several groups have prepared manuals to assist women leaders to reach out to poor illiterate women and teach them about fertility and infertility, giving them knowledge of their anatomy, to teach women to use fertility awareness as a means of family planning and to use natural family planning as an entry point to women’s health and development. [30]

**Worsening Socio-economic and Political Situation and Mental Health of Women:**
Experiences from both industrialised and developing countries have revealed that the prevalence of common mental disorders or minor psychiatric morbidity is high among the urban low income and marginalized population. Women among them are even more vulnerable. Globalisation, Structural Adjustment Programmes, increasing conflict with neighbouring countries and ongoing sectarian violence on caste, ethnicity and communal lines within the country have put the population of our country at high risk of mental illnesses. Alert India is a large NGO with 550 community workers working among the marginalized sections of Mumbai metropolis. Their women health workers found that women who have to deal with financial hardship, experience tremendous stress. Multi-tasking is name of the game. At a time women are doing 3-4 types of economic activities-tailoring, assembling of electric spare-parts, packaging of medicines, food processing, etc. Moreover, women within community are affected differentially depending on their own place in the Indian socio-economic hierarchy. In this regards, female-headed households are most vulnerable to mental distress. The mental health professionals are only geared for the episodic disasters and not the enduring disasters. Urban poor women have also become the victims of ‘mental health’ agenda shaped by multinational pharmaceutical giants. With liberalisation of economies drug cures have become established as sure cures for mental illness. World Bank has offered ‘template’ for a predominantly psychiatry driven mental health services all over the world.

Need for Rural-Urban Linkages:
Dismantling of PDS has heaped enormous misery on the poor women. The reason lies in onslaught on agriculture and food-security. 84% of all economically active women are in agriculture, majority into subsistence farming. Opening up of market since 1-4-2000 for 729 new commodities (240 are agrarian products including rice, meat, milk powder, fruits) that can be imported unrestrictedly have resulted in enormous tragedies resulting into suicides and starvation deaths among farmers and weavers. Prices of rubber, cotton, coconut, coffee, cardamom, pepper, tomatoes, sugarcane and potatoes have crashed. Urban poor women in Kerala and Karnataka are fighting desperate struggles against imports of these items to express their solidarity with their rural and tribal sisters.

Conclusion
MEPs have increased power of economic and financial transnational actors. MEPs have also increased armamentisation and militarisation. As a result insecurity for poor women has increased. They have been the first victims of downsizing and rationalisation. Their subjugation and exploitation have enhanced thro’ retrenchment, unemployment, increases in contract/ subcontract work, home working and loss of livelihood. There is an urgent need to address globalisation of poverty, violence, expanding zones and techniques of violence (as experienced in the Gujarat Carnage), consumerism and global cultural industry, strengthening partnership of market and global fundamentalism.

Globalisation has made civil society more inward looking. Caste, religious and kinship networks are activated to bring reforms within the community. Without ensuring women's rights, globalisation can't have a human face. We should not forget that globalisation has widened income gap between the resource poor and resource rich countries. ICE of globalisation i.e. Information, Communication and Entertainment in
favour of economic globalisation has nothing to offer the common women except deprivation, degradation and dehumanisation. Free-play of market forces have made majority of Indian women more vulnerable in the factor, labour and product markets. NGOs have provided islands of security in some pockets. In this situation, affirmative action by the democratic institutions and the nation state, in secular areas of human governance is the only answer.

Women’s rights organisations and social action groups were the most vociferous during the Asia Social Forum, 2003 against Trans National Corporation and Multinational Corporation driven globalisation.

Through World Social Forum, 2004 women for just, sustainable and caring trade are trying to reach out to thousands of women who are voicing the concerns of toiling poor.

Women decision makers are striving for agenda setting power to achieve MDGs. At the same time, they are aware about the failure of MDGs to reaffirm women’s human rights, access to secure land tenure and action to stop violence against women and reproductive rights of women. Moreover, they are evolving strategies to address the vicious circle linking gender inequality, neo liberal macro economic policies and poverty.

Reference:


[14] Thelma Narayan: "Gender and Power Issues in Medical Education Consultation on Gender and Medical Education, Understanding Needs for Gender Sensitisation, Critiquing Content and Method of Medical Education- Developing Long Term Strategies for Intervention, organised by Achutha Menon Centre for Health Science Studies in collaboration with CEHAT, at SNDT Women’s University, Bombay, on 31-1-2002.


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Mapping the Health Vulnerabilities of Poor Migrants in Urban Areas

Dr. Chandrima B. Chatterjee

Introduction

Urban-ward migration is one of the most important demographic shifts worldwide steadily increasing the proportion of population living in the cities. Population movement is a fairly common feature of development. In peace, rural-urban drifts bring concentrations of people into towns and cities to be exposed to new ranges of health and environmental risks. Development projects often involve temporary or long-term migrations of workers or new settlers who live in precarious conditions with minimal health provision. In times of war or political turbulence, or as a consequence of natural disasters such as flood, hurricanes and earthquakes, populations frequently migrate for safety. Many people become refugees as in other countries. Migrants often have special health needs in excess of those in a fixed population. Their shelter is disrupted; their nutritional requirements many times are not met in quantity or quality; and they are often physically and psychologically traumatized from their experiences.

The relationship between mobility and health is gaining rapid significance. Migration has been identified as a cause of disease diffusion. Mobility not only affects the health of the people on the move, but also the health of communities in which they stay, whether for long or short periods, and the home communities to which they return. Urbanization has led to population growth and a steady migration from rural to urban areas is responsible for this expected increase in the size of the global urban population. Cities have a disproportionate burden of diseases chiefly because they have a concentration of the poorest and most vulnerable sectors of the population; the rural to urban migrants.

In a world where people and economies are increasingly interdependent, health risks are not self-contained. Health around the globe is increasingly determined by the health of our cities, particularly cities in the developing world. The plight of urban populations in low-income countries is particularly alarming as rapid urbanization threatens already overstretched public health infrastructures.

Any debate on urbanization cannot ignore the link between urbanization, migration and health. The relation between development, migration-related increase in urban population and health is not a one-way but a reciprocal relation. Underlying many of the areas, vulnerability is the pervasive factor of poor health of urban population. Economic development can finance good health, sanitation, public health campaigns-education, immunization, screening and health promotion and provide broad-based social care for vulnerable groups. On the other hand poor health status of the population can be a limiting factor influencing development.
This paper analyzes the impact of urban environment on migrant’s health in urban spaces; the socio-economic determinants of migrant’s health in urban areas. The key factors affecting health in cities can be considered within three broad themes: the physical environment, the social environment, and access to health and social services. The paper explores the challenges facing the migrant’s health in urban areas arising both from the limitations of the research to date and from the complexities inherent in assessing the definition of migrants, their studies in urban areas and their relations to the health system in complex urban systems, disease causation, and health. It also questions the lack of policy initiatives towards urban health.

**Urbanization: the Imminent Reality**

The world’s population living in urban areas has tripled since 1950. Globalization and the projected trends for urban expansion suggest that by 2025, sixty-one percent of humanity will live in large cities. According to an estimate, by the year 2030 more than 60 percent of the world's population will live in urban areas, with over 83 percent of people in Latin American Caribbean (LAC) and More Developed Regions (MDR) countries living in cities (UNDP, 1999). There has been a significant urban growth with the population which was previously largely rural countries of Asia, Africa and Latin America. In both Africa and Asia, urban dwellers represent about a third of the total populations. The urban population is projected to grow by 1.8 per cent per year between 2000 and 2030, almost twice as fast as global population growth. Less developed regions will grow by 2.3 per cent and are expected to be majority urban by 2017. By 2030 all regions of the world will have urban majorities² (UNDP, 1999).

Before the Second World War only the developed countries had highly urbanized populations, a consequence of nineteenth century industrialization. The more recent urbanization in the developing world has been largely driven by rapid industrialization and related migration. The world is steadily becoming more urban, as people move to cities and towns in search of employment, educational opportunities and higher standards of living.

**Urbanization in India**

To explain urbanization in any context it is important to understand the meaning of ‘urban’, especially in the backdrop of varying definitions and often competing definitions that explains it. In the Indian context, ‘urban’ refers to any settlement if (i) it has a statutory agency such as a municipality, cantonment board, or notified town area committee, etc.(ii) it meets the following requirements: a) a minimum population of 5,000; b) a density of population of at least 400 per square kilometre; and c) at least 75 per cent of the male working population engaged in non-agricultural activities. In

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² Africa will reach 54 per cent urban; Asia, 55 per cent (UNDP, 1999)
addition, any area which enjoys civic amenities usually associated with urban areas may be labelled ‘urban’ (Kosambi, 1994). There are debates regarding the existing definition of ‘urban’. In India, the present number of ‘urban areas and towns’ is 4378 (Census of India, 2001). The urban population increased by 68 million during the 1990s, giving a total of about 285 million in 2001 (Dyson, Cassen & Visaria, 2004). Table 1 shows that since 1961, there has been a steady growth of urban population. The urban population increased from 78.9 to 283.3 (in millions). The urban increment hence was between 16.5 (in millions) in 1961 to 67.7 (in millions) in 2001. India was 18 per cent urban in 1961 and that proportion increased to 27.8 per cent by the year 2001.

Table 1: Urban Growth in India

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1951</td>
<td>361.0</td>
<td>62.4</td>
<td>-</td>
<td>17.3</td>
<td>-</td>
</tr>
<tr>
<td>1961</td>
<td>439.1</td>
<td>78.9</td>
<td>16.5</td>
<td>18.0</td>
<td>0.68</td>
</tr>
<tr>
<td>1971</td>
<td>548.2</td>
<td>109.1</td>
<td>30.2</td>
<td>19.9</td>
<td>1.94</td>
</tr>
<tr>
<td>1981</td>
<td>683.3</td>
<td>159.5</td>
<td>50.3</td>
<td>23.3</td>
<td>3.43</td>
</tr>
<tr>
<td>1991</td>
<td>846.3</td>
<td>217.6</td>
<td>58.1</td>
<td>25.7</td>
<td>2.37</td>
</tr>
<tr>
<td>2001</td>
<td>1027.0</td>
<td>283.3</td>
<td>67.7</td>
<td>27.8</td>
<td>2.07</td>
</tr>
</tbody>
</table>

Source: The census data for the period 1951-91 are summarized in Visaria, 2000 b). The figures of 2001 are provisional and is from the Registrar General, India.
Note: Figures include estimates for Assam and Jammu and Kashmir

Urban-ward Migration in India

A significant proportion of urban population in the world is contributed by migration. In India, the total number of rural to urban migrants who moved in within the last ten years is 20.5 million populations (Census, 2001). Urban to urban migration during the same period has been 14.3 million.

Table 2: Migration to Urban Areas

<table>
<thead>
<tr>
<th>Total Migrants</th>
<th>Persons</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>98,301,342</td>
<td>32,896,986</td>
<td>65,404,356</td>
<td></td>
</tr>
</tbody>
</table>

Intra State Migrants (%)

<table>
<thead>
<tr>
<th>Persons</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural to Urban</td>
<td>17.6</td>
<td>27.1</td>
</tr>
<tr>
<td>Urban to Urban</td>
<td>12.3</td>
<td>18.3</td>
</tr>
</tbody>
</table>

Inter-State Migrants (%)

<table>
<thead>
<tr>
<th>Persons</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural to Urban</td>
<td>37.9</td>
<td>44.7</td>
</tr>
<tr>
<td>Urban to Urban</td>
<td>26.7</td>
<td>25.9</td>
</tr>
</tbody>
</table>

International Migrants (%)

3 The definition is available in Census of India, 1981.
Table 2 shows that there are 98 million migrants in the country based on last residence during the last ten years. Out of the 80 million intrastate migrants, 17.6 per cent are those who moved from rural to urban areas while 12.3 per cent of population moved from urban to urban areas. However in the case of interstate migration, the percentage of people moving from rural to urban areas have been about 37.9 per cent, more than the number of people moving from rural to urban migrants while comparatively a drop is noticed in the case of urban to urban areas. It is noticed that people preferred moving from rural to urban areas in other states than their own state. Similarly, there has been more movement of people from urban to urban areas within the same state than to other states. This type of movement has special importance when we intend to focus on vulnerability of migrants as it becomes obvious from the available data that most of the rural to urban migration has been to other states than within states. Migration from rural to urban places increases the possibility of exposure of migrants to multiple vulnerabilities arising out of socio-cultural differences between States in terms of language, culture and way of life besides in some cases the long journey to destination areas. International migration has added another 47 per cent population to the urban areas. Of the international migrants, most are migrants across the borders from the neighbouring countries.

Cities in India, are meeting an influx of migrants. The migrant population in India is now 314 million, a considerable increase of more than 35 % over the 232 million migrants in 1991.4 Of the 314 million migrants in the country, as many as 98.3 million moved between 1991 and 2001. The proportion of in-migration to the different states in India is simply huge.5

Increase in urban growth from migration has increased substantially. Between 1961-71, the net rural-urban migration has increased from 20.6 per cent between 1961-71 to 21.7 per cent between 1981-2001. The extent of urbanization can also be gauged from the increase in the number of 'million-plus' cities. In 1951 the number of such cities was five which increased to 35 as per the 2001 census. Migration has evidence of being urban-oriented (Dyson, Casen & Visaria, 2004).

The reasons for migration from rural to urban areas are many; employment, business, education, marriage, movement following birth or household being some of them. In the western world rural to urban migration has been linked with a vertical shift in the labour force from the agricultural sector to the urbanised-industrialised sector. In the developing world especially India, such a movement of human population is characterised by a movement of people from rural peasant sector to urban informal sectors (Mukherji,

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4 Note that 1991 Census excluded the enumeration of population in Jammu and Kashmir
5 According to the Census 2001, the total number of in-migration (in millions) in Maharashtra has been 3.28 (in millions), 2.22 in Delhi and 1.26 in Haryana. There has been a large proportion of international migration from Bangladesh and Nepal.
The problem related to migration associated with urbanization is compounded by the fact that labor related migration from rural to urban areas are occurring, not in response to any structural change within the labor force, but due to dislocation of uprooted workers and peasants from the marginalised countryside to urban areas.

The rapid growth of urban population due to urban-ward migration brought some serious consequences for developing countries such as high population density, population heterogeneity, income inequality, poverty concentration, stratification, and population-segregation. Health services accessibility, pollution, the spread of disease associated with high population density and diverse demands to health services of different groups of migrants are some of the various concerns related to migration to urban areas in developing countries.

The association between urban-ward migration and health is mixed. A number of studies highlight the benefits of access to health services, information, safe drinking water, cash incomes. Other studies found that poverty, housing and living environments, inadequate water services and waste services and waste disposal affect migrant’s health drastically. Migration is a process hence health of migrants should also be considered as a process. Infact, this limitation is hard to overcome as it is difficult to track the migration process or define migrants.

**Migrant’s Health Risks in Urban Spaces**

There is inadequate data on the migrant population in urban areas and their health hazards. Among migrants high levels of traditional health problems are indicated in high maternal, prenatal, infant and child mortality rates and by malnutrition and infectious diseases. “New” health problems associated with urbanization and industrialization include hypertension, mental illness, problems of drug and alcohol use, sexually transmitted disease, accidents and violence. These are what Phillips (1990) calls the ‘health-by-product’ of industrialization which includes risks from dangers of work, exposure to toxic substances, effluent, radiation, traffic pollution and general industrial noise and waste in the environment. With this double burden of health problems the urban poor may be characterized as suffering the worst of both worlds (Harpham et al, 1988).

The common problems reported by migrants in the informal sector are cold- cough fever, diarrhoea, tiredness, lack of appetite, giddiness, weight loss, stomach pain, hip pain, headache, pain in the neck, swelling of legs, swelling of hands, hair loss, skin diseases, injuries, genitor-Urinary infection, chest pain, eye problems among others (Jeyaranjan, 2000). The low health status of women can be seen from indicators such as antenatal care coverage, prevalence of anemia, prevalence of reproductive tract infections and violence against women (Kundu, 2002). Seasonal migration of people from backward rural areas to regional cities in and bordering cities of India proliferate HIV/AIDS in rural areas (Strategy paper, 2004).

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Migrants for work may come into contact with sexually transmitted diseases, and the incidence of HIV infection among mobile workers especially in road transport has been widely recognized in many parts of the country (Harpham, 1994). Health problems associated with migrants shows a distinct pattern. Water-borne and food-borne intestinal diseases cause high mortality among migrants in urban areas (Ramasubban and Crook, 1985). Respiratory diseases area also reported among migrants working in chemical factories and construction sites.

**Dimensions and Determinants of Vulnerability Among Migrants**

The most obvious question is what determines migrant’s health in the urban areas? Health determinants of migrants are “the underlying factors that affects their health” and includes the health environment where they live, or travel to and from. Other factors include lifestyle (diet, tobacco, and substance abuse), socio-economic conditions (living and working conditions, physical and psycho-social environment) and life chances (how children live and grow up, educational and employment opportunities, gender discrimination) (IOM, 2005).

Migration has created new health risks for the cities. WHO has recognized three major groups of problems which have contributed to a growing health crisis in many countries or have hindered the improvement of health with development (Phillips and Verhasselt, 1994). Firstly it has expanded the diversity of health hazards associated with development, secondly, the cost of diseases caused by industrialization and urbanization and also by medicine itself, the iatrogenic diseases and lastly, the need for, or imposition of, macroeconomic adjustment which has resulted in major cuts in health and social budgets of many developing and developed countries.

The poor migrants living in urban areas have been characterized as being at the interface between underdevelopment and industrialization. They are at a mid-stage in the epidemiological transition. Migrant’s vulnerability in urban spaces is multidimensional and can be understood as a cumulative deprivation of various factors. Different causes lead to diversified vulnerability among migrants. The possible determinants of health
risks of migrants are, motivational factors (reasons for migration, occupational at the source of origin\textsuperscript{7}), occupation related factors\textsuperscript{8} and environment-related factors\textsuperscript{9}.

Data that are available indicate a range of urban health hazards and associated health risks: substandard housing, crowding, air pollution, insufficient or contaminated drinking water inadequate sanitation and solid waste disposal services, vector borne diseases, industrial waste, increased motor vehicular traffic, stress associated with poverty and unemployment among others. Migrant’s health in urban areas must be understood from the perspective of the social environment of the migrants, their physical environment and their access to health and social services.

The key factor separating the understanding of migrant’s health of those experiencing forced-migration displacement due to development policies from other types of migrants, is the sheer large number of them moving; the timing and choice of destination areas of the migration and their reduced negotiation capacity in the areas of destination. In the context of Asia a large number of poor migrants from the rural areas get absorbed in the informal sector in the cities. This makes it impossible to ignore the two-way relationship which rural to urban migration enjoys with development. By some strange logic urbanization is related to modernization and industrialization and in this sense has a positive relation with development. On one hand the development policy propels mass exodus of population from the rural areas to the urban areas and on the other hand the standard of living of the migrants in the urban areas and its consequences has its impact on the overall development.

Migration for employment is not always safe, nor covered by regulations protecting migrant workers, employers, and economies of source and hosting areas. Migrant labours are more vulnerable to ill-health than natives working in the host areas. Many occupations filled by rural migrants in the urban areas are badly-paid; require working under hazardous conditions for long hours. In many cases, migrants face forced relocation in the cities. It is estimated that 90-100 Million people globally were involuntarily displaced by infrastructure development projects during the last decade of projects during the last decade of the 20th century (Cernea and MacDowell,2000). In India alone 20 million people are estimated to have been displaced over 40 years, the majority of whom are impoverished (IOM, 2005, pp 257).

Migrants create a stress on the available urban resources. Availability of safe drinking water, sanitation and other local services, including the collection and removal of garbage pose major challenges both for the State and the migrants. The poor migrants end up as urban poor and are vulnerable to environmental problems such as lack of water,

\textsuperscript{7} These factors changes and impacts priorities at the destination areas. For example, perception and awareness of poor health, their health expenditure depends on the socio-economic profile of the migrants at the areas of origin.

\textsuperscript{8} Occupation related health hazards.

\textsuperscript{9} Poor living conditions impacts health.
unsanitary conditions, lack of waste collection and exposure to contaminants; each of these problems frequently associated with informal settlements on the perimeter of cities. Furthermore, there is evidence that they are exposed to a “double health burden”, being subject both to the communicable diseases typical of rural areas and the non-communicable “lifestyle” diseases typical of the urban health transition.

Congestion and overcrowding in the crowded cities contribute to the problems associated with access to food, to poorer air quality and to worsening psycho-social health. Problems affecting many urban and peri-urban areas are thus not just about human health problems, but about the interconnections between individual human health, community health and the health and sustainability of the environment. Additionally, often physically isolated from family at the place of origin and socially excluded in the cities, migrants can face cultural and language barriers, social devaluation compared to their previous status in the last residence, discrimination and stigmatization. All these factors affect health.

Human movement under conditions of stress is more an instance of displacement from the periphery of countryside to the marginalised urban spaces and its negative impact on health cannot be underestimated. This poses health risk to the migrants as well as is a public health concern, particularly with regard to communicable disease control, and surveillance, reproductive health, occupational health and environmental health and sanitation. As urban poor they earn meagre monthly, live in crowded places, temporary or semi-permanent settlements in unsanitary conditions and that increase their health risk. Their unstable and marginal existence in the city may contribute to crime and ghettoization leading to further discrimination, marginalization and social exclusion. Women face sexual abuse and that affects their sexual and reproductive health. When separated from spouse and family, migrant workers are more vulnerable to risk behaviour, resulting in a higher risk of sexually transmitted infections, including HIV and in case of women, rape and unwanted pregnancies.

The type of migration and the conditions of travel to places of destination also has an impact on health. Irregular Migration has high risk to migrant’s physical and mental especially when the migration journey is hazardous and if socio-political crisis is the cause of migration. The migration journey is an experience that encompasses the lifestyle-related health determinants often shaped by socio-economic conditions of the sources, transit and hosting community. Consequently, it can expose migrants to a heightened risk of physical and mental health problems (IOM, 2003), including reproductive health (Bollini, 2001), rendering migrant populations among the most disadvantaged and vulnerable groups in most communities.

The linkages between migration and vulnerability exist at different levels: individuals, services, educational and informational campaigns and government policies. The motivational factors are not discussed in this paper in details beyond just establishing a link since it is not directly related to the denial of access to health. The urban infrastructure in terms of the availability of civic amenities to the migrants and their occupational health hazards impinges directly on their denial of health as human right. In
the following segments the environmental factors and the occupational factors are discussed in details.

Environmental factors

Environmental sanitation has a direct relationship with the health status of a population (Sundar and Others, 2000). The migrants working in the informal sector constitute a large portion of the urban poor. They are housed in slums and squatter settlements often facing appalling, overcrowding, bad sanitation and contaminated water. The general residential conditions is marked with overcrowding, poor sanitary conditions, inadequate ventilation, illumination, poor mess facilities, almost no provisions for beds, etc. So the overall living condition is inhuman. Infectious diseases such as measles and acute respiratory infections can have a significant impact on nutritional status, and the high level of indoor and outdoor crowding in poor urban settlements mean the transmission rates of infections are very high. The sites of settlements are often illegal and dangerous. Forcible evictions, floods, landslides, chemical pollutions are constant threats.

Migrants suffer discrimination and general degradation of environment. Sanitation is one of the major indices of the quality of life. A sample survey by the National Institute of Urban Affairs, 40 per cent of the population in 50 Class I sampled towns were reported to have been covered by sewerage systems in 1986-1987 (Government of India, 1996). The conditions of slums-dwellers and urban poor is very poor. In municipal towns population in slums and poorer sections, do not have adequate access to water supply. In a sample survey conducted by NIUA in 1988, in 50 Class I cities, found that 61 per cent of the sample used open spaces for defecation, creating unhygienic environment and a breeding ground for excreta-borne diseases.10

Most urban water supply systems do not have any arrangement of water quality monitoring and surveillance. As a result, the water distribution systems are often a potent instrument of carrying pathogenic micro-organisms. In cities with intermittent water supply and underground sewerage, faecal contamination of the water distribution system is a common occurrence and it results in spread of water/excreta related diseases like hepatitis, typhoid, diarrhoea, etc(VHAI,2000). Several diseases like diarrhoea, hepatitis (jaundice), ascariasis (roundworm), hookworm infection, trachoma and dracunculiasis (guinea worm) have been linked to human contact with polluted water. The World Bank and WHO has estimated that in India, 21 per cent of all communicable diseases (11.5 per cent of all diseases) are water related. The specific diseases are diarrhea, trachoma, intestinal worms, hepatitis and tropical cluster (schistosomiasis, leishmaniasis, lymphatic filariasis in India) of diseases (Parikh, 2000). Malnutrition often occurs as a cause and effect of diarrhoeal diseases (Harpham, 1994).The slum dwellers collect water from public taps and use public toilets or open spaces. Personal hygiene is neglected due to scarcity of water and other facilities (Pathare, 1998).

Poor drainage facilities and an absence of proper waste disposal procedures are likely to be associated with a high incidence of disease (VHAI, 1997; Ray, 1993). The migrants

10 Citation available in, Government of India, 1996. For details, see References.
working in the informal arrangement in the city are poorly placed in terms of proper
drainage system. The NSSO 54th Round, reported that 90 per cent of the urban population
expressed concern over the problems of mosquitoes from open drains and garbage and
two-third of the households complained about flies as the major problem in the cities
(NSSO, 1999). 11 25.5 per cent of the urban households have no latrines. 12 Besides that they
also lack other civic amenities like approach roads and street lights.

Infectious diseases are found more prevalent among migrants mainly due to the poor
hygiene in living conditions. Living arrangement, living conditions, and health behaviour
are found to be highly related to the incidence of infectious diseases. The poor living
conditions and unhealthy practices chronically harm the health of migrants and increase
the chance of infection of certain diseases. Malaria, hepatitis, typhoid, fever, and
respiratory infection were found with a higher incidence among the migrants than the
local stationary residents. 13

**Occupational Factors**

The study of migrant’s health within the occupational framework is important as it helps
to understand health at the workplace in a uni-linear ‘cause and effect’ relationship of
work and the impact on health in terms of accidents 14, injuries, vision and hearing
impairment, etc. Evidences report that most of the time the tasks are time consuming,
back-breaking and most hazardous (Lingam, 1999). Long hours of work, lack of rest,
inadequate food/malnutrition, poor sanitation, and the sadism and violence make them
vulnerable to several health problems. Feeling of helplessness and vulnerability further
paralyses them.

The different forms of unorganized work are salt workers, beedi workers, head loaders,
readymade garment workers, construction workers, tobacco workers, cement bag dusters,
agarbatti, dying, screen printing, etc (Walia,1998). The workers in the unorganized sectors
of work suffer from several such health problems which are postural. Long hours of work
in the same posture leads to health problems. 15 Workers suffer from musco-skeletal
problems due to their posture at work and the kind of implements they use (Nag, 1998).

Workers report having symptoms of aches and pain, arthritis, malaria, typhoid, chest
congestion, cough, giddiness, stomach related pains and others which include piles, joint
pains and swelling fevers, palpitation, cuts and wounds, wheezing and worrying/ tension

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11 The survey was done during the period January-June 1998.
12 The data is available in the National Sample Survey Organisation (NSSO), 54th Round, (Jan-June 98)
of Population and Labour Economics, China.
14 Workers in the construction industry are at greater risks of accidents due to fall due to failure or collapse of
scaffolding, night working under poor light, fatigue caused due to long hours of work, electric shocks, blasting
and underground work. In case of naka workers, the constant exposure to sun, open drain, carbon monoxide
released by vehicular traffic adds to the existing problems (Biswas,2003).
15 A study on the migrant women workers in the fish/prawn processing industry reveals that women there
have to work for long hours in standing posture where temperatures are below freezing point. They experience
frost bite in the hands and feet. For details see Mathew & Lingam,1998.
Studies of the migrant workers reveal that workers commonly faced body aches, skin irritations, general weakness, pain in legs, cramps in legs and sun-strokes.

Workers in cane and bamboo craft have problems like giddiness, cramps, skin irritation and lacerations caused by the sharp bamboo strips. Studies indicate that contact with chemicals leads to problems such as dermatitis, other skin ailments, loss of hair on the head, conjunctivitis, nervous disorder, itching of skin and throat mucous membrane, chest pain, ulcer, breathing problems, asthma, bronchitis, fissures in fingers, toes, mouth and nose, frequent fever, headache and stomach upsets, (Nihila, 1998; Mathew, 1998; Biswas 2003). A study conducted by K.E.M. Hospital, showed that 50 to 52 per cent of the quarry workers suffered from silicosis and asbestosis (Pandey, 1993; Biswas, 2003).

Women commonly report burning sensation in the urinary tract, white discharge, menstrual disorders, pain in the abdomen, pelvic region, waist, and legs during menstruation, premature death, still birth and prolapse of the uterus (Nihila, 1998; Mathew & Lingam, 1998; Pathare, 1998). Women frequently faced both pre-natal and post-natal complications and more so during later pregnancies, anaemia, sexually transmitted diseases, pelvic inflammatory diseases, leucorrhoeas, cervical cancer, infertility, deaths related to childbirth, etc. (Pandey, 1993; Cunha, 1998). There are also incidences of abortions and STDs among the migrant women factory workers (Mathew & Lingam, 1998).

Workers with certain kinds of work are also subjected to forms of mental problems alongside physical problems. Low socio-economic and migrant status is risk factors affecting mental health. Erosion of the family support of the extended family, marital breakdown, the occupational and environmental stress, the social dislocation and the feeling of alienation caused by migration increases levels of personal frustration, aggression, crime and violence among the migrants.

Children of migrants face health problems arising out of greater mobility patterns, living in adverse conditions, and inadequate breast-feeding of working women who are wage-earners. Facilities like crèches to take care of children do not exist and they exist and they are left alone or under the care of older or younger family members.

Marginalized from Opportunities of Care

Migrants get excluded from the opportunities of preventive and curative health care due to their mobile status and their migrant status. This reduces their health services.

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16 The pressures of completion of work within the stipulated time and no job security causes tensions and worry among workers in the different unorganized forms of work.

17 Skin infections and blisters occur frequently due to working in the mud for long periods of time among workers in brick-kilning. Accidents often take place when pieces of glass, sharp stones or other foreign bodies are found in the soil.

18 As the work require them to sit in the same position in the sun for long hours.

19 A study on women in prostitution reveals that women go through psychological trauma. Stress, depressions, hysteria, nightmares, insomnia, psychosis, schizophrenia, fear and revulsion to men are common problems reported (Cunha, 1998).
utilization. Unsuitable timings, negative experiences limit the use of government hospitals. Accessibility and utilization of subsidized public health facilities is constrained due to their working hours, priorities of health. Public health services are less utilized by them as that involves a lot of hassles. Besides there is growing feeling among people that the treatment offered by them was not to their satisfaction (Pandey, 1993). Hence, Private clinics are more used.

Contact with government official is difficult for immunization and HIV/AIDS testing. A study on the morbidity burden of urban poor conducted in the slums of Delhi and Chennai highlights that the slums don’t get adequate support from the municipality and other local organizations in efforts to control the spread of infectious disease (Sundar and Others 2000).

Women working as marginal workers in the informal settings of work are constrained to make regular visits for check-up during pregnancy. They can take no time off to take care of their health as their survival depended on their working as long as they can. They miss chances to avail immunization programmes due to their working hrs and living conditions.

Linkages exist at levels other than that of individuals and groups. Informational and educational campaigns and awareness of the health programmes with information about risk don’t reach those who are constantly on the move. Being a floating population they miss the public health messages on hygiene and health to promote well-being and reduce risk.

There is no employer-employee relationship and increased casualization of work leads to a situation where there is no belongingness of the workers. They have virtually no social securities (Biswas, 2003). Medical facilities are not provided by the employers. This affects the curative care. They first try home remedies and then when it fails they visit private practitioners.

The public health services are used by the workers only for treating major injuries or illness (Pathare, 1998). For minor ailments, people either use home remedies or use private services. Majority of the patients seeking public health care services in the urban areas take treatment before approaching the hospital (Gill et al., 1996).

Most migrant workers are unaware of the health problems and ailments (Pandey, 1993). The employers provide no protection to the workers. Occupational health hazards affect the workers but the loss of a day’s earning means starving for the day. Health-seeking gets delayed most of the time due to lack of awareness and time. Sometimes a delayed health-seeking leads to permanent damage.20

20 Reference available in Pandey (1993). The study shows that quarry workers who suffered from silicosis and asbestosis delayed health-seeking and approached the medical system at a fairly advanced stage. That reduced their life span by 30 years.
The migrant status of the workers in the informal sector also impacts their health care expenditure. Only 6 per cent of the household income is spent on curative care which amounts to Rupees 250 per capita per annum (Shariff et al. 1999). An all India data on workers working in the unorganized sector suggests that 26.9 per cent of them spent less than rupees 100 on sickness per month, 21.7 per cent spent more than 100 rupees but less than 300 rupees, 8 per cent of them spent more than 300 rupees but less than 500 rupees on sickness while only 6.6 per cent of them spent more than 500 rupees on treating ailments (Labour Bureau, 1990). From the data it is obvious that more workers spent less on sickness on an average per month.

The burden of poor health among the workers in the informal sector threatens to increase their expenditure on healthcare (Visaria and Gamber1994; Gumber 1997). Conditions of poverty and environmental degradation effectively increase their chances of expenditure on curative care and they have to borrow at high rate of interest or take advance from their employers or labour brokers. Repayment of the loan or having to adjust from their already low wages reduces their monthly income. All these affect their spending on food and nutritious diet affecting overall the health. Low wages and unstable job status further push them into indebtedness making it difficult for them to meet their day-to-day contingencies, which also includes health-care expenditure.

The average monthly incomes of migrated families are less than the non-migrants since the need to get employment is higher among them (Labour Bureau, 1990). The high incidence of morbidity cuts their household budget. They put pressure as during the period of illness they don’t earn. That increases their debt and pushes them into perpetual poverty affecting health. So it comes to a vicious circle of vulnerability.

**Conclusion**

The traditional understanding of health has moved beyond the ‘absence of disease’ to a ‘state of physical, mental and social-wellbeing’ (IOM,2005). Approaching migrant’s health from the framework of physical, mental and social well-being expands the focus from infectious disease control to the inclusion of chronic non-infectious conditions, migration management and social adjustments. In the background of urbanization and associated migration from rural to urban spaces these concerns holds pertinence. In the context of migration mobility patterns, socio-economic, i.e., linguistic, cultural and religious differences status of migrants in host areas impact the provision and receipt of migrant healthcare difficult.

Patterns of immigration and migration, changes in global economy, increase in income inequality have made increasingly difficult for cities to protect the health for all residents. Increasing number of communicable and non-communicable diseases, increasing rates of violence, lack of health insurance, concentration of certain pollutants has damaged the health of urban residents. Rapid and often unplanned urban growth is associated with poverty, environmental degradation and population demand that outstrip service demands. These conditions place human health at risk. Migration has significant health implication which if ignored affect socially, politically and financially.
In the ‘right to health’ framework, migrant’s health implies migrant’s access to health services and practices, including physical, mental and social health, delivered in a way that is culturally sensitive, non-discriminatory and non-stigmatising. It also implies the establishment of public health policies and practices that would integrate all members of a community, including migrants, regardless of their place of original residence and status. It should go beyond the control of infectious to include considerations of chronic conditions, mental health, cultural beliefs and understanding of health, and human rights. The marginalization of migrants, or their exclusion from social participation in host communities compounds the risk of poor health associated with material deprivation and relative poverty.

Migration management goes much beyond than simply cautiously monitoring movement. The quality of data on migrants needs to be improved by conducting policy-oriented research on the urbanization-migration-health linkage; to understand the complexities of access and utilization of healthcare and social services among migrant population. Access to care is not only a question of health policy and management but also of social stability, prevention of discrimination and stigmatisation, and promotion of inclusion through awareness and cultural sensitivity in health matters and empowerment of migrant communities to access services. The challenge is huge : urbanization programmes should build on the potentially positive force of migration; and migration policies should take account of development needs and reinforce the potentially positive force of migrants to help meet these needs. This can be best achieved by the combined efforts of the national development agencies, migrant population and the private sector.

Health determinants need to be understood by policymakers when they devise migration health management policies which then need to be factored into larger public health policies. Using health determinants specific to migrant populations, it helps policy makers to focus on the disparities between host communities and the migrants concerning health as well as access to health care with reference to labour and irregular migration. Public health programmes often target native populations, but fail to include the needs of migrants. The issues of migrants should be incorporated into the larger public health policies.

A well-planned public health inclusive of all the sections of population may lead to effective health management of migrants. Well managed migration health, including public health, promotes understanding, cohesion, and inclusion in mixed communities. Access to and utilization of available health and social services can decrease morbidity and mortality, improve quality of life and contribute to a potentially more productive and satisfying life. The healthcare systems must be comprehensive and must offer services structured to meet the specific needs of ethnic communities.

There should be universal access to health and healthcare and `welfare services, training and health promotion material for health literacy among migrants communities, particularly preventive services, development of out-reach public health programmes (e.g. vaccinations) for migrants who often fall through the net of public health systems because of their mobility and their lack of entitlements, involvement of migrant
communities in setting priorities and procedures for service delivery and advocating for the benefits of health in migrant communities and setting a policy of non-discrimination in the provision of healthcare and welfare services. There is a need to identify a need for stronger partnership approaches to this issue between and among governments, organizations and communities at national, regional and international levels. A Migration health policy needs to address the migrant both as a potential threat to the health of the host community, as well as an individual vulnerable to disease, with a need for care and a right to health.

Health across globe is increasingly determined by the health of our cities, particularly cities in the developing world where 80 percent of urbanites will live. The plight of urban populations in low-income countries is particularly alarming as rapid urbanization threatens already overstretched public health infrastructures. Ignoring the health of the vulnerable groups in the cities would only compound the problems related to urbanization and reverse the development objectives and outcomes.

### Factors contributing to vulnerabilities among migrants in urban centres affecting their health

- Migrants are disadvantageous relative to the native population.
- They face stigmatization and discrimination in new spaces
- Mobility patterns of migrants impacts health
- Migrants have low socio-economic conditions with no access to either healthcare or social services
- Encountering a new space with different culture and language in some cases
- Diseases already present in prospective migrant population and host region
- Absorption in the urban informal sector with poor wages and ending up as urban poor
- Propensity to contact communicable and non-communicable diseases due to poor living conditions and occupational hazards
- Migrants suffer from mental and emotional vulnerability and low self-esteem
- Low capacities for negotiation in urban spaces due to low education, poor socioeconomic
- Health services are not geared to handle the specific needs of the migrant population
- Absence of macro data on migrants. Underestimate of the migrant population impedes policy initiatives needed to address migrant’s health in urban areas

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Factors Contributing to Vulnerabilities
Among Migrants in Urban Centres
Affecting their Health


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A Need to Re-emphasise the role of Public Health Care in India

Manisha Karne

Introduction
A single factor that will play an important role in achieving the Millennium Development Goals no doubt is infrastructure. Accessibility of better infrastructure facilities creates an environment conducive for achieving this MDGs. Public intervention in health, education and nutrition is crucial for increasing life expectancy and reducing infant mortality. This paper concentrates on public health infrastructure.

The health agenda is very much evident in the Millennium Development Goals (henceforth MDGs) as it is explicit in three of the eight goals. Improved health contributes to poverty alleviation and at the same time sustainable improvement of health mainly depends on successful poverty alleviation. The MDGs 4 and 5 aim at Maternal and Child health. The health of mothers and children is a priority that emerged long before the 1990s but in the last decade the health of mothers and children was transformed from a purely domestic concern into a public health priority with corresponding responsibilities for the state and there has been global focus on the Millennium Development Goals.

The nature of the priority status of maternal and child health (henceforth MCH) has changed over time. Mothers and children were previously thought of as targets for well-intentioned programmes, they now increasingly claim the right to access quality care as an entitled guaranteed by the state. In doing so, they have transformed maternal and child

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21 Dr. Manisha Karne is a Reader at the Department of Economics (PGSR) at the SNDT Women’s University, Mumbai. This particular paper was presented at the Symposium on “Macro Economics Policies and the Millennium Development Goals”, organized by the Post Graduate Department of Economics of the SNDT Women’s University (Churchgate Campus) on 30th & 31st August 2005 in Mumbai.

22 Infrastructure is "the basic facilities, equipment, and installations needed for the functioning of a system" (Webster's II, 1984).
health from a technical concern into a moral and political imperative. (World Health report, 2005)

At the global level it was stressed that mothers and children are vulnerable groups and therefore priority targets for public health action. The notion of mothers and children as vulnerable groups was also central to the primary health care movement launched at Alma-Ata (now Almaty, Kazakhstan) in 1978. This paper examines important issues of health infrastructure in India with a focus on its impact on important health indicators relevant to Millennium development goals four and five.

Some issues of Healthcare services in India

Universal access to safe drinking water, health and education are must for any society to progress, which can also be considered as the basic requirements of the people. But even after five and half decades of development planning, India has not been able to ensure a decent living for a large number of people in this country. Despite various development plans, lack of or inadequate basic infrastructure, both social and physical, continues to remain a major constraint to progress in numerous parts of our country.

Traditionally, state intervention has occurred within a centralized framework especially in regard to infrastructure provision in sectors such as transport, power, health etc. The traditional approach to infrastructure has been based on detailed government intervention in the sector, apparently to protect public interest. In other words, direct state provision has been the norm and state ownership and state monopolies always seem to have played a dominant role in the provision of infrastructure and services. The arguments for active state intervention and participation have been as follows:

- The recognition of the role of infrastructure in the larger social context.
- The experience with problems relating to supply technology which often require a highly activist response by Government, and
- A belief that markets may fail to provide the services on efficiency and equity grounds.

On the basis of the arguments above public health is considered as a public good where everybody benefits from it but no body is individually ready to pay. Government is believed to be in the best position to finance (through tax) and conduct public health programme through a primary network. With the help of a network of primary and community health care centers (PHCs and CHCs), spread all over the country, India has been able to provide some access to health services to the poor in urban as well as rural areas. Though there has been some success in this sector the health status in India is not very satisfactory which is indicated in the following table.

Table1: Selected Healthcare Indicators in India

<table>
<thead>
<tr>
<th>Health Facilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Population per hospital</td>
<td></td>
</tr>
</tbody>
</table>

23 WHO, 1948
Though we have made progress towards the MDGs in maternal and child health, success is overshadowed by the persistence of an unacceptably high mortality rate as compared to the developed countries, increasing inequality in maternal and child health and access to health care in especially in the rural areas. There are failures in many areas. For instance, compared to other developing countries government health care in India is low. This can be seen in the following table:

**Table: 2 Government Health Care as a percentage of GDP**

<table>
<thead>
<tr>
<th>Country</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>3.2</td>
</tr>
<tr>
<td>Korea</td>
<td>1.8</td>
</tr>
<tr>
<td>Thailand</td>
<td>1.2</td>
</tr>
<tr>
<td>China</td>
<td>0.7</td>
</tr>
<tr>
<td>India</td>
<td>0.9</td>
</tr>
</tbody>
</table>

*Source: World Health Report, 2005*

The public component of health care funding is focused on improving health care besides providing health care for most of the country’s population. It is this index that reflects the commitment that a nation has to the improvement in the health of the people. In developed countries such as Canada, France, Australia, Denmark and Japan the health expenditure as % of GDP is 8 to 10%. Taking the health expenditure as a % of GDP, India has the smallest commitment to the health of its people; it was 1.3% of GDP in 1993 and has increased to 6.1% of GDP. This can be seen in the following table:

**Table 3: Measured levels of expenditure on health, 1998-2002**

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditure on Health as % of GDP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Govt. Expenditure on Health as % of Total Expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Expenditure on Health as % of Total Expenditure on Health</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Govt. Expenditure on Health as % of Total Govt. Expend</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Security Expenditure on Health as % of General Govt. Expend Health</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

24 Total Fertility Rate is defined as roughly the average number of children per women during her reproductive lifetime, calculated on the basis of the age-specific fertility rates in the country at any one time.

25 Infant mortality rate is the number of deaths under age one per 1000 live births.
On current trends, most regions in India will fall short of the health related goals, including reduced child and maternal mortality. As it can be seen in the above table the general government expenditure on health as a percentage of total government expenditure has declined where as the out-of-pocket expenditure as a percentage of private expenditure on health is substantial. This indicates there is an increasing dependence on the private health care facilities. Decline in public spending can have adverse consequences on health care services in India. Though funding is a necessary but not a sufficient condition for delivery of health services to the poor, against the background of large-scale poverty in the country, it is believed that public sector has to play a crucial role in provision and delivery of health infrastructure.

Health care is delivered by public as well as private provider in India the health infrastructure provided by govt. is large but of a low quality especially in rural areas and is suffered from inequitable distribution in rural and urban area. The Private providers in rural as well as urban areas are fragmented and unregulated.

If the healthcare provision as a percentage of total spending (2000-2001) is taken in to consideration, the Government and public employers have 37% share whereas the private providers’ share is 63%. About 75% of the health infrastructure is concentrated in the urban areas where there lives just 27% of the population, thus indicating a serious problem of regional disparities in distribution of health infrastructure. There is also poor coverage of population by public health infrastructure, which was reflected in the Mckinsey Report. The report indicated poor coverage where two third of health care spending is out of pocket. Lack of access to government facilities is not the only reason for choosing private health care; the reason for this preference is better availability and perceived quality of private care, which make Indians go to private provider for their health care.

Thus, describing the dismal performance in health Srinivasan (2005) said, “We need 7,415 community health centers per 100,000 population. We have less than half the number. Worse, at the healthcare centres the basic staff is not in place. Only 38% of our primary health centres have all the required medical personnel. With the public health infrastructure in such shambles, how can the poor count on government health centers?”

This is the condition of public health care in India. Even during the last decade of the economic reforms process started in 1991, state of infrastructure including health infrastructure has not been able to achieve desired levels of health indicators. There are many areas, e.g. the social sectors, especially health where the governments’ role will clearly have to increase. There are large gaps in the public and private sector and the public sector role needs to be re-emphasized. Private sector cannot be expected to step in significantly and play a major role in provision of health care, as there is a problem of ability to pay for a very large section of the people. Therefore the role of the state remains crucial in promoting these sectors, despite of observed state failures in these sectors.

**Health scenario in Maharashtra**

To examine the conditions of public health at the state level this paper takes a case from Maharashtra. Promotion of maternal and child health has been one of the most important objectives of the Family Welfare Programme in India. The current Reproductive and Child Health Programme (RCH) was launched in October 1997. Reduction of maternal mortality is an important goal. The Maternal Health Programme, which is a component of the Reproductive and Child Health Programme, aims at reducing maternal mortality to less than 100 by the 2010. Investment in reproductive health, including family planning and access to contraceptives are crucial components of investments in disease control, which is likely to translate into reduced fertility for women. This paper gives focus on Total Fertility Rate (henceforth TFR) and Infant mortality rate as an indicator of improvement in maternal and child health condition to analyze the health condition in Maharashtra. A comparison of Total Fertility Rate in Maharashtra with other selected States is given in the following table.

### Table 4: IMR, comparison of selected states (1998–1999)

<table>
<thead>
<tr>
<th>States</th>
<th>TFR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maharashtra</td>
<td>2.52</td>
</tr>
<tr>
<td>Kerala</td>
<td>1.96</td>
</tr>
<tr>
<td>Karnataka</td>
<td>2.13</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>2.19</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>2.25</td>
</tr>
</tbody>
</table>


### Table 5: IMR in Maharashtra (1971-1999)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971*</td>
<td>101</td>
<td>109</td>
<td>81</td>
</tr>
<tr>
<td>1981*</td>
<td>75</td>
<td>84</td>
<td>52</td>
</tr>
<tr>
<td>1991*</td>
<td>59</td>
<td>67</td>
<td>41</td>
</tr>
<tr>
<td>1999</td>
<td>48</td>
<td>58</td>
<td>31</td>
</tr>
<tr>
<td>2002(p)</td>
<td>45</td>
<td>52</td>
<td>34</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971-81</td>
<td>25.7</td>
</tr>
<tr>
<td>1981-91</td>
<td>21.3</td>
</tr>
<tr>
<td>1991-99</td>
<td>18.6</td>
</tr>
<tr>
<td>1971-1999</td>
<td>52.5</td>
</tr>
</tbody>
</table>


*Based on moving averages of SRS rates of the given year, previous year and the following year.*

Both the above tables indicate that the progress achieved by Maharashtra is reasonably good. But as compared to Kerala that has done impressively well, performance of Maharashtra is still to improve as shown in the following table.

### Table 7: – IMR, A comparison of Maharashtra with selected states.
Now we also need to examine the Maharashtra Government’s commitment to healthcare with help of following measures. As observed at the national level in the earlier part of this paper, at the state level too there has been declining share of public healthcare facilities. This is indicated in the following table.

### Table 8: Public Expenditure on Healthcare in Maharashtra (in Rs. Million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total public health expenditure</td>
<td>1307</td>
<td>4782</td>
<td>4967</td>
<td>9061</td>
<td>11855</td>
</tr>
<tr>
<td>Per capita (Rs)</td>
<td>20.99</td>
<td>69.12</td>
<td>63.67</td>
<td>105.46</td>
<td>132.20</td>
</tr>
<tr>
<td>Percent to revenue expenditure</td>
<td>6.53</td>
<td>10.65</td>
<td>5.68</td>
<td>5.28</td>
<td>4.62</td>
</tr>
<tr>
<td>Percent of NSDP</td>
<td>0.80</td>
<td>1.70</td>
<td>0.80</td>
<td>0.60</td>
<td>0.60</td>
</tr>
</tbody>
</table>

*Source: Finance and Revenue Accounts, Government of Maharashtra, various years, Population and Income data used from Statistical Abstract of India.*

As indicated in the above table though the total public expenditure in absolute terms has increased over the above time period and there has been substantial increase in the per capita expenditure on health. But public expenditure as % of NSDP has declined in the post 90s in Maharashtra. This is a matter of concern for us. Thus, at the state as well as national level public funding has been unsatisfactory.

Let us now examine the utilization of health care services in Maharashtra taking in to consideration the public sector and the private sector.
Table 9: Utilization of Public and Private Facilities in Rural and Urban Maharashtra (1998-99)

<table>
<thead>
<tr>
<th></th>
<th>Impatient Care</th>
<th>Outpatient Care</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
</tr>
<tr>
<td></td>
<td>Public Others</td>
<td>Public Others</td>
</tr>
<tr>
<td>NSSO 1986-87</td>
<td>43.6 56.4</td>
<td>46.2 53.8</td>
</tr>
<tr>
<td>NCAER 1993</td>
<td>30.5 69.5</td>
<td>58.8 41.2</td>
</tr>
<tr>
<td>NSSO 1995-96</td>
<td>31.2 68.8</td>
<td>31.8 68.2</td>
</tr>
</tbody>
</table>

Source: NSSO 1992; NSSO 1998a

From this analysis one can say that the governments’ role is to ensure egalitarian arrangement in the public healthcare, as a large number of people cannot afford to pay for the health facilities. But in urban areas the choice is also determined by a desire for better quality of health facilities that creates a demand for private sector health care. But still the role of the public health care remains dominant.

This argument can be substantiated by quoting the study conducted in Mumbai (Dilip and Duggal, 2004) that indicates 65% respondents depend on public sector health facilities as the “cost is affordable”, private hospital is opted by 45% of the respondents as it is the nearest facility that is available and 30% had no other option but to go to private hospitals. This study clearly indicates that if convenient public option were available preference for it would increase further. It is important to realize that a large section of the Indian population that we are concerned with has such low levels of income and standards of living that their ability to pay for healthcare is low. The people cannot afford to pay for the facilities and therefore the state steps in to provide certain goods, which need not necessarily provided by the public sector in the developed countries. So though there are state failures, the state cannot withdraw.

The analysis of public healthcare at the national and state level reflects that the expenditure on health is inadequate and the share of public healthcare is a matter of great concern.

**Strategies For Future:**

This analysis indicates state failure in provision of healthcare services to certain extent. As India has a problem of large scale poverty, the state intervention is not only essential, it needs to succeed. The role of state needs to be re-emphasized. We have to think about alternative institutional options under existing framework of state intervention. The most important organizational; reform that deserves to be implemented is to decentralize delivery of government health services. Government should continue to focus on public
health with greater decentralization to increase effectiveness of the public healthcare programmes.

Decentralization i.e. the transfer of political and economic power to local levels of Government has been systematically promoted in economic literature. There is adequate literature on the failures arising from such a centralized framework of provision and of the possible replacement by a more decentralized structure\(^{27}\). If the arguments in favour of decentralization are examined in the context of infrastructure provision, it is realized that in most cases since benefits accrue mostly locally, decentralization is the most effective way to deliver these infrastructure services. The potential to improve the efficiency of public provision of infrastructure is one of the most important arguments made in support of decentralization. Decentralization is potentially the most important force for improving efficiency and responding to local health conditions and demands. In India the local authorities have been given authority to implement the national programmes but there is no financial authority. This kind of centralization of financial power is the major hurdle in making health services more responsive to local needs and local conditions. With passing of 74th Amendment to the Indian constitution, which envisages the involvement of NGOs and other civil societies organization in developmental activities a favourable environment has been already created for decentralization in India. Therefore, decentralization can be implemented for the potential benefits it will bring in healthcare services in India.\(^{28}\) Thus, decentralization of financial powers, with appropriate audit requirements and performance monitoring can contribute to improving the quality of healthcare and strengthening the accountability of local institutions.

Secondly public health care achievements also depend on the political commitment of the Government. In countries like Thailand, Peru and Malawi this factor has contributed in achieving success in this area. Thus we too need strong and sustained government commitment, favourable policy environment, well targeted resources and more important a decentralized structure in which public health care is provided.

In conclusion, the public sector should continue to play a major role, though in a decentralized framework in providing services such as family welfare programme, maternal care and control of infectious diseases which have wide spread positive externalities and thus important for achieving higher levels of important health indicators. However, the role of private sector also needs to be recognized and government has to take an additional responsibility to regulate and monitor the privately provided healthcare services to improve overall health condition in India.

Lastly to re-emphasize the rationale for the existence of state in this sector I would like to quote (Jalan, 1996) “We must continue to hope that political and social activist will eventually succeed in their efforts to improve the working of our systems, and realize the ideal of Benthamite state which can promote the greatest good of the greatest number”.

References

\(^{27}\) Decentralization of Infrastructural services, Unpublished Doctoral dissertation by Manisha Karne

\(^{28}\) Such efforts have been taken in Maharashtra and Kerala and these states are certainly performing better than other states in India.

**Political Economy of Globalisation, Poverty and Inequality**  
*(A Study of India, China, USA and the OECD Countries)*

Dr. Akhilesh Chandra Prabhakar

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**Abstract**

Poverty, mass unemployment, and inequality have grown alongside the noted advancements in technological developments and the rapid expansion of trade and investment in the era of globalization. This paper searches the causes of poverty, unemployment, malnutrition and inequality, which exposes the condition of widespread routine in the world to be a modern world-historical product, the outcome of imperialist globalization.

**Introduction**

Globalisation can be described as a package that includes information (application of information technology), flexibilisation (de-standardisation in the organisation of production and labour), and various changes such as regionalisation and re-configuration of states. Since the 1980s, the growing impact of neo-liberal policies adds to the globalisation package, deregulation (liberalisation, privatisation and marketisation (unleashing market forces), financialisation and securitisation (conversion of assets into tradable financial instruments), and the ideology of lean government.
The development of neo-liberalism unfolded in three phases: an early phase of proto-neo-liberalism from the 1940s to the 1970s, in which the main ideas took shape, a phase of rollback neo-liberalism in the 1980s when it became government policy in United States and United Kingdom, and rollout neo-liberalism in the 1990s when it became hegemonic in multilateral institutions.

Per capita incomes have fallen in more than 70 countries over the past 20 years; some 3 billion people-half the world’s population, live on less than one dollar a day; Eight hundred and ninety million of world population is suffering from malnutrition and 30 million people lose their lives from hunger every year.  

In India, about 90 per cent women are suffering from malnutrition. Almost 63 per cent go to bed every night without food, 53 per cent of all Indian children are suffering from chronic malnutrition. The figure for impoverished Bangladesh is 45 per cent for strife-torn, Rwanda 43 per cent, Bhutan 40 per cent, and Congo 45 per cent. The figures for under-weight under-fives in India, Bangladesh, Pakistan and Nepal are 47 per cent, 48 per cent,38 per cent, and 47 per cent respectively. The average for sub-Saharan Africa is 30 per cent children are suffering from malnutrition; the corresponding figures being 32 per cent in Mauritania, 33 per cent in Mali, 40 per cent in Niger, 36 per cent in Nigeria, 45 per cent in Congo, 31 per cent in Zaire, 31 per cent in Angola, 47 per cent in Ethiopia, 45 per cent in Seychelles, 33 per cent in Madagascar, 46 per cent in Yemen, 48 per cent in Afghanistan, 38 per cent in Pakistan, 46 per cent in Sri Lanka, 45 per cent in Thailand, 40 per cent in Laos, and 40 per cent in Bhutan. 

Even, in USA, one in five children lives in poverty and 44.3 percent of the population is uninsured. One in four working families in US “earn wages so low they have difficulty surviving financially,” charged a report released October 12, 2004, by three nonpartisan foundations. The report titled; “working hard, falling short,” found that 9.2 million US families with 39 million members including 20 million children are locked in the ranks of the “working poor,” toiling at minimum wage jobs without benefits and with little hope of rising from poverty. Two-third countries are developing in the world, and major populations are living below the poverty line or they are extremely poor.

Starvation death hit the headlines but hunger, the precursor of starvation does not. This is because it is difficult to visualise and depict hunger. Experts on child relief, politicians, administrations, NGOs and media, they can not connect with the horror of a person having to go to bed hungry. In Kenya, Tanzania, Uganda, North Korea, Bangladesh, India and Pakistan, there are increasing a number of people of hunger.

All reports and analysis document show that taking the 1985 US dollar standard, the number of persons who live on less than one dollar per day rose from 1.2 billion in 1987

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to 1.5 billion today and, if recent trends persist, will reach 1.9 billion by 2015.” Today, the net worth of the world’s 350 richest people is equal to the combined income of the poorest 45 percent of the world’s population-2.3 billion people. The richest 1 percent of the world have income equivalent to the poorest 57 percent.

The World Bank’s Development Report and the Human Development Report of the UNDP (2004) set forth global poverty data had clearly stated that “a third of the world population- 1.3 billion people live on incomes of less than one dollar a day.” Taking two dollars per day as the poverty line, 2.8 billion out of 6 billion people lived in poverty in the early 1990. Between 1960s and 1991 the share of the richest 20 percent rose from 70 percent of global income to 85 percent- while that of the poorest declined from 2.3 percent to 1.4 percent. The world’s 7.3 million millionaires (2003), include 512 billionaires and 58,000 “ultra-high net worth individuals (with assets of more than $30 million).” The wealth of the world’s three richest men is now greater than the combined gross national product of all the least developed countries, with a total population of 600 million. Two billion peoples do not have enough resources for food, cloth, house etc. as basic needs for human existence of life, the World Bank’s report has said.32

**Objectives**

The central premise of this study is that if the globalisation process is contributing in furthering the inequality and poverty, the response has to be to revise the development strategy at the local level in a manner that the local resources and entrepreneurship are pooled and organised to cater to the local needs and generate surplus to exchange with the regional market and subsequently to the global market.

**Methodology**

For our analysis of poverty dynamics we have used both the methods as, namely the empirical methods as well as theoretical methods. First, we employ the empirical approach, since our interest is to understand the underlying processes that move people into or out of poverty. Second, for the purposes of policy or strategy of people’s centered development, it is important to distinguish the chronically poor from the temporarily poor, which we can do by using that method which called “People-centered strategy”

**Data and Variables**

The data for this study comes from the internet, various libraries, a panel data from the workshops, seminars and conferences, collected by Jawaharlal Nehru University and the Department of Economics, Addis Ababa University. The data consists of households from urban as well as rural areas divided equally between them. The data covers household living conditions, including income, expenditure, occupation, demographic aspects, health and education status, occupation, production activities, asset ownership and several other important aspects of the household economy. The sampling technique used was stratified sampling to take into account diversities in agro-ecological factors for rural areas and major urban towns for the urban survey.

**Survey of Literature**

Like many accounts this focuses on economic ideas (of the Mont Pelerin Society, Friedrich von Hayek, and Milton Friedman) and the policies of Reagon and Thatcher. But by locating the origins of neo-liberalism in the realm of ideas and the theories of the Chicago School, the overlooks the actual economic policies that shaped “real neo-liberalism” already before the Reagon era. The low-taxes, low-services regime envisioned by free market advocates already existed in the American South. Real neo-liberalism in the United States in the 1970s and 80s meant the implementation of the low-wage, low-tax model of Southern economies.

The Chicago school provided an economic ration and intellectual gloss to what was, and remains for the majority, a backward, conservative and impoverished economic condition. The American South provided the material template, and Chicago School economics provided the intellectual sheen. There was a revival of the ideology of the British ‘free-trade’ system of Adam Smith. This change in Western policy led to a radical deregulation of the financial system, elimination of protectionist measures, radical privatization, reduction of state investment into basic infrastructure, and a policy of ‘globalisation’ of the financial markets, that is called the ‘Washington Consensus’ introduced in the third world countries. Investment flows shifted away from the real, productive sector, more and more towards purely artificial, speculative profits in real estate, stock markets, futures markets and an exaggerated growth of service employment. This process, accompanied by a monstrous ballooning of debt, has finally led to a situation, in which the present global floating exchange rate financial system is hopelessly bankrupt and which can not be sustained in its present form.

The issues of definition and measurement of poverty have been extensively discussed in the development literature (Ravallion, 1992, Lipton and Ravallion, 1995). Poverty for an individual or a household in a narrow sense is defined as a state of having an income or consumption level below a certain standard, usually known as the poverty line. The measure of welfare here is total income or consumption. There are a number of conceptual and empirical difficulties involved in understanding the income or consumption measure of poverty (Ravallion, 1998), but in practice researchers use these measures as convenient measures of welfare or utility. In this study we use per capita consumption expenditure by household as our measure of welfare. Studies that try to understand poverty dynamics base their theoretical frameworks on the notion of the persistence of poverty or poverty traps. We can broadly classify the theoretical literature on poverty traps into those that emerge from the growth literature and those that use household models, though in substance they are interrelated. The first generally provides conditions under which a national economy can get caught in a poverty trap (Barro and Sala-i-Martin, 1995).

Widespread poverty, as is the case in Africa, is associated with market imperfections, indivisibility of investment (fixed cost), and strategic complementarities among economic agents (Lustig et al, 2002). Start-up investment requirements are often high relative to the
income level of households. Since credit rationing is widespread and prevents people from borrowing, it is very difficult for poor people to invest and to break out of poverty.33

There may also exist strategic complementarities, where the return to one person’s strategy depends positively on the activities of other agents, or coordination failures. In those instances there may be multiple equilibrium, and the economy may get stuck in a low-level equilibrium. Poverty itself generates risk aversion and reduces the incentive for investment. For the analysis at the household level, one can start from the notion that the household has as a certain set of endowments or assets that it can allocate among activities with certain returns. A household’s consumption standard in a specific year will depend on its assets, returns on those assets, shocks and the ability of the household to translate incomes into consumption. If the household is credit constrained it will find it hard to cope with negative shocks and smooth consumption. The chronic component of poverty will depend on the household’s lack of assets or its limited ability to translate assets into incomes. Incomes change over time by asset accumulation, changes in returns driven by savings behaviour or exogenous shocks.

Household income will depend on the schooling, gender and other characteristics of its members, the changing size of the household due to fertility and migration decisions, as well as the characteristics of the labour market. Part of the exercise in poverty dynamics is to investigate how these factors influence the persistence of poverty.

For policy purposes but also for understanding of the processes involved it is useful to make a distinction between chronic and transient poverty.

Chronic poverty has generally been assessed in two ways, the spells approach focusing on transitions in and out of poverty, and the components approach, which tries to isolate the permanent component of poverty from transitory poverty (Hulme, Shepherd, 2003). The latter can take, as is done here, the average consumption level over several periods as the indicator of chronic poverty. The spells approach is a powerful tool of understanding also how the transient poor can emerge from poverty if the analysis can clearly identify the factors that underlie transitions. To understand chronic poverty one needs to analyse social structures and mobility, or rather immobility, within them.

The discussion of transient poverty also leads on, quite naturally, to the discussion of vulnerability. This is not necessarily captured by current income estimates. What one would need to know is the extent to which households have assets that can serve as buffers against shocks. The shocks can be of several kinds. There may be draughts affecting agricultural output, but they may also come in the form of illness or even death of senior members of the household. Particularly access to liquid assets can help protect households. These could include monetary assets or livestock (although in a general crisis the prices of livestock may collapse). Households may also incur debt, sell other assets

33 See surveys in Baulch and Hoddinott (2000), Hulme and Shepherd (2003), McKay and Lawson (2003), and Yaqub (2003).
than livestock, or pull children out of school. They may also draw on their social networks or in the end rely on government support or support from other institutions.  

The households who remain poor over a given period constitute the chronically poor. Jalan and Ravallion (2000) give two conditions for a household to experience transient poverty: First, the household must be observed to be poor for at least one date in some period of time for which data is available. Second, the household’s standard of living must vary over time within the time period. They then propose a decomposition of total poverty into chronic poverty and transient poverty. A slightly different approach was suggested by Rodgers and Rodgers (1991), where permanent income, instead of current consumption is used to measure persistent or chronic poverty.

Empirical studies that focus on the dynamics of poverty have been relatively rare in the development literature. Bane and Ellwood (1983, p. 2-4) looked into approaches that were used early on to analyse the dynamics of poverty. They classified the methods into statistical methods which model the level of some variable such as income, allowing for complex lag or error structure; methods using spell durations and exit probabilities and tabulations of the event (poverty) over some fixed time frame. More recently McKay and Lawson (2003) have reviewed the evidence on chronic and transient poverty and note that many studies conclude that transient poverty seems to be much more important than chronic poverty. However, they are skeptical against this conclusion. First they note that sometimes too stringent conditions are imposed for a household to be classified to be chronically poor, and secondly there are measurement errors and those may explain why a household at some point in time seem to escape from poverty and thus the class of chronically poor. Yaqub (2003) reports evidence from 23 countries on factors that explain upward mobility. The evidence shows that it is correlated with increased landholdings, higher level of education, while downward mobility is correlated with increased household size and the number of dependents.

Dercon and Krishnan (2000) explored short-term vulnerability of rural households in Ethiopia. They use a framework where households are assumed to maximize inter-temporal utility. If households have a concave utility function they will prefer to smooth consumption. This may be hard to do given the lack of efficient credit or insurance markets, and therefore in practice there may be considerable swings in consumption. In the analysis of Dercon and Krishnan consumption is influenced by different types of shocks in the form of changes in rainfall or other forms of crop failure, changes in returns to labour and changes in prices. They found that on average year-to-year poverty is very similar over the 18 months over three surveys. Still, the variability of consumption over time is very high and the transition in and out of poverty is relatively high. Ayalew (2003) tested informal risk-sharing networks in rural Ethiopia. He found that enforcement

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34 Gunning et al (2000) have investigated the income dynamics in the resettlement areas of Zimbabwe. They had data on asset accumulation over time and combined this with estimates of changes in asset returns in an interesting analysis of a process of income convergence. There is little evidence in the literature on the cumulative income of shocks to households.

35 See e.g. Jalan and Ravallion, 1998.
problems limit the role of credit transactions in risk sharing-arrangements among rural households. Household with better access to land are found to have better access to informal credit, while land-poor households benefit very little from those networks. These results are consistent with those of Dercon and Krishnan, which indicated that particularly land-poor households found it very hard to smooth consumption. For those households the liquidity constraints are severe, and it is thus particularly the poor that need access to credit and insurance arrangements.

In our poverty estimates of household consumption we adjust for household size by computing per capita consumption. We adjust for price changes over time and location and convert all estimates to 1994 prices using price data collected in connection with the surveys.

For this study we use the following key variables to analyse poverty dynamics:
- Per capita consumption expenditure
- Household size and composition
- Occupation of household head
- Age of head of the household
- Education of head of household head
- Asset ownership (land, livestock, etc..)
- Distance from major public services (market, banks, etc..)
- Region of residence
- Other relevant variables such as type of crop cultivated, etc.

A Case Study of India

The economic reform program was also introduced by the Sh. Narshimha Rao government in India in 1991. As a result of the so-called New Economic Policy, almost 23.30 million people more are suffering from hunger, than in Africa and China. The data shows that two-thirds malnourished population is in India of the world’s total population. India’s rank is 17th malnourished country in the world, there are 63 percent malnourished children and 90 percent women are suffering from anemia.36

According to the World Bank (2004) report; Bihar, Rajasthan, Orissa, Uttar Pradesh, Assam are the poorest states in India today. According to the 2005 Global Education Monitoring Report; India is home to one in every three illiterate persons in the world. With 34 percent of the illiterate population in the world, India has the largest number of illiterates by far, with second-placed China at 11 percent. The enrolment ratio is 82.3 percent but 50 million children have never go to school. The adult literacy rate at 61.3 percent is still way below the 76 percent average for developing countries and 81.7 percent global average. Survival to class 5 has actually declined marginally to 61.2 from 62 percent last year, and is way below the global average of 83.3 percent. India has 34 percent of the world’s illiterates and 50 percent illiterates of the total population of India, and performs poorly even by developing countries standards.

Almost 90 percent women are suffering from malnutrition and 63 percent of Indian children go to bed hungry, 53 percent of all Indian children suffer from chronic malnutrition. About 74.5 per cent people of the rural areas and 44 percent in urban areas, are below the poverty line. According to National Sample Survey (NSS) 2004-05; 26 percent people do not have enough food per day in India. 75 percent do not have balance food as at least 2400 kilocalories. 24 crore people are sleeping without food every day. 86 percent people are malnourished in Andhra-Pradesh, Bihar, West Bengal, Madhya Pradesh, Rajasthan, Maharashtra, Gujarat, Orissa and Uttar Pradesh.

Seventy six per cent of children in Maharashtra suffer from stunted growth and are anaemic. In Bihar 54% children are malnourished, in Orissa 54% and in MP 55%. The average for sub-Saharan Africa is a notch less at 51%.

While chronic malnourishment has declined from 61.5% in 1975-79 to 47% in 2000-01, largely due to the progress made by Kerala and Tamil Nadu, today half the children in Kerala are mildly malnourished, a rise of 35% from 1975. Across the country mild malnourishment is rising though chronic malnutrition has shown a slight decline.

Malnourishment in children has nothing to do with per capita income. Manipur has a per capita income of Rs. 12,230 and 28% malnutrition. Gujarat with a per capita of Rs. 21,276 has a figure of 45%.

Similarly, Orissa’s figure is 50% at a per capita income of Rs. 10,103 while Maharashtra which has a per capita income of Rs. 24,736 has malnutrition levels of 51%. Kerala’s per capita income is Rs. 21,310 and that of Karnataka Rs. 18,324 while their malnutrition levels are 27% and 44% respectively. The death toll among children is particularly high during the monsoon months, though these are explained away as being due to various illnesses. The death toll is highest in the poor northern states.

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The ILO World Employment Report (2004-05), has said that the 1.4 billion people, or in effect, 50 percent of the global workforce, are trapped in abject poverty, unable to earn enough to lift themselves and their families above the $ 2-a-day (Rs. 88 a day) poverty line. The report also reveals that the 185.9 million people in the world who were unemployed in 2003 represent the “tip of the iceberg” of the decent work deficit, since more than seven times that number of people are employed but still live in poverty.
According to the report, some 2.8 billion people were employed globally in 2003, more than ever before. However, of these, nearly 1.4 billion— the highest number ever—are living on less than the equivalent of $2—a-day and some 550 million are living below the $1-a-day (Rs.44 a day) poverty line. The report also said that the agricultural sector employs over 40 percent of developing countries’ workers and contributes over 20 percent of their gross domestic product are living in poverty. The report recommends policies to improve the integration of small firms into the broader economy and to narrow the productivity gap with larger enterprises. Smaller businesses represent a substantial share of employment in both developed and developing economies but their potential to help reduce poverty is limited if their productivity is low. As 12 percent people controlled 95 percent resources/property in India. For example; Reliance has Rs. 99,000 crores.37

Concluding Remarks

An alternative model of India should be based on the concept of the local economy, it favours local firms and workers, who pay local taxes, live by local rules, respect and nurture the local culture and ecosystems, compete fairly in local markets and contribute to community life. Local markets comprise locally owned enterprises engaged in meeting local needs using local resources. Furthermore, every contemporary invention builds on the common heritage of all human knowledge accumulated over thousands of years. Therefore, as a general principle, information and knowledge should be freely shared. This is the third option strategy, which identifies the needs of ordinary people for a decent life, and seeks through the use of market incentives, education and public services to direct the use of domestic resources toward meeting these needs. This is called for “people-centred development strategy”.

People-Centred Development Strategy

The people-centred development is emphasised here to underline the very sustainability of the development processes. The emphasis is added here because quite often the sustainable development gets reduced to ecological issues alone. Some scholars 38 writing on the subject underlined that sustainability essentially depends on the people-centred development. They have outlined it in terms of Networks of Big-Medium-Small Size Villages (NBMS) model. They have strongly advocated that ‘village’ should be ‘production-centre’ of the economy, it should be based on people’s science & techniques, by the area based organisation of rural poor as ‘community-based’ production unit like artisans, black smiths and others for local distribution and local consumption. As Dinesh Abrol suggested, “it is possible to create Taluka wide, viable large-scale networked production system of the rural poor based on local resources, capabilities and markets through appropriate organisational and S&T efforts”. He argued that “this can be done if

37 We have taken varied projects like, “Structural Adjustment and African Alternative Framework,” “Regional Energy Security Cooperation and Geopolitics,” and “South-South Trade and Technological Co-operation: A Case Study of India and East Africa,” with Jawaharlal Nehru University. "North-South Dialogue: A New Alliance for Democracy in the Era of Globalization,” with KEPA (Finlands)-CSDS (India group), “Political Economy of Globalisation, Poverty and Inequality,” with Addis Ababa University, Ethiopia. And “Another World Is Possible” with World Social Forum.” We have organised so many seminars, workshops, and meetings at various platforms. We have already discussed with some scholars, experts and political scientists. Collected materials from UNCTAD, UNDP, World Development Reports, World Bank, ILO, etc.

38 See Gandhi-Kumarappa, Julious Nyerere, Stewart Francis, Dinesh Abrol, Amartya Sen., David Korten, and Utsa Patnaik.
the rural poor are organised to strengthen their inter links and advance the local economy by encouraging local value addition through linking of primary and secondary production and through the technological up gradation of existing occupations.” He pointed out that “there should avoid mutual competition among small producers and for superior access to resources and markets, and to technology transfer to organise landless labour, artisans and poor peasants for area based multi-sectoral large-scale production systems”.

Under competitive conditions the self-employed small producers have not only to come together for access to resources, but also have to emerge as a multi-sectoral collective of producers, co-operating in production. Since economies of scale are required to overcome adverse competition, [the] rural poor will have to be consciously networked and technologically advanced in a mutually complementing way. Rural poor will have to pool the resources and capabilities for raising the scale and scope of their collective production organisation. This change in the scale and scope can alone allow the participating members to lower the barriers facing them in the creation and adoption of more sophisticated and improved technologies which can make their production more competitive than before in the local markets.” He further stated, “The local economy exists as a taluka wide, multi-sectoral network. In the local economy the range of occupations engaging the rural poor is wide and varied. It includes agriculture labour, small/ marginal- cultivators, hides and skins occupations ranging over flaying, carcass utilisation tanning, and product making; cloth weaving, dyeing and printing; fibre collection/ extraction, basket and mat weaving; animal husbandry, poultry, fishing, toddy tapping, etc. and allied secondary processing like food processing; blacksmithing, carpentry, pottery, and masonry and other engineering- artisans, or handicraft occupations; manual haulage and transportation including cycle rickshaw and scavenging. The networks of group enterprises comprising rural poor can be built around the principle of worker co-operatives i.e. worker ownership, collective appropriation of surplus and full participation in decision making.”

A Case Study of China

China can be justly proud of having lifted some 400 million people out of poverty in the last quarter of a century. But at the same time it has produced income inequalities that are among the fastest growing in the world. These are not just the natural consequences of China’s impressive growth. They are symptomatic of barriers to labour mobility and other legacies of the old planned economy that could put a brake on the country’s development in the coming years. For China to reach its target of quadrupling its national product between 2000 and 2020, it will need bold reforms in a wide range of areas. It is not clear that it has the stamina for them.

At the start of China’s move away from central planning in 1978, the average income of urban residents was about 2.5 times that of their rural counterparts. By the mid-1980s, the ratio had narrowed to 1.8 owing to the breaking up of the people’s communes, and other policies aimed at boosting rural incomes. But since then, the countryside has fallen ever

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Dinesh Abrol, “Technological Transformation of Rural Areas: Through A New Approach to Area Based Organisation of Rural Poor”, presented a seminar paper at Science Bhawan, New Delhi, on 1995, who is a Scientist, at National Institute of Science, Technology and Development Studies, (CSIR), New Delhi.
further behind. Rural enterprises began to sputter in the 1990s as a result of increasing competition from the cities, bad management and poor investment decisions. Income from farming stagnated. Now urban residents earn on average three times as much as those in the countryside.

The disparity may be worse than it seems. Some Chinese scholars believe that official figures overstate the disposable income of farmers, who have to buy seed and fertiliser and are subject to numerous illegal levies by local governments, and understate that of urban residents, who often have undeclared sources of income. Lin Tai, a social-sciences professor at Beijing's Tsinghua University, has estimated that the urban/rural income ratio is as high as six. A similarly sharp divergence has occurred between the wealthy coastal provinces and the backward interior.

The widening income gap is often described by Chinese officials as a threat to social stability. “A Study of Mass Incidents”, a book circulated last year within China's police force, said that large-scale public disturbances were increasing annually, particularly in the countryside. One of the reasons the study gave for this was the growing gap between rich and poor. But such incidents have had little perceptible impact on China's overall social and political stability. A bigger potential threat is likely to come from the impact on China's economic growth of the factors that have caused China's urban/rural divide to expand at such a pace. About two-thirds of the population of 1.3 billion lives in the countryside or in rural townships. Of these, more than 300 million have little or nothing to do. To increase returns on agriculture and boost incomes farmers' tiny plots of land need to be merged and surplus labour moved into urban manufacturing.

China has gradually relaxed restrictions on mobility to meet demand for unskilled labour in the cities. But indirect obstacles remain. These include a lack of affordable housing, exclusion from urban welfare provisions, high fees for work and residence permits and the lack of any mechanism for selling or mortgaging land-use rights (the government formally owns all land) to provide the cash to move. Removing these obstacles will take a lot of efforts. Officials worry that in the absence of rural pension or unemployment benefits, allowing farmers to trade their land would deprive them of their only security—potentially creating a new source of social instability. Local governments fear that further encouraging the migration of rural labour would put excessive pressure on urban services.

China recognises the need for faster urbanisation. But fearing the development of sprawling shanty towns around big cities, it has focused on developing smaller towns. In a report published in July, a researcher from the Ministry of Labour and Social Security, Guo Yue, argued that by forgoing economies of scale, China's urbanisation policy had led to a colossal waste of resources and had failed to boost growth or employment.

For cities to work better, they will need industries with increasingly skilled labour and higher technology to boost productivity. Yet China's education system is woefully inadequate. Katarina Tomasevski, a UN official responsible for education rights, said in Beijing last week that Uganda was doing better than China in guaranteeing the right to
education. According to Tomasevski China spends only 2% of its GDP on education (China says it is 3.4%, but the UN recommends 6%) and the government provides only 53% of school funding, lower than most other countries with compulsory education systems.

China will also need to overhaul its banking sector, so that capital can be deployed where it is needed instead of in unproductive state-owned enterprises or property speculation. This will involve liberalising interest rates and allowing greater private ownership of banks. But for years China's leaders have dithered over these and other essential reforms, such as sorting out the banks' huge portfolios of bad debt, fearful that a wrong move might precipitate an economic or social crisis.

In a critical report, the World Bank says it will take “enormous political will” for China to overcome resistance to needed reforms. Encouragingly, China supported the report's publication. And next month the Communist Party is scheduled to hold a meeting of its Central Committee to discuss, among other things, speeding up reform—with due attention paid to stability. But don't expect much to change.40

A Case Study of the USA

Even in the USA, one in five children lives in poverty and 44.3 percent of the population is uninsured. One in four working families in the US “earn wages so low they have difficulty surviving financially,” charged a report released October 12, 2004, by three nonpartisan foundations. The report titled; “Working Hard, Falling Short,” found that 9.2 million US families with 39 million members including 20 million children are locked in the ranks of the “working poor,” toiling at minimum wage jobs without benefits and with little hope of rising from poverty. Two-third countries are developing in the world, and major population is living below the poverty line or is extremely poor.

In the US, in 1997, 22 per cent or 5.2 million children living below the poverty line, including 2.5 million who were “extremely poor”, living at half the level of the poverty line. More than one million children in America are homeless. “Some 40 per cent of America’s homeless are now women and their children – the fastest growing homeless group”.41 In the era of corporate globalisation, billions of workers and poor people around the world learned that a country’s economic growth does not automatically result in rising standards of living for the majority. The 13,000 richest families in the U.S. now have almost as much income as the 20 million poorest. "And those 13,00042 families have incomes 300 times that of average families.”43

The study from the D.C. Fiscal Policy Institute, a research group focused on issues impacting low-and middle-income people, said economic development in the capital benefited the top fifth of the city’s population in the 1990s. It did little for the poor. The

average income of the richest 20 percent of Washington, D.C., households grew by 35.7 per cent during the last decade, while the average income of the bottom 20 percent rose by only 3.3 per cent, the report stated. The average income of the city’s richest residents was almost 31 times higher than that of the poorest, standing at $1,86,830, compared to $6,126, that of the latter, according to the D.C. Fiscal Policy Institute. Atlanta and Miami have similar gaps, but the difference between high and low incomes in most other cities is less pronounced, with income for the top 20 percent of the population being 18 times that of the bottom 20 percent, the report observed.44

In the mid-1990s, the United Nations published a report showing that the U.S. had already become the most class-stratified society among all the advanced industrial countries. Now, wealth in the U.S. is even more concentrated in the hands of a few. "It's remarkable how little growth has trickled down to ordinary families," Krugman explained. "Median family income has risen only about 0.5 percent per year--and as far as we can tell...just about all of that increase was due to wives working longer hours, with little or no gain in real wages."

In their 1992 campaign for the White House, Bill Clinton and Al Gore pointed out that the top 1 percent of Americans owned 40 percent of the country’s wealth. They also said that if you eliminated home ownership and only counted businesses, factories and offices, then the top 1 percent owned 90 percent of all wealth. And the top 10 percent, they said, owned 99 percent! But once in office, Clinton and Gore did nothing to redistribute wealth more equally--despite the fact that their two terms in office spanned the economic joyride of the 1990s. On the contrary, inequality only continued to grow.

But it isn’t just that gains have been nonexistent for most U.S. workers in recent years. Life has gotten worse, and dreams of the future have darkened. Some 2.6 million jobs have disappeared since March 2001--the longest sustained period of job losses since the Great Depression of the 1930s. Two million workers lost their health insurance last year alone because of layoffs. And workers who still had coverage faced skyrocketing costs and larger co-payments.

In 1988, 27 percent of American workers belonged to Health Maintenance Organizations (HMOs). During the 1990s, the CEOs and Washington’s politicians drove the vast majority of Americans with health coverage into the HMOs. They said that the HMO "managed care" system would control costs and save money for ordinary people. But by 2001, 93 percent of U.S. workers and retirees got their health services through managed care--and were paying more for it!

Most states now face dramatic budget shortfalls. This means fewer social services--from welfare to veterans’ benefits to support for disabled kids--and more hardship for workers and their families. The recession is partly to blame, but giveaways to corporations and tax cuts for the wealthy threaten to make the added burdens permanent. Public education, for example, lies squarely on the chopping block. Politicians have slashed education budgets

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for kindergarten through high school, and annual double-digit tuition hikes have become
the norm in colleges and universities. State and local governments, under pressure from
Washington, are forcing parents and students to pay directly for an ever-increasing
portion of their college degree.

The bosses’ bonanza did nothing to improve the quality of life for U.S. workers. Hunger
is still a daily reality for one in five children in the U.S. under the age of 18. One in four
under the age of six goes to bed undernourished. And 25 percent of kids under the age of
six officially live in poverty.

Their parents fare little better. Even though unemployment has surpassed 6 percent, the
average American now works nine weeks longer per year than European workers do. We
work the equivalent of five weeks longer than we did here in 1973—about 200 hours more
each year. All of this has contributed to vast amounts of stress, heart disease, depression
and other ailments—as U.S. workers literally work themselves to death.

Debt is a major source of worry and anxiety. No matter how hard or how long work, it
seems increasingly impossible to make ends meet each month. In the first three months of
2001, workers not merely were unable to save, but in fact used credit cards to spend 7
percent more than they earned. Personal debt is now at a record 120 percent of personal
income in America. But if we work hard, at least we can look forward to a comfortable
retirement. Not any more! The retirement age is being pushed up so we get fewer years.
And the pressure is on to privatize as much of retirement as possible—including social
security.

And yet private pensions are eroding at breakneck speed. Corporate pension plans lost
between $300 billion and $500 billion over the past two years. The Pension Benefit
Guaranty Corporation—a quasi-governmental agency that insures corporate pension
programmes—is currently facing a resource crunch. By 2031, estimates are that
companies will cover less than 10 percent of retirees’ health expenses. Already, 20
percent of companies have eliminated retiree medical plans for the newly hired
employees, and 17 percent will require the newly hired employees to pay the full
premium for coverage.

Faced with the impact of recession and cutthroat competition, management sees
jettisoning pension plans as a tempting idea. According to the Economist magazine,
"Pension liabilities have become a key element in corporate insolvencies and resurrection
from September 11, 2001 bankruptcy. For instance, U.S. Airways, America’s seventh-
largest airline, was able to emerge from bankruptcy protection a few weeks ago only after
shedding its pension obligations." Pilots stripped of their retirement dreams only got
angrier when they learned what happened to the CEO who ran U.S. Airways until just
before the bankruptcy filing. Stephen Wolf, the CEO, left the company with a one-off
pension payment of $15 million in his pocket.

Does the system work for us? Mired in recession and war, working Americans are having
a rough time. At the end of the Cold War with the USSR in the early 1990s, Bush Senior
promised us a "peace dividend" that would change our lives for the better. That was a pack of lies. Now Bush Junior's doctrine of a newly aggressive U.S. imperialism has dashed hopes that the trillion-dollar surplus would be used for national health care, higher teacher pay, secure pensions and revitalized cities--because the trillion-dollar surplus has become a huge deficit.

Like our bodies and our lives, this system grinds even our dreams into dust. We have to get rid of an economic and political system that increases hardship for the majority, while a tiny minority lives in luxury. If Corporate America couldn't deliver for us in a period of capitalist expansion like the 1990s, it never will. We need to fight for a socialist system that puts the needs of ordinary people ahead of corporate profits.

Do American Workers Benefit from U.S. Imperialism?
A number of people--both inside and outside the U.S.--think that American workers get material benefits from U.S. imperialism. Corporate America’s exploitation of workers in the economically less developed countries is believed to maintain and improve living standards here. And the U.S. military is said to defend the comfortable lifestyles of U.S. workers.

U.S. corporations extracted huge profits from almost every corner of the world in the 1990s. But as the declining living conditions of U.S. workers show, these profits didn’t trickle down to improve their lives. Some observers argue that, without those profits, the decline in U.S. workers’ living standards would have been even greater. But the reality is that U.S. bosses robbed from U.S. workers everything they could get away with--just like they did from workers in less economically advanced countries. Downsizing, union-busting, benefit reductions, demands for labour flexibility and forced productivity gains were strategies used by U.S. corporations not only in foreign countries but also at home to drain more out of workers.

The idea that U.S. workers live well because their brothers and sisters in less developed countries live poorly is plain wrong. The U.S. ruling class lives well--as do the ruling classes of the less-developed countries--because workers everywhere are exploited. The 1990s saw an expansion of U.S. economic and military imperialism. Big business benefited, and U.S. workers lost out.

The Income Gap within OECD
Differences in incomes in the developed industrial countries (OECD), increased greatly between the mid-1970s to 2004. Those faring worst in the re-division of wealth were single parents and young people. The authors of the study, Michael Förster and Mark Pearson, analysed and compared data from a total of 20 member states of the OECD.

At the end of the period under study, the poorest 30 percent of the population in the countries examined received only 5 to 13 percent of the national income— Australia and Ireland, 5 percent; Great Britain and Belgium, 6 percent; the Netherlands and the US, 8 percent; Germany, 11 percent; and Japan, 13 percent. On the other hand, the richest 30 percent of the population received 55 to 65 percent of the national income. The biggest
growth in social inequality were measured in the United States, Great Britain and The Netherlands. These figures took into account income from work, social and welfare payments and income from capital investments and self-employment.

In the opinion of the authors of the study, responsibility for the growing gulf between the rich and the poor is due less to the impoverishment of what are already very disadvantaged layers of society and more to the rapid increase in income of the rich. While wages and incomes have fallen “relatively” slightly or remained the same, the net incomes of the top layers of society have risen enormously.

A significant development revealed by the study is the concentration of employment in single households: ‘There are more households where all adults are working, more households where no adults are working, and fewer households where there is at least one adult working and one adult not working.’

Some government statements—for example, those made by the German Social Democratic-Green Party coalition—emphasise that a majority of people regarded as poor (earning below 50 percent of average income) are poor for only a short period of time. The authors of the current study present figures confirming this thesis, but at the same time make clear that a large proportion of the population lives in permanent financial insecurity.

In a number of the researched countries, the study presents figures dealing with the development of poverty over a period of six years. In Germany, 10.2 percent are poor on an annual basis. The corresponding figure in the US is 14.2 percent and in Great Britain, 20 percent. Over the period of six years just 1.8 percent of the population experienced poverty in any one year; in the US, 4.6 percent; and in Great Britain, 6.1 percent.

But every fifth inhabitant of Germany (19.9 percent), every fourth US citizen and more than a third of all British citizens (38.4 percent) experienced poverty at one time or another in the control period of six years. It is apparent that in the richest countries in the world poverty is not merely a phenomenon affecting the fringes of society, but it is a permanent threat for large sections of the population.

The authors also make clear that those who have suffered most from the re-division of wealth are single parents and young people. The study identifies the long periods of study for students, together with the growth of youth unemployment, as the main determining factors for youth poverty. In the case of single parents, poverty is bound up with the widespread dependence on state assistance.


The average income of single mothers and fathers lies between half (US) and two-thirds (Scandinavian countries and Greece) of the average income of all persons of working age. With the exception of Sweden, where nine-tenths of all single parents are employed, it is principally unemployment, which is the cause of this form of poverty. In particular, in Germany, it is the lack of proper childcare and the corresponding difficulties for parents to take up work, which have intensified poverty.

In all countries, persons between the ages of 41 and 50 years have the highest levels of income. Nevertheless, this group is also affected by poverty. For two countries in the study group, Great Britain and the Netherlands, poverty has grown within this age group.

The OECD study also investigated the social assistance expenditures in individual countries. Such payments are primarily aimed at alleviating poverty, for example, to compensate for periods of unemployment or child rearing. However, the authors have been able to establish that such social assistance payments do not primarily benefit the poor.

In some countries—including Greece, France, Hungary, Italy, Mexico and Germany—the bottom 30 percent of the population received less than 30 percent of state assistance payments. In these countries such payments are not transferred from the young to the old, the employed to the unemployed, from families without children to families with children, i.e., from better-off layers of the population to those in need. Instead, the payments are distributed “equally” throughout the population.

In the year 1994, the bottom 30 percent of the population (in terms of income) in Germany received just 28.5 percent of all social payments, a decrease of 4.9 percent compared with the year 1984. For the bottom 30 percent of pensioners, the corresponding payments amounted to less than 20 percent of the total. The middle ranging 40 percent of the population fared substantially better, with 42.2 percent of payments—an increase of 4.1 percent. But the most privileged 30 percent of the population received more state payments than the bottom 30 percent, or 29.2 percent, an increase of 1 percent compared to the previous decade.

When big business and the political elites complain about the “high level of state assistance payments”, their aim is to cut unemployment benefits and social assistance—those payments traditionally received by the poorest and least privileged in society.

The figures of the OECD study are no longer current and only suitable for international comparison. As a result, the authors explain, on the basis of the statistical methods used, the figures in particular from the US are insufficient to determine whether poverty is less prevalent there than, for example, in Great Britain. Symptomatically, the report on the rich and the poor by the German government ignores the elevation of a few thousand super-rich in the country, with a total wealth of around 3 trillion euros. A further subdivision of the bottom and top social layers would undoubtedly reveal much more dramatic income inequalities, particularly in the US.
Nevertheless, the study carried out at the behest of the OECD confirms an international tendency which millions experience as part of their everyday life: the gulf between rich and poor is growing, and the primary victims are single parents, the young and the elderly.

Summing up, the thrust of this paper is to underline that if the globalisation process is contributing in furthering the inequality and poverty, the response has to be to revise the development strategy at the local level in manner that the local resources and entrepreneurship are pooled and organised to cater to the local needs and generate surplus to exchange with the regional market and subsequently to the global market.

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Press Note
October 17, 2005

Urban poor and displaced unorganized workers Challenge the 'National Urban Renewal Mission'

Over 3000 Displaced Slum-Dwellers and exploited unorganized workers and activists from cities of 18 states take out Morcha from Darbi Talkies,
Sandhurts Rd. to Azad Maidan to protest against anti poor Urban Renewal Plan.

Mumbai city's displaced slum dwellers and marginalized workers demand livelihoods and proper housing and live with basic amenities.

**They Say No to displacement due to wrong development policies.**

The 'National Urban Renewal Mission of India' (NURM) claiming to replace slums with splendor to the satisfaction of all concerned is nothing but a tarp for urban poor, be it slum dwellers, vendors, hawkers or daily wage workers. This Mission is going to change the total fabric of the cities in favour of the private sectors, builders and politician and Commercialize even the basic amenities for the poor people.

The activists representing various movements and NGO's working with marginalized and exploited people from Delhi, Kolkata, Madras, Madurai, Nagpur, Pune, Jaipur, Bhopal, Hyderabad, Vishakapatnam, Raipur, Ranchi, Patna, Jamshedpur, Indore, Ahmedabad, Chennai, and Bijapur participated in the Morcha to not only lend their full solidarity to the people of Mumbai who's homes were bulldozed several times since November 2005, but also to challenge the Urban Renewal Mission.

The large Morcha of over 300 people started at 11.00 a.m. from Darbi Takies Sandhurts Road Railway Station, and after walking about six k.m., reached Azad Maidan by 1.15 p.m.

Addressing the press and the gathering Dr. B.D. Sharma, the former commissioner of SC/ST and the president of Bharat Jan Andolan challenged the present development Paradigm, and the 'National urban renewal Misiion' which is anti poor.

Rajendra Ravi, one of the national conveners of NAPM based in Delhi, termed the plan as 'Urban Removal Plan' which will displace large section of marginalized urban workers small shop owners, vender and hawkers etc, Medha Patkar, the National Coordinator of NAPM, termed this plan as conspiracy to privatize the basic amenities. She said this will lead to more commercialization and privatisation and an accentuated nexus between builders, contractors, MNC's, multilateral agencies, rich and the government. She stresses this will change the over all social cultural and economic characters of the cities against the large section of marginalized and exploited population.

Raju Bhise, activist of Sahar Vikas Manch said that the plan will make the life of about 60 percent of Mumbai's poor and working population, even more difficult and the recent demolitions and the plight of the slum dweller are just the tip of the ice berg.

Pravin Ghag, activist of Girani Kamgar Sanghatana, shared the major victory of the 'Textile Mill Workers' who won the case in High court of getting about 200 acres of textile mill land to the mill workers who have build this city. He assured the people that with struggle, grit and collective strength we will win our battle.
The people, survivor of demolition and displacement in Mumbai and activists from all over the country have pledge to continue their struggle towards the real development which will bring about a decent raise in the quality of their life.

Meanwhile, people along with activists of National Alliance of people's Movements, Shahar Vikas Manch, ICHRL and others have pledge to struggle till their demands are met.

Our demands:

- People should be displaced only with their informed consent and participation in the decision-making process. No one should be displaced without proper rehabilitation.
- Mumbai's plans pursued in the name of "Mithi River revival" or "Mumbai's Development" should proceed in a transparent manner, with consent and partnership of the city-dwellers and those living along the banks of the river.
- The government has proved to be weak and even late in providing the relief to those affected by the deluge of late July. Many eligible persons haven't received grain, the sum of Rs. 1000 as they were promised. They should be given relief immediately.
- Land Ceiling act should not be repealed but implemented with more rigor, and the land acquired should be used to build houses for the poor people.
- Government should recover the public lands used by unauthorized occupiers on ridiculously low lease rent or where the land lease is expired and use it for the poor people housing.

Mukta Srivastava Pervin Jehangir Simpreet Singh

Sectarian Violence and Urban Poverty

Ram Puniyani

The period of last two odd decades has been qualitatively different than the post independence time. The aftermath of independence was marked by a pattern of development which did lead to urbanization, initially slowly but in due course it picked up rapidly. At the same time the pattern of development gave rise to affluent sections, the prosperous middle classes and a large section of deprived, which chose to migrate to cities in search of better living conditions. Urban living conditions did give some of them two square meals but left a lot to be desired. In the last two decades one observes that there is a qualitative change in the issues being confronted on different fronts. The indices of social development kept changing and urban rural divide also went up. At the same time the scars of divisive politics in the name of religion kept simmering like a sore on the body of society. Even before the newer patterns of urban elite came into being section of trading community were the one’s to support, the divisive politics which led to
the sectarian violence in the pre eighties period. The nature and forces behind the violence gradually changed and after eighties a newer layer of social sector supported the communal ideology which in turn orchestrated the violence targeting the minorities. The aftermath of these cataclysmic episodes exulted in areas in cities, where the minority sections started concentrating as a measure of physical security in the face of repeated violence. Due to physical insecurity these ghettos increased in number, worsened in quality and at the same time resulted in the proliferation of areas of deprivation.

1. **The economic backdrop of Muslim Minorities:**

A large section of Indian Muslims comes from the untouchables, shudras, who converted to Islam to escape the tyranny of Brahmanical system of Varna, caste. Majority of this section was poor peasants tied to the land. A good chunk was also in petty trade and artisanship. With industrialization process, section of Muslims shifted to the cities to take up employment there. The advantages of modern education did not benefit this section of poor sufficiently and they remained marginalized from the employment in general and in higher echelons of jobs in particular. The efforts of the likes of Sir Syed were restricted more for the Ashraf section of Muslims. With partition the large section of educated elite Muslims left for Pakistan, increasing the ratio of poor and uneducated Muslims in the community.

Due to being artisans, weavers, some concentration of theirs’ took place in the cities where occupation based on their skills were concentrated, Meerut (locks), Moradabad (brassware) Bhiwandi, Malegaon (textiles). In cities, the majority of the Muslims were concentrated in poor localities, with less civic and other amenities. The trade rivalry was to be the first which took the better of the democratic norms and resulted in the violence, beginning from the Jabalpur one. Here the violence was aided by the rivalry of bidi (tobacco rolled in leaves) traders. Later the violence of Meerut, Malyana, Bhivandi, and Malegaon came up to show this sore of Indian society. Every wave of violence left the Muslims in that area poorer and more marginalized. The extent of addition to poverty due to violence has not been quantified but from the general observations, more so of the post 80s riots, it is clear that loss of Muslim property is many times more. This phenomenon of sectarian violence, adding to poverty and patterns of poverty needs to be highlighted.

The losses of minority community just in terms of quantum are phenomenal. The Ahmedabad city itself witnessed the massive destruction of property, mainly of Muslims. “Tata Consultancy Services surmise the loss of gross value output of goods and services to be about 1250 crores, the loss of trading business about 1000 crores, loss of exports 2000 crores…”(Engineer, 257) Many a trading families turned destitute due to the lack of proper rehabilitation and compensation after the riots. The recovery is generally not complete and these families take to economically lower level of occupation.

The families which are victims of this violence, many a times have to be displaced and to rebuild their lives from scratch. The state apathy in their rehabilitation was worst exhibited in the Gujarat violence, which is extreme but in no way the only example of its kind. In most of the riots the rehabilitation process has been half baked, half way and
nowhere bringing the victims to their pre riot economic levels. The compensation which is declared for the victims generally does not reach them. In case of Gujarat the prime minister declared that the victims will be given Rs. 50,000 each. The state government modified it to say that the compensation will be given up to Rs.50,000, and finally the victims got compensation which was abysmally low in amount. This has gone on adding to the process of worsening over a period of time.

The educational levels amongst Muslims have remained low due to multiple factors. They have been discriminated against in jobs and other social facilities all through. Most of the scholars on the topic have come out with immaculate statistics on the topic. Omar Kahlidi analyzing the National Sample Survey data, round 43rd, of 1987-88, the later data is worse, shows that there are 53.4% self employed amongst Muslims vis a vis 35.9% amongst Hindus. While 46.7% Hindus are on wages/salaries 28.9% of Muslims are on salaries. (Khalidi, p.66) Apart from trade, the places where one can find employment is the jobs in Government, public sector and private enterprises.

**Table 1: Muslims in public employment: All Indian central services**

<table>
<thead>
<tr>
<th>Service &amp; Account Services</th>
<th>Year</th>
<th>Total</th>
<th>Muslims</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Tax I</td>
<td>Total in 1981</td>
<td>1,753</td>
<td>50</td>
<td>2.85</td>
</tr>
<tr>
<td>Railway Traffic</td>
<td>Intake during 1971-80</td>
<td>881</td>
<td>27</td>
<td>3.06</td>
</tr>
</tbody>
</table>

Source: Mushirul Hasan, Legacy of a divided nation, p.282 from Muslim India June 1983, pp. 261-63

There representation in jobs also is very low. In 1981, amongst the total of 3883 IAS officers only 116(2.99%) were Muslims (Hasan, 282) Same was the pattern in class I jobs in most of the sectors while in lower categories, class II, to IV the situation was marginally better. Data cited by Robinson shows that the percentage of Muslims in police force was roughly 4-5 % in most states, much less than their ratio in population. (Robinson, p. 92).

These data show high rate of self employed amongst the Muslims, the reason being their discrimination in the employment. “Muslims are marginalized from more prestigious domain of regular and salaried employment. Forty six point seven percent Hindus are involved in regular wage/salaried employment in contrast with just 28.9 per cent of Muslims. Muslims are but marginally more represented than Hindus or Christians in the category of casual labour. Later data (Shariff 1999) also shows that Muslims continue to get their share from artisanship and petty trade as compared to other social groups; in contrast their income is far below the national average and less than that earned by Hindus from this source. NSS data (Rounds 50 and 55 for years 1993 and 1999-2000) reveal the unsettling trend of increasing disparity between Hindus and Muslims during 1990s with respect to the consumption, education, employment and landholdings, though
literacy rates of both communities showed gradual improvement."(Hasan2000:248)" (Robinson, p.67)

Gopal Singh Commission appointed by Government of India in 1980s showed that only 3.41% students in Engineering colleges are Muslims, only 6.77% of them are registered at the employment exchange, in private sector they are 8.16%, borrowers under bank loan schemes-9.41% getting 3.37% of borrowings, poor representation in judiciary(Gopal Singh Commission, Quoted in Puniyani, Communal Politics, Sage 2002, p.145)

2. Changing Profile of Violence: Urbanization

During the same period the development process threw up affluent sections of middle classes, petty industrialists, affluent professionals and rich peasants with urban reach and ambitions. This layer came up in a big way to support the communal politics and with the communal violence changing its intensity from the decade of 1980. The riots started becoming more intense, more planned and resulting in bigger loss to life and property. The intimidation and ghettoisation process started picking up slightly and this was to culminate in formation of ‘Mini Pakistan’, ‘borders’ and what have you. These slums become the centers of intense poverty and are marked by absence of civic facilities.

The relationship between the violence and poverty is very complex. While this politics has the backing of some affluent sections of society it is not only able to manufacture agreement for its world view, to percolate deep down the myths, to make them the part of the social common sense, it is also able to misguide the poor away from their social agenda. By giving them an identity dominated politics, it is able to mobilize the urban poor as the foot soldiers of its pogrom directed against the weaker minorities. The worst example of this is displayed in the recent anti Muslim pogrom in Gujarat. Breman, points out that those who lost their jobs, nearly 100,000 of the workers, in the textile mills of Ahmadabad were the main executioners of violence, which was coordinated by the RSS and its progeny. These foot soldiers were supplemented by the cultural manipulation in the Adivasi areas, (Engineer, 1993).

In turn this violence also results in huge losses of property. Apart from the looting, which earlier was resorted to by the poor sections, the Gujarat violence also witnessed the affluent sections driving in their slick cars to pick up the booty, followed by the physical destruction of ‘enemy’ property. “…the cost of intercommunity strife, and that just in economic terms are formidable: for Muslims, for non-Muslims and public exchequer. In case of 92-93 Mumbai violence…the loss was (estimated to be) gross value of output of goods and services to be about 1250 crores, the loss of trading business about Rs 1000 crores…”(Engineer, 257)

3. Minorities in Cities

In the cities which has witnessed the violence the process of ghettoisation is worsening by the day. The mixed localities are becoming extinct in the cities where communalism rules the roost, whether in power or out of power. The social common sense has deepened and the physical segregation of communities is painfully obvious with the
separate localities, Hindus-Muslims. In these cities there is a stark difference in the standards of living. In Hindu localities the Muslims are not permitted to buy the houses. The dalits are also living in the poor slums. The globalization trends and consequent lack of jobs has pushed this section into poorer areas.

Table 2: Patterns of employment by religion in India, 1987-88

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Muslims</th>
<th>Hindus</th>
<th>Christians</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed</td>
<td>60</td>
<td>45</td>
<td>34.3</td>
<td></td>
</tr>
<tr>
<td>Regular Workers</td>
<td>15.7</td>
<td>27.7</td>
<td>51.5</td>
<td></td>
</tr>
<tr>
<td>Casual Workers</td>
<td>24.3</td>
<td>26.4</td>
<td>14.2</td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Work participation</td>
<td>11.4</td>
<td>15.9</td>
<td>23.6</td>
<td></td>
</tr>
<tr>
<td>rate (d)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Does not add up to 100.

Table 3: Distribution of persons by household type (occupation) & religion for urban India, 1987-88 (all figures in percentages).

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Muslims</th>
<th>Hindus</th>
<th>Christians</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed</td>
<td>53.4</td>
<td>35.9</td>
<td>21.4</td>
<td>44.6</td>
</tr>
<tr>
<td>Regular wage/salaried</td>
<td>28.9</td>
<td>46.7</td>
<td>56.1</td>
<td>38.3</td>
</tr>
<tr>
<td>Casual labour</td>
<td>13.4</td>
<td>12.1</td>
<td>12.3</td>
<td>10.5</td>
</tr>
<tr>
<td>Others</td>
<td>4.3</td>
<td>5.4</td>
<td>10.2</td>
<td>6.6</td>
</tr>
</tbody>
</table>


Conclusions:

Amongst the multiple reason of growing urban poverty the role of sectarian violence also needs to be looked at. This violence is the outcome of communal politics, currently being spearheaded by RSS and its progeny. The Muslim minority in particular is already
discriminated against in education, jobs and social facilities. To top it the violence and its aftermath adds to the problems in a serious way. The loss of property due to burning and looting is the outcome of sectarian violence. It results in destruction of property, destitution of section of minorities, and their ghettoisation in due course.

(Acknowledgement: The tables used in this essay are from Rowena Robinson, Tremors of Violence, Sage, 2005)

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URBAN POVERTY IN INDIA

Book Review Article

Submitted by

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Name of Book: Urban Poverty in India (Issues and Policies)
Editors: MD Asthana and Sabir Ali
Under the auspices of
Council for Social Development, New Delhi- 110003
Published by: Uppal Publishing House, New Delhi.
Pages: 496.
Price: Rs. 895.00
Year: 2004

The present pioneering volume entitled “Urban Poverty in India (Issues and Policies)” edited by MD Asthana and Sabir Ali Under the auspices of Council for Social development, New Delhi published in 2004 provides a fresh perspective on the linkages between various dimensions and linkages of urban poverty in India. The study addresses
several critical inter-connected policy issues especially women as a marginalized section amongst the urban poor, eradication of urban poverty and access to basic services.

Of the world’s population 1.2 billion is estimated to live in ‘extreme consumption poverty’. More than two thirds live in Asia and close to half, in South Asia. In India, the definition of poverty is officially linked to the expenditure required by an average household to meet a specified minimum nutritional norm measure in terms of calories. Based on the calorific intake model, different research bodies in India, using a range of different methods and sources, have estimated that the percentage of the urban population Below the Poverty Line varies between 30% and 40%.

Poverty continues to be a major issue even after 50 years of India’s independence. The progress of poverty alleviation front in India has been highly uneven. The policies and strategies pursued so far however have been inadequate to wipe away the bane of poverty to acceptable levels. While considerable expenditure has been incurred for eradication of the rural poverty, the plan allocations for the urban poverty have been unpretentious. The basic issues for the poor in urban areas include lack of secure housing; poor allocation for providing access to basic civic amenities like healthy and clean living environment, safe drinking water; for public health facilities, basic education, food security and safety net programme; freedom from violence; unfair treatment in employment; unreasonable working hours; lack of gainful self employment opportunities; inadequate income levels to secure food, shelter, health and education.

Urban poverty continues to be the matter of concern. In this background, the Council for Social Development decided to bring out this edited volume on this important theme. The articles mainly highlight the issues and policies of urban poverty; women as a marginalized subset among the urban poor; access to basic services in urban areas; shelter for the urban poor; spatial distribution eradication of urban poverty and urban poverty among dalits. The book explores the three significant factors for the low levels of success of the plans included failure of alleviation programmes because of poor design; shrinking employment opportunities leading to increased poverty; and the growth which did not result in reducing poverty.

In India’s development strategy, removal of poverty became dominant objective initially in the fifth five-year plan (1974-79). The earlier plans emphasized the existence of large-scale poverty in the country, but the proper analysis of the dimension of the problem was lacking. There was no distinction made between rural and urban poverty. The sixth plan addressed the poverty issues more explicitly; examining that stimulating the growth process by itself was not enough for the removal of poverty. The focus of the sixth plan, demonstrated a distinct bias on rural poverty eradication by implementing various rural poverty alleviation programmes. The urban areas did not receive as much attention. The seventh plan (1985-90) constituted the first conscious attempt to address the urban poverty issues directly. It observed that attempt at reduction of urban poverty would require a major thrust towards employment generation and skill formation/ improvement of the slum dwellers. During the eighth plan period, further convergence of various programmes were envisaged under urban basic services for the poor where, prime
objective besides service delivery, was to empower the local people, especially women, through development of leadership and making the community self reliant in sustaining the development. In the ninth year plan (1997-2002); the number of poor in the country remained more or less the same at around 320 million due to the rise in the population.

There are 5 papers on issues and policies in the first section. These include Amitabh Kundu’s paper (chapter three) “Urban poverty in India- Issues and perspectives in development” highlighting rural bias in planning, which has led to a disproportionately larger share of investment in rural areas. He says that there has been a change in the development perspective in the eighties and nineties, making a significant departure from the past. Planned allocations for agriculture and allied sectors, rural development etc. have gone up in the sixth and seventh plan. Some benefits have reached the people through implementation of anti-poverty and other welfare schemes. The decline in rural poverty in the eighties and early nineties may be attributed to changes in political process and their impact on development policy in the country. He emphasises that private agencies, NGOs, community organizations and city administrators should share the responsibility for the urban development activities including poverty alleviation.

The paper argues that the dynamics of development in the urban areas of the states during the past two decades has been such that rapid economic growth has not led to a corresponding decline in poverty. Thus, urban poverty emerges as a more complex phenomenon than rural poverty. The nature of development resulting in casualisation and marginalisation of workforce could be the factors behind high levels of poverty in the relatively industrialized states. These must be matters of serious concern.

That rural poverty declines smoothly with development is unfortunately not the case with urban poverty. The responsibility of urban development, including provision of infrastructure and civic services like water supply, sanitation etc., is being shifted systematically from centre to states and to local bodies. There exists an urban bias in planning in the post Independence period that led to disproportionate share of investment going to urban centres through public institutions which accentuated rural-urban disparity.

The paper suggests the new strategy would be to withdraw the state government from urban development and give the responsibility to city administration, private agencies, NGOs and community organisations. For alleviating urban poverty, it would be important to strengthen their base of social infrastructure and amenities. Tackling the problems of employment and amenities for urban poor in these towns can be an effective input in the strategy of regional development. The strategy for alleviating urban poverty must, therefore, incorporate schemes for providing basic services to urban poor who reside in slums in inner cities and peripheral areas. It is important that a structure for plan implementation is created so that the private agencies, financing the projects of basic services, are obliged to function within the framework of a development plan. Also, there should be proper monitoring of the scheme so that the vested interests at the local level do not corner a large part of the benefits.
The second paper (in chapter three) of T.M. Vinod Kumar and Gayatri “Urban Poverty – Issues, Policies and actions” makes the point that poverty alleviation can be better implemented through the initiative of municipalities. However, adequate financial assistance should be provided to enable municipalities to take up the function effectively.

The writer feels that to a common man poverty means hunger, and that policies and strategies pursued so far have not been to wipe away poverty and improvement in the situation is not appreciable. There is a need to have fresh look at policies, programmes and institutions dealing with poverty alleviation, which is the subject matter of the paper.

India is one of the few developing countries, which had tracked the result of poverty alleviation programmes. In this paper the methodology used for measurement of poverty has been debated. Poverty defined solely on personal income cannot cover health, life expectancy, literacy, access to public goods and access to common property resources.

There are two faces of poverty. They are urban and rural poverty, which need to be considered separately. This paper focuses on urban poverty. Agricultural growth, consequent lowering of food prices and ongoing anti-poverty programmes reduce the incidence of rural poverty. However, it is non-agricultural income, food prices and ongoing anti-poverty programmes that reduces the urban poverty.

Growth in agriculture increases the food production and lower the price of food; thereby increasing access of food to poor. It brings about income growth and employment to agricultural labourers; many of them are below poverty level. As a result more rural persons move above poverty line. Further, non-agriculture sectors related to agricultural production, such as marketing, transportation and services in the urban sectors receives the positive effect of agricultural growth. The share of income and benefit of agricultural growth that goes in to share of income and benefit of agricultural growth that goes into agro-industries and the informal sector of urban economy directly affect the alleviation of the urban poverty. In comparison with the rural poor, urban are faced with a different set of problems. Urban areas are characterized with greater degree of commercialization for goods, services and land.

A vicious cycle of poverty is operating in the urban areas. With India’s population increasing, villagers and left with no option but to migrate to urban areas because of the incapacity of rural areas to support them above poverty level. Moving to the urban areas, the migrants are faced with the problem of unemployment, under-employment, non-availability of shelter and limited access to the basic needs. Formal sector of urban employment refuse to accept the new rural migrants because of their low levels of education and inferior skills. Informal sector gives them less productive jobs, lower wages and partial unemployment. This creates lower income and saving.

Dependency of urban poor on cash income means higher vulnerability of the urban poor for price rise. The urban poor cannot afford rise in price for health care and education. Shelter, employment, sanitation, water supply and education as well as loans for
generating self-employment economic activities all assumes importance in attacking urban poverty.

The paper briefly summarizes urban poverty programmes in India. This includes - habitat based programmes, participatory programmes, operation head starts, public distribution programmes, skill up gradation programmes, credit support for self-employment, and preventive strategy of integrated development of small and medium towns. The Habitat programmes essentially aims at improving the living environment of the urban poor. Urban community programme is an example of participatory approach to urban poverty alleviation. This is an approach of cooperative problem solving which involves defining the problem, sharing of the ideas with the group, arriving at the consensus decision and work together on collective projects. Operation head starts attacks the root causes of poverty directly. One of the reasons for the population growth among the urban poor is the higher infant mortality and morbidity. Public Distribution System (PDS) aims at opening ration shops at accessible locations to meet the daily necessities of the urban poor including food, kerosene and cooking oil and other essential items at subsidized prices. The PDS should be targeted to serve the poor only. Skill up gradation of the urban poor can bring about an increase in their wages. Skill improvement should go side by side with the credit support programme. Credit support to the urban poor should be an essential part of this employment programme. This scheme should be integrated with all the other Poverty Programmes to be more successful.

This paper finally argues that poverty programmes can better be implemented at the initiative of the municipalities. However, considerable supporting effort is required to enable municipalities to take up this function effectively.

Susan Loughhead and Onkar Mittal in chapter four on” Urban Poverty and Vulnerability in India: A Social Policy perspective” observe that urban poverty is growing, and the policy makers and planners do not only need to consider this fact, they also need to understand the particular characteristics of the urban poor. In India, urbanisation has been increasing steadily for decades and its impact is immense. Their argument that even now the focus of many policies in developing countries is dominated by rural issues with urban poverty viewed as symptom of rural urban migration is largely in agreement with Kundu’s position. They make a strong case for urban poverty analysis and provide a conceptual framework through which it could be undertaken and addressed. The three papers describe the existing policy measures and conclude that these were not adequate for reducing poverty significantly.

The writers feel that urban development is set to dominate the next 50 years of development discourse in developing countries as rural development has dominated it in the post-colonial period to date. This is especially true for large-scale agrarian societies experiencing rapid urbanisation, like India and China. In India, the vast amount of poverty analysis that has been done so far focuses largely on the rural sector, where indeed the majority of its people live. Although there is considerable difficulty in defining and measuring poverty in India, all the analysis suggests that the numbers of urban poor are likely to increase. The gap between urban and rural poverty is closing.
The more rapid decline in rural poverty has been due to the greater thrust and attention accorded by the Government of India to rural poverty alleviation programmes. Trends in urban poverty suggest that the number of urban poor will increase considerably in future in the absence of a well-planned, long-term intervention strategy. In order to redress the balance, this rather bleak picture suggests that policy makers and planners need to know more about India’s urban population, and especially those aspects affecting the urban poor. They need to develop a deeper understanding about who the urban poor are, and why they are poor (including an appreciation of what distinguishes them from the rural poor, and the linkages between the two). They also need to evaluate the strengths and weaknesses of current urban poverty alleviation policies and programmes in order to ensure that scarce resources address real needs, and have a significant impact on poverty.

There are certain characteristics of poverty, which are particular to the different circumstances within which poor people live-in rural, peri-urban and urban areas. This section concentrates on the particular issues affecting the urban poor, and therefore helps to identify what sort of policy interventions need to be made to address the specific needs.

The analysis in this chapter provides an outline framework against which policy makers can begin to develop intervention to reduce poverty. This article has argued that urban poverty is growing and that policy makers and planners both need to recognise that fact, but also to understand the particular characteristics of the urban poor.

This paper has, therefore, sought to make a strong case for urban poverty analysis, and to supplement this by providing key conceptual frameworks through which it can be understood and addressed. The dynamic nature of poverty and vulnerability against an improving, coping and declining axis has been presented. Beyond this, the paper also argues that policy makers need to make a conceptual distinction between social development and social protection during both the planning and implementation of any anti-poverty policy.

The fifth chapter of N.Sridharan and Vinita Yadav on “Economic reforms and Urban poverty: A Situational Analysis” explores the impact of economic reforms on urban poor and provides an in-depth situational analysis. The paper concludes that in India, economic reform has widened the inequalities’ in terms of income and expenditure and created regional disparities. The retreat of the state has exacerbated the conditions of the poor.

The writers feel that the political economy of India’s development is deep rooted in its freedom struggle and self-reliance. Economic reforms in India have widened the inequalities in terms of income and expenditure, divergence of regions. The current paper evaluates the efforts, made by Indian Government since Independence, particularly after the economic reform process began in 1985, in the first section. It goes into the political and economic compulsions for opening up of the economy. An analysis has been made of the market reform process and states how the social sector is getting affected by this. The paper dwells on the lessons of liberalisation from the Indian Context.
It concludes with the suggestion that adjustment and economic reforms can not be administered universally with a market oriented approach in a country where the extent of poverty can not be measured by number game alone but in terms of access and security to various aspects of daily life.

The paper explores another major area where the economic reforms could succeed mainly due to changing politico-economic scenario of the country was in the field of center-state economic relations.

The sixth chapter of Rajiv Balakrishnan on “Poverty, Rural and Urban, at the turn of the Century – Facets, Issues and Policy Perspectives” concludes that participatory, pro-poor growth which is a global policy climate favours needs to be effectively implemented in a comprehensive way.

The paper highlights that poverty has many faces apart from low consumption, like malnutrition, illiteracy, low life expectancy, insecurity, powerlessness and low self-esteem, which contribute to the ‘poverty of capabilities’. It is multi dimensional and the efforts to target it should be diverse, but critical aspects can be identified. The attack on poverty can come from various sources; growth can stimulate employment and wage increases, poverty can be alleviated by government programmes and policies and human-capital formation (literacy etc) by facilitating ‘pro-poor growth’ can be a highly effective antidote to poverty.

The challenge is to see that the rhetoric translates into ground reality and to ensure capacity building for the rural and urban poor so that they are comprehensively drawn into the development process on a more equitable and secure footing.

Given the changing perspective, it is important to examine the trend in rural and urban poverty over the years and identify the pattern, if any. This has been done in the second section, which follows the introductory section. In this an attempt has been made to analyse the inter-state variation in poverty levels and explain in terms of socio-economic factors.

The papers that relate to the women’s marginalisation amongst the urban poor (section two) suggests to allow space for negotiations and a process of self management and resource mobilization by the communities themselves with the help of local leadership for their own improvement.

Koumari Mitra and Gail R Pool in chapter seven on “Why women stay poor: An examination of urban poverty in India” examine the gender bias in poverty which underlines the social and economic subordination of women reflected in their unequal access to basic amenities such as education, health care and labour force participation. India has set its goals of removing poverty by providing social and economic growth in a stable democratic environment. India has been successful in some crucial areas such as the eradication of famine and the reduction in population growth, but poverty alleviation
still remains a challenge. She assessed that, in order to evaluate poverty and improve the economic status of the urban poor women, policy makers need to perceive women as economic actors for the role they play at the household level in the process of moving their families out of poverty. To reduce their dependency and improve their status, women have to be made more protective and effective income earners.

This paper examines the relationship of women to poverty in urban areas and focuses on the need to understand the gender dimension of poverty in a specific cultural context. A serious attempt has been made to explore various concepts of poverty and the implications for policy decisions. The focus has been to examine why women are more vulnerable to poverty as well to determine how the causes and experience of poverty differ by gender.

Poverty is then assessed in relation to cash income sufficient for a household to meet its nutritional demands and other basic amenities. It is clear that such measurements of poverty do not capture the most vulnerable of the urban poor, who do not have access to wage labour. Moreover, there are variations in household size and composition which then affect the needs and uses of income.

The explores that in recent years there has been an increasing trend to incorporate the gender dimension in the analysis of poverty. The feminisation of poverty is a term used to describe the overwhelming representation of women among the poor. The argument is that poverty and gender can at times be interrelated. This concept of poverty should not only focus on poverty as a gendered experience but also address why the poor are mostly women. In order to incorporate the gender dimension of poverty the new poverty agenda also focuses on the informal and unpaid sectors of the economy where women have always been the active participants. The problems of urban poverty for women may be examined in a qualitative way in light of the social and cultural surroundings of the urban poor.

Essentially, what is of concern here is the gender bias of poverty, which underlies the social and economic subordination of women generally. The cause of gender bias in household assets is fairly easily understood. First, women are less able to engage in income earning activity.

When women are in the labour force, they usually perform distinct tasks and in different sectors from men, and work in part time and temporary work, frequently in home industries. It is no wonder that the assets of female-headed households would be substantially below those of their male counterparts.

With a changing structure of economic activity and distribution of assets, women will need social and institutional support to help them adjust to a new division of labour. Gender bias can play an essential role in the determination of women’s wages since women are not often treated at par with men in the labour market, although they may possess equal endowments in terms of human capital.
It seems that female labour force participation is higher in low-income households and at times the entire household survival strategy may depend on women’s income. The work that women are engaged in is low paying, requires few skills, and frequently is an extension of domestic work. Women from poorer households still involved in the informal sector? The reasons can range from male predominance in the labour market to low investments in women’s education and thus an inadequacy in necessary skills. When women are able to contribute to household income, they are more likely to have a say in consumption, which make the level and continuity of their contribution very important to decisions affecting health, education and distribution of the households assets. Being an underprivileged group within the urban poor, slum women suffer far more inequalities than slum men.

Among slum women, expectant and nursing mothers are particularly more vulnerable since pregnancy and childbirth become associated with certain risks, which can endanger their lives. The importance of promoting female literacy in all regions needs to be stressed since the literacy rate affect reproductive behaviour, the use of contraceptives, personal and family health as well as the maintenance of proper hygienic practices. Women are directly affected by this problem of limited space since they often spend most of their time inside the house doing household chores or are subjected to social restrictions on their mobility.

The paper highlights that literacy opens the door to unlimited information and leads to changes in the worldview of those who are educated. The gender gap in education is a worldwide phenomenon. While primary education has increased substantially in the past few decades women have less education at all levels.

Poverty studies have indicated that there exists a nexus between a household’s economic status and women’s labour force participation as well as the proportional contribution to total family income. Working women in poor households contribute almost all their earnings to the maintenance of the family as opposed to men. The increase in women’s earnings help to improve their decision making capability within the household which is then reflected in terms of better health and nutrition for the children. Women from the poorer segments of Indian society are also disadvantaged with respect to health care facilities and nutrition in comparison to men. Health studies indicate that mortality rates among women are higher compared to men particularly during the early years of her life as well as during their reproductive years.

The analysis of poverty is complex and the role of social safety nets is important. There is a consensus that even low-income countries should provide social services such as public works employment, food distribution and nutrition programmes, and micro-enterprise credit. The paper concludes by saying that there will always be a role for social safety nets and it is clear that both governmental and Non-Governmental Organisations (NGOs) will be involved. The main area for government is in providing services and institutional support for the poor. Governments do not and cannot do everything, however, NGOs are particularly important at the community level with respect to inclusion of the poor. Thus, in order to alleviate poverty and improve the economic status of the urban poor women,
policy makers need to perceive women as economic actors for the role that they play in the process of moving their family out of poverty at the household level. Making women more productive and effective income earners will reduce their dependency and enhance their status.

Renu Khosla in chapter eight on “Women and sanitation: The Urban reality Experience of Government Programmes, NGOs and CBOs” argues that the big community toilet is not the answer to the sanitation problem faced by women and children especially girls. She recommends small toilets as an alternative. The paper states problems of sanitation are most apparent in urban centres. Besides being unsafe and undignified, open defecation is a serious health threat as pathogens from excreta contaminate soil and water causing disease and death.

The paper explores the wider issue of inequity and shortfall in basic services; of inadequate and poor quality water supply, of absence of sewerage systems, of poor solid waste management of unpaved roads and pathways, of illiterate and uninformed adults, etc. Thus, women must be organised, informed, facilitated to get toilets and encouraged / motivated to want them, trained in masonry and other skills needed to construct and maintain toilets / water taps and other community assets. Most of all sanitation must be recognized as a Right of everyone.

Koushambi Basu and Salil Basu in chapter nine on “Urban Poor Women: Coping with Poverty and Ill health in Slums of Delhi” highlight the perception of suffering and felt needs of urban poor women based on case studies conducted in the slum of Delhi. They recommend a feasible action plan drawn on the basis of existent problems and available resources, to be executed by different groups of women, with each group handling one aspect like cleanliness, hygiene, education of women/children, health awareness, and so on. The role of governmental and social organization could remain limited largely to providing necessary resources and directions.

The process of migration from rural to urban areas is essentially responsible for the rapid increases in urban population. The magnitude and extent of urban poverty can be understood largely by looking at the conditions prevailing in urban slums. In light of this, the present paper brings into focus the condition of slum women, their feelings and perceptions, problems and sufferings, needs and priorities, and the coping mechanism they adopt to deal with the harsh realities of urban slum environment.

Slum women in particular suffer from far more inequalities than slum men. They accumulate in themselves all the disadvantages of being low caste, poor, rural migrant and above all, a woman. Educating slum women seems a must not only for improving their social and economic position but also their health conditions. The paper suggests that committed efforts also need to be made to ensure provision of adequate basic amenities and a healthy environment to the urban slum dwellers. The role of government and social organisations may largely remain limited to providing necessary resources and direction, while execution be made the responsibility of slum dwellers.
Koumari Mitra in her second paper (chapter ten) on “Behind the City’s Veil: Women, Poverty and HIV/AIDS in India” provides an anthropological perspective on the gender dimension of urban poverty in India and its implications for women’s health. This paper provides an anthropological perspective on the gender dimension of urban poverty in India and its implications for women’s health. Using HIV / AIDS as a disease model, the focus will be to examine why women are more vulnerable to sexually transmitted diseases and to analyse the role of poverty and gender in the mediation of sexually transmitted diseases. Being an underprivileged group within the urban poor, women suffer far more inequalities than men.

There exists a paucity of comprehensive information on women’s health and disease treatment, and the impact of the impoverished environment on their health and well-being. The section on ‘urban poor’ describes and traces the relationship between sexually transmitted diseases (STDs) and social inequalities in a specific social and cultural context. What needs to be addressed here is the connection between poverty, education, cultural inhibitions, and gender factors in the mediation of diseases. The paper suggests that the solution may lie in using a multi-pronged approach to enhance the status of women by removing social and cultural barriers that impeded progress and increase women’s vulnerability. In conclusion, it has emerged that unless the underlying struggles of millions to survive in the midst of poverty, powerlessness, and hopelessness are addressed, and the meaning of AIDS understood in the context of gender relations, HIV would continue to spread.

The chapter eleven on “Mobilising Women’s Communities in Urban Low Income Settlements” by Renu Khosla it is stated that women are being recognised as collective actors in determining change. From being mere subjects of the political process they are being seen as active partners that can engage with local institutions to influence decisions. Path to empowerment and self-determinism for woman is however, not easy and across the globe they have been struggling against their powerlessnes. Urban women’s empowerment, is a myth that has stemmed from a few visible improvements in the lives of a small proportion of the urban educated middle class.

To transform urban female powerlessness into basic human rights for women demands a strategic and widespread process of change, enabling women to leverage benefits and be part of the process of governance, develop sufficient confidence to actively deal with responsibilities, take capable decisions and display qualities of constructive leadership.

Poor in India suffer from varying degrees of economic disabilities that prevent them from enjoying basic human dignity. Caste, class and political affiliations are heaped upon economic poverty exacerbating the living conditions of the poor.

In India, urban areas have grown both in number and size due to migration from rural areas trebling the urban population from 109 million (19.91% of total population) in 1971 to 285 million (27.78%) in 2001. Women and children, especially girls are said to experience poverty differently to men and are deeply influenced by shocks due to disparities in incomes, resources, services and attitudes and lack of control over these
factors. Women being largely uneducated/unskilled normally engaged in low-paid, low-end, insecure, informal economic activities. Their wages are lower than men’s for the same amount of work and they are denied social security, leave wages, maternity benefits etc. Their income earning activities are not exclusive of their household responsibilities that included all domestic tasks and child-care without access to appropriate technology/services that could make them more efficient.

Ultimate aim of any community participation effort is to empower people by endowing them with genuine/specified powers to take formal decisions/have control in local bodies as also to include people’s initiatives as complementary to municipal resources. Thus, the paper concludes that empowered women are capable of playing a pivotal role in improved urban governance and infusing a vision into society for bettering the lives of people, in particular, redressing gender inequity and alleviating poverty. Leadership among women in India therefore, is really a question of gender empowerment, of development of abilities among women to define one’s goals and act upon them, of informed decision-making and negotiation skills for leveraging local resources.

In the third section, the availability of infrastructure and amenities like water supply, toilets and electricity, that are not explicitly incorporated in the official definition of poverty has been analyzed at the state level. The analysis has been carried out also across size class of urban settlements. This has been done by building comparable indicators for the early eighties, late eighties and early nineties and making a comparative assessment.

J.H. Ansari (chapter twelve) on “Improving access of the poor to the serviced urban land in India” and V.K.Dhar (chapter thirteen) on “Equity and access to basic services: Issues and Options” respectively in their papers (in section Three on Access to Basic Services) have dealt with basic services to the urban poor. Ansari describes, various approaches for increasing the access for the poor to serviced urban land. He advocates that the extremely valuable role of the NGOs/CBOs be supported by formal state structures.

J.H. Ansari stated that serviced urban land is an extremely scarce resource in India. It is subjected to increasingly intense population pressure due to massive urbanization and concentration of population in cities. According to recent estimates, by the year 2015, India will have 34 cities in the population size range of 1.5 million and above. In view of the above, it is very likely that the existing urban agglomerations would become still bigger and new ones would get established in different parts of the country.

The problem of congestion is compounded by serious shortages of infrastructure such as water supply, sewerage, drainage and electricity. The poor and low income groups, being aware of their problem of inaccessibility to land, have resorted to various informal and mainly illegal methods for gaining a foothold on land for building a shelter for themselves, giving rise to unauthorized colonies and squatter settlements.

The issue of access of the poor to serviced urban land is tied to the task of providing shelter to them in a habitable environment. Many approaches have been tried in India in this direction through implementation of the various development programmes, namely,
slum clearance and rehabilitation, environmental improvement slums, provision of cities and services, and slum up-gradation. In fact, many more factors are involved in the consolidation process, such as beneficiary household’s affordability, enterprise and degree of motivation to carry out improvement in their lifestyle, availability of local building materials, convergence of governmental programmes for infrastructure improvement and existence of community development programmes for encouraging self-help and employment and training initiatives amongst the people.

The paper concludes by highlighting the importance of all the efforts towards increasing the access of the people serviced urban land and shelter should be addressed within the overall context of the citywide efforts for all-round development of the entire community.

V.K. Dhar details out the strategies for redistribution of basic services such as water supply and sewerage, public transport system, health services, education, housing, etc. The paper concludes that the constraint on the resources should be removed and be made low-income-people-friendly. This calls for development of an information system based on reliable and relevant knowledge derived from original research in the field of human settlements. There is a need for strengthening and redesigning local government structures within the framework of a system of human settlements so that they can play their appropriate role effectively in the development process and in the distribution of public goods and services.

There is a general concern that the concentration of wealth and inequalities of income have been growing. Among the rural poor are the growing number of landless labourers and a large majority of small and sub-marginal farmers. It is these factors that push the rural people to the cities, which are growing two to three times as fast as the general population. The fact remains that hundreds of millions of human beings on this continent are malnourished, under-educated, deprived of social services and amenities, and quite often left without homes in a struggle for survival.

The economic development policies during the past decades have resulted in making the rich richer and the poor poorer. There is a need for development of an information system based on reliable and relevant knowledge and original local research in the field of human settlements. This calls for strengthening and redesigning local government structures within the framework of a system of human settlements, carrying out their appropriate role in the development process and the distribution of public goods and services. The paper concludes by suggesting that only commitment to the human factor, the local community and its habitat can help transfer the benefits to the deprived groups and bring them into the stream of national advancement.

The fourth section examines and changing system of governance and its implications for urban growth and population composition in the cities. On the theme of Shelter for the Urban Poor in this section, there are four papers. K.T. Gurumukhi in chapter fourteen on “Approach to Urban Poor Habitat” presents the broad parameters of the National Housing Policy (NHP) and highlights the consumers’ concern for durability, accessibility, affordability and adequacy of their housing needs. He is one of those who believes that the
private sector can play a significant role in large-scale housing and shelter programmes for the poor. In his 2nd paper Gurumukhi explains the importance of urban development management, and manpower training for improving institutional capability for organizing, undertaking, planning, programming and implementing the whole range of urban services.

The paper states that the problem of urban slum is being faced by almost all cities and towns of the country. The conditions in slums are highly unsatisfactory as they are overcrowded, unhygienic and contrary to all norms of planned urban development. The basic objective of slum improvement schemes must be to improve the environment in those slums, which are inhabited by economically weaker sections of the society. A system of auto maintenance by the slum dwellers can also be attempted under which each slum dweller becomes responsible for maintenance by turn. Some of the voluntary agencies can also be involved for this.

R.S. Sandhu in chapter fifteen on “Housing Poverty in Urban India” attempts to understand nature, extent and causes the housing poverty in India in his paper *Housing Poverty in Urban India*.

The world has deep poverty amid plenty. India has gained 226 million in its urban population at present. The connection between housing poverty and income seems to be direct one but actually it is not simple, rather is complicated and varies according to the circumstances of time and place. Housing poverty is also influenced by general economic conditions including inflation, unemployment, and rapid changes in the structure of economy and changes in the rates of interest. In this paper an attempt has been made to understand the nature and extent of housing poverty. First part deals with housing poverty and its relation with income poverty and affordability. The second part discusses housing poverty in relation to various housing indicators. Third and the last part attempts to understand the reason for the prevailing situation.

The paper concludes by stating that proper attention should be paid to the root cause of the problem. There is need of understanding the phenomenon in its totality; we should try to seek answers to the questions as to why particular phenomenon occurred in first place and indeed why specific government reactions evolved in the way they did? How power and subsequent allocation of resources between classes are made? Why are decisions made in the way they are, who benefits and who suffers from these decisions? What is the relationship between urban development, society and the state?

A.K.Jain’s paper in chapter sixteen entitled *Slum Rehabilitation and Housing the Poor* emphasizes the necessity of easy access to poor to public finance, land and basic infrastructure, etc. It also recommends for low cost minerals for the construction of houses to be made affordable to the urban poor.

Despite India’s achievements during the last five decades, it continues to be one of the poorest countries in the world in terms of per capita income. Urban poverty in India is one of the major challenges and is causing lack of access of the poor to the basic
amenities such as water supply, sanitation, health care and education. India’s urban population at present is 28 percent of total population, one-third of which is concentrated in 35 metropolitan cities of more than one million. Innovative approaches through development controls, planning and design can be powerful tools in the process of redevelopment/improvement of urban slums. The Strategy should contain a strong commitment to widest possible community participation.

The paper suggests that this can be possible only by planning from the grass roots and by promoting initiatives from NGOs and CBOs. The process of community participation should incorporate mobilisation, motivation, orientation, education and cooperation. Nothing can be more fallacious than to believe that the problem of shelter can be solved by mass production methods. Upgrading skills and imparting new skills to local artisans are crucial in promotion of low cost housing. It will not only help in extending new technologies, but will also improve the earning capacity and economic status of the building workers. The efforts need to be institutionalised by setting up training-cum-production centres.

The chapter seventeen on “Urban Poverty Alleviation and Shelter Issue” by KT Gurumukhi states that India is passing through an accelerated process of urbanisation. There is distinctive qualitative change in the living style of urban population inclined towards ruralising the urban way of life.

Housing being one of the most important sector of urban development presents itself a critical situation in urban area around which all the urban problems are surrounded by way of overcrowding, congestion, insanitation, inadequate water supply, formation of intensive squatter settlements, unauthorised colonies and skyrocketing rental levels. For decades the housing sector has remained as a neglected sector. Urban management tasks call for improvement in the institutional capability for organising, undertaking, planning, programming and implementing the whole range of urban services.

Greater concern should be shown for training, both in-house and on-the-job; concern that matches with the scale of the problems of urbanisation. There should be a review of the broad categories of skills needed, present position of skills, identification of the gaps in such skills that can be filled by training.

Section Five on Eradication and Spatial Distribution of Urban Poverty contains three chapters. A paper by K.D. gaur and Rachita Rana (chapter eighteen) on Eradication of Urban Poverty entitled “Urban Poverty and Alleviation Strategies: An Update” advocate the need for the identification of the correct beneficiaries, sufficient financial assistance at the grass roots level, community involvement and participation, and, uniformity in access to goods and resource allocation.

The paper highlights the need to identity and aggregate the poor in realistic manner in every region of the country because poverty still continues to be most important problem confronting the economy. There should be participation of effected masses at grass root level by generating awareness by first providing earning means and then education,
In this paper, an attempt has been made to examine extent of urban poverty in India. Further, it has been sought to analyze various dimensions, issues, of urban poverty and also factors responsible for prevalence of poverty in urban areas. An attempt has also been made to review urban poverty alleviation programmes and suggests new approaches for its eradication. Mainly secondary sources of data have been used.

Second paper (chapter nineteen) by Joop W.De Wit and A.N. Krishnamurthy on “Bangalore Urban Poverty Alleviation Programme” present an overview of implementation of Bangalore Urban Poverty alleviation programme and emphasizes on participatory approach to urban development in slums. The paper states that Bangalore Urban Poverty Alleviation programmes or BUPP that started in 1993 after the governments on India and Netherlands agreed to initiate a small scale, model building or pilot programme aimed at integrated urban poverty alleviation initially planned to last for 2 years. However, after having encountered some delays, the programme was extended several times. The programme finished early 1999. The general objective of the programme was to set up and test a model of sustainable, comprehensive urban poverty alleviation based on the concept of enduring and effective community participation. It was called ‘a learning by doing programme’, which, if successful, was to be replicated elsewhere. The authors have successfully implemented a number of smaller projects released to shelter, health, income generation, etc. in selected slums in Bangalore city. The 3rd paper on same theme by Abdul Razak argues that the spatial planning in terms of understanding the patterns of urbanization, location of cities and towns, spatial access to infrastructure for the urban poor is very important in future planning.

The chapter twenty on “Spatial Dimension of Poverty in Million-Plus Cities of India by M. Abdul Razak states that spatial planning is means to achieve infrastructure at micro level as city and towns. For urban poor it is spatial access to livelihood needs within the settlement where they live. In general, at the macro level to improve economic and social condition of the urban poor poverty is a regional issue in relation to the level of urbanisation and growth of million-plus cities in India.

The last section summarizes the conclusions and places a set of recommendations. Here, an attempt has been made to identify the major components of a poverty eradication strategy in urban areas within the framework of balanced regional development. The paper (chapter twenty-one) in the last section by R.R. Patil on the theme of Urban Poverty and Dalit Employment in Delhi: A Labour Market Perspective” highlights the extent of poverty among dalits and analyses their socio economic conditions. The paper asserts that migration of dalits to urban labour market has not helped them to escape from traditional caste based oppressions and perpetuated hierarchical caste-based division of labour even in urban labour market.

The main purpose of this paper is to examine the relation between the urban poverty and employment in Delhi with respect to one of the most marginalized section of Indian
society, viz. Scheduled Castes, commonly referred as ‘Dalits’ or the so-called ‘Harijans’, in the slums of Delhi. This paper is an attempt to analyse the poverty and employment of Dalits from the perspective labour market. It examines and evaluates the Dalit urban labour market with respect to - occupational status of Dalit labour market in urban areas, employment situation in urban areas; and level of poverty and ‘relative deprivation’ among the Dalit occupational groups in urban areas. The paper concludes by highlighting some pertinent issues for wider consideration and policy implication to reduce urban poverty.

It is an universal perception that the urbanization and urban employment is a sign of equality, progress and security. Thus, in urban areas, the situation of Dalits is quite alarming and there is urgent need of appropriate policy intervention and implementation of urban poverty alleviation programmes. Similarly, there is a need of regulation in minimum wages of urban informal sector; and easy accessibility of credit at subsidized rates for self-employment in urban areas.

Thus, the present book takes stock of the present poverty scenario in India. It is divided in sections headed as - Issues and Policies, Women as Marginalised Subset Amongst the Urban Poor, Access to Basic Services, Shelter for the Urban Poor, Eradication and Spatial Distribution of Urban Poverty and Urban Poverty and Dalits. It attempts to identify workable practical measures to tackle urban poverty effectively. The problems requiring attention of urban planners, policy makers, technocrats, administrators, researchers and the academics have been covered in the book.

The problem of urban poverty needs to be brought under focus in Indian planning. Its incidence is very high and there seems be an increase in urban inequality during the period of structural adjustment. The book recommends therefore, that the anti-poverty programmes should primarily be focussed on provision of basic amenities. Poverty, whether rural or urban, therefore needs to be looked at from a range of perspectives. Poor women, men and children experience poverty in their daily life. It affects where they live, what they eat, how they spend their days, and above all, their general well being. It is a multi-faceted issue. Within the general condition of poverty itself, for instance, individuals experience poverty differently according to their gender, age, castes, class and ethnicity. Income levels and food security are invariably influenced by these factors. Policy makers need to be clear about what they are trying to achieve to raise all the poor to the improving condition.

Hence, there has been a perceptible change in the approach to urban poverty issues in India since after the fifth plan from a welfare and service oriented strategy that has been a shift towards poverty alleviation through expansion of employment opportunities and raising of productivity levels of those engaged in jobs with low productivity. The inter-state analysis demonstrates that the inequality in poverty levels over the years has gone up, both in rural as well as urban areas. This implies that poverty reduction has been uneven across the states. The success of the developed states in making a dent on poverty has been much more than the poorer states, which has led to higher inequality.
The book suggests that more research is required to understand the coping mechanisms of the poorest segments of the population in urban areas against livelihood as well as the sociological, cultural and psychological dimensions of the problem. This publication is the first step towards examining the urban poverty issues. The focus is on the complexities and processes and on unraveling the internal and external linkages of the urban poverty issues in order to draw attention to the challenges in the said field. The volume brings together original papers by a diverse range of scholars, practitioners, academicians and activists from India. The edited volume provides conceptual and historical background linking the various dimensions of the issue in India. Overall, this book constitutes a comprehensive examination of urban poverty issues in India in the current scenario. With its many insights and its inter-disciplinary approach, this volume will interest all those involved in community development, sociology, economics, public policy, and social welfare. The book is based on extensive qualitative and quantitative research and combining both field observations and conceptual explorations, this pioneering book will attract a wide audience among students scholars of development studies, gender studies, politics, sociology, public administration, governance, and organizational studies. It will also be of interest to NGOs, development activists and donor agencies.

Urban Poverty Issues in India – Challenges and responses

Ramesh Ramanathan

Background
India no longer lives mainly in her villages. At the turn of the millennium 305 million Indians lived in nearly 3,700 towns and cities spread across the length and breadth of the country. This comprises 30% of its population, in sharp contrast to only 60 million (15%) who lived in urban areas in 1947 when the country became Independent. By 2050 over 50% of the population is expected to be in urban centres.

But urbanisation has not come without its share of problems. This level of growth is creating heaving fault lines beneath the urban surface, most of which citizens have little control over. As a young democracy, India has had little experience in managing urban issues. Our urban political and administrative leadership is unprepared to provide adequate governance even in the current situation, let alone in the chaotic future. Clearly, there are wrenching discontinuities at the grassroots. At the most basic level, there are questions about the ability of government to deliver the basic support services to ensure a decent quality-of-life for urban residents. This problem is felt more acutely among the economically challenged sections of urban society who do not have access to minimum basic services in terms of water, sanitation, adequate dwellings, health, education, etc.

However, while all urban residents have suffered the consequences of a weak governance environment, it is the urban poor who have suffered the most. Afflicted by the combination of their own economic circumstances, poor access to basic services like education, healthcare, water and sanitation, housing and public distribution services, the poor have been caught in a vicious delivery vacuum. On one hand, they are the victims of weak delivery systems in urban local governments; on the other hand, national pro-poor schemes have suffered from poor design, often caught in the schizophrenia between addressing the issues of “urban spaces” versus “urban people”. This bias can be seen at many levels, from the Union government to state governments and even at the level of urban local governments. For instance, in the 2005-06 Union
Budget, plan funding for urban areas was Rs 3500 crores, 2% of the total Plan budget of Rs 145,000 crores. With an urban population of over 30 crores, this works out to around Rs 100/capita. Specifically for the urban poor, Rs 1,000 crores are being spent on about 10 crore poor – again Rs 100 per capita.

For rural areas, the plan spend comes to Rs 45,000 crores. There are others, excluding non-plan expenditures that also have a rural bias, like the Rs 26,000 crore food subsidy. The total rural population is 75 crores, hence this works out to Rs 600/capita, six times the amount being spent for the urban citizen. For the rural poor alone, expenditures work out to Rs 1000/capita, ten times the figure for the urban poor.

**Challenges**

Beyond policy bias, the urban poor are also affected by the delivery challenges of government, even when there are programmes that are meant for them.

There are some services that need to be made available exclusively for the urban poor, to ensure that we are an equitable society - three items stand out prominently: food, housing and livelihood. There could be others, but these are fairly significant items. In each of these, the poor need a helping hand, to ensure that they climb out of poverty and that there is a safety net beneath them as they make this journey.

In this context, it would be useful to get a better appreciation of what these delivery gaps are. Let us examine the process, using examples from each of the three items of food, housing and livelihoods above, to illustrate the delivery challenges that we face.

**Beneficiary identification**

Take food supply, in the form of our public distribution system. Assume that there is a new food supply programme that is announced, for example more rice and grains and kerosene for each poor family, at subsidised prices. This scheme now needs to be implemented by some second-division assistant in the Food and Civil Supplies department. How will he do this? How do we determine who is poor, it is such a fuzzy term. There is a definition called BPL, which is “Below Poverty Line”. But what defines the BPL line?

Without getting into technicalities, it is defined in terms of calories of food intake per person per day; this is then translated into an income figure, which is different for different states.

So, let us say that we have an annual income figure of around Rs 20,000 for a family, below which they qualify to be on the BPL list.

Now, how does this second-division assistant determine income levels among the poor? They don’t pay taxes, or file returns; their incomes are invariably sporadic, cash-based, daily wages, seasonal and so on.

So, since the income cannot be determined, the department uses “proxies” for income: what is the type of house, do they have their own toilet, and do they have an electrical connection and so on. In total, there are about 60 such parameters that the Food and Civil Supplies department uses to determine qualification for the BPL card.
This information now has to be collected; the agency has no staff to go around doing this, so they hire an outside firm to conduct this survey. Many of the parameters are quite subjective, and difficult to verify. In urban areas especially, it is difficult to really establish domicile.

In addition to the collection difficulties, this data now has to be maintained and updated, for lakhs and lakhs of records. In Karnataka, for example there are 70–75 lakh BPL card families. How does this data get stored? How are changes made? How often? What if someone dies, what if they move, or migrate? Simple logistical questions.

What has been described is for one department. If there is another department that also needs a BPL list for its own special programme, say, housing, they don’t use the same BPL list as the Food and Civil Supplies Department. Instead, this department generates its own list, which could have parameters that are not entirely consistent with that of the F&CS department. Remember, inclusion on the list is the starting point to receive the benefits of the particular programme. So one can imagine the pressure being applied to arbitrarily “expand” the list.

In this regard, highlights of a study of BPL lists that Janaagraha conducted with 3 departments of the Government of Karnataka is produced below:

4. Area of Pilot: Bangalore City Corporation limits
5. Government Agencies involved:
   a. Food & Civil Supplies (F&CS)
   b. Directorate of Municipal Administration (DMA)
   c. Karnataka Slum Clearance Board (KSCB)
6. Area of survey - 3 declared slums:
   a. Edgah Mohalla – Ward 93 Devarajeevanahalli
   b. Manjunatha Colony – Ward 54 Srinivasanagara

The table below lists the number of poor identified in each of the lists, including a Actual BPL List identified by all 3 agencies together during the survey:

<table>
<thead>
<tr>
<th>Slum</th>
<th>F&amp;CS List</th>
<th>DMA</th>
<th>KSCB</th>
<th>ACTUAL BPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edgah Mohalla</td>
<td>580</td>
<td>107</td>
<td>116</td>
<td>328</td>
</tr>
<tr>
<td>Manjunatha Col</td>
<td>815</td>
<td>533</td>
<td>552</td>
<td>472</td>
</tr>
<tr>
<td>Behind Vinayaka Talkies</td>
<td>446</td>
<td>-</td>
<td>-</td>
<td>279</td>
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</table>

More than the difference in the number of BPL families between these agencies is the fact that these names are not necessarily common across the agencies – i.e., persons who are on the DMA list are not necessarily on the F&CS or SLUM Board list. The actual common BPL names across all three lists are only 6%! The diagram below illustrates the discrepancy in the data available on the number of BPL households, in terms of the overlap between these lists.
These are the details that determine the success or failure of a programme. Unless fundamental changes are made to how we create, manage and update such poverty lists, we can be assured that even the few government programmes that are directed towards the urban poor will not find their way to them.

**Programme Design**
Beyond beneficiary identification, there are many other issues with urban poverty programmes – one specific example is in programme design. This can be seen by examining the issue of housing for the urban poor.

A typical housing scheme, Indira Awas Yojana in rural areas, (or Valmiki Ambedkar Malin Basti Avas Yojana (VAMBAY) in urban areas) is designed as follows:

<table>
<thead>
<tr>
<th>Cost of house:</th>
<th>Rs 50,000</th>
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<tbody>
<tr>
<td>Upfront payment by the allottee:</td>
<td>Rs 10,000</td>
</tr>
<tr>
<td>Loan from government:</td>
<td>Rs 40,000</td>
</tr>
</tbody>
</table>

There is an interest component, as well as a subsidy component.

Check any state government’s finances for the housing loan portfolio under these schemes. Hundreds of crores have been spent, which technically are to be recovered, with interest. The repayment rate is not even 5%. The entire housing loan portfolio of most governments can be classified as NPA.

**There are several issues with the design:**

First, the quality of construction leaves a lot to be desired; the allottees know this, that they are really getting only Rs 25,000 worth of home for the Rs 50,000 paper value.

Secondly, none of the allottees thinks of the “loan” as a financial obligation: there was no discussion on terms before the loan sanction, and there will be no pressure for repayment either, so the whole issue gets swept under the rug.

Thirdly, since governments don’t have robust financial management systems, these outstanding loans don’t show up in any formal financial statement, so there is no institutional mechanism to monitor, even where there is individual intent to do so. What cannot be measured cannot be managed.

So here is a programme whose benefits are clearly needed by the poor: good quality, affordable housing. But the intent is betrayed by the implementation. Leaving aside the beneficiary identification problems that we talked of earlier, the government has now gotten into the business of construction and housing finance, neither of which it has a core competence in.

What is the impact of poorly designed low-income housing? Massive. Throughout 2005, the Mumbai Municipal Corporation has been demolishing thousands of slum dwellings. Media reports captured the standard responses: middle-class angst against illegal squatters, versus the outrage of the displaced about the inequity in treating those who form the underbelly of Mumbai’s economy.

The slum demolition is being framed in the context of Mumbai - the country’s commercial capital - losing its eminence. However, the story needs to be understood against a larger tapestry of two other developments: one, the increasing urbanisation of India, with a projected 600 million residents by 2030; and two, the booming housing
finance market, which has gone from a Rs 10,000 crore industry barely five years ago to one that is touching Rs 100,000 crores.

The reality: urban land is all about money.

The situation in Mumbai actually requires some reflection about why the poor are squatting. India has an abysmal story to tell on urban poor housing. NSSO’s Survey in 2002 is revealing: 52,000 slums hold 8 million urban households, representing 14% of the total urban population, and only half the poor – the others live on the streets. About 65 per cent of the slums were built on public land owned mostly by local bodies, state governments, etc. Infrastructure facilities are atrocious: only 15% of these households have drinking water, electricity and latrines in their premises. Less than 25% of them have sanitation systems. The housing stock shortage in India is around 20 million, of which 50% is urban; of this, 70% - 80% is in the low-income segment.

This is not just about “slum demolition drives”; it requires a coherent low-income housing policy. Two questions could help in directing the discussions. The first, “Can the housing needs of the urban poor be served by market forces? If so, what needs to be done?”

After all, the boom in housing finance has happened due to market forces. So it is logical to ask why banks are not lending to the low-income group, and why real estate developers are not building for this gigantic 8 million-strong market. To provide some perspective, HDFC has financed a total of 2.5 million homes over 25 years. The NSSO survey shows that the urban poor spend close to Rs 1 lakh of their own money on housing: the nesting instinct is universal.

Housing finance companies and large banks don’t service the low-income market for a variety of reasons:

4. The inability to assess credit risk: no pay slips, no tax returns, uncertain cash flows
5. Lower profit margins due to smaller transaction sizes and fixed costs
6. Lack of clarity on recoveries: no land title, uncertainty about repossession

What about niche players? The famed microfinance movement in the country is institutionally hobbled; still insignificant in financial terms; substantially restricted to rural areas; and even there, focused on Self-help Group (SHG) lending, which cannot be the delivery channel for housing finance.

The third issue is the critical one, the structural constraint of land title. The absence of a guaranteed land title system in India has far-reaching implications. Current land ownership records only provide “presumptive title”: the sale deed and the tax-paid receipt. All developed countries have a system of guaranteed title, and most developing countries don’t. Herando de Soto, a Peruvian economist has written compellingly about this in a book titled, “The mystery of capital”. While many countries are changing their ways, no state in India has exhibited leadership in cleaning up the land title process.
Two policy tools are available to government to “release” these market bottlenecks:

3. A thorough revamping of land title systems, to move to a guaranteed system
4. The creation of zoning and land-use planning that specifically encourages low-income housing, and mixed income neighbourhoods

Market-driven solutions need policy support, and will emerge only over a period of time. Also, these policy changes will not ensure coverage for all the urban poor.

This leads to the second question, “What is the role of government in ensuring adequate low-income housing?” Over the past fifty years, government policy has matured from a fragmented scheme-oriented approach to one that sees housing as part of integrated development. The National Housing Policy and the National Housing Bank are results of this new thinking. HUDCO, which was established in 1970 has lent a cumulative amount of Rs 10,000 crores for urban housing. However, HUDCO’s structure of being a quasi-financial institution with minimal regulatory oversight or governance mechanism demands changes before it can fulfil its stated role. The results therefore continue to be inadequate, plagued by issues of transparency, participation and corruption. Solving this requires a different set of conditions:

- Strong local governments that can manage urban planning, have fiscal strength and enforcement credibility.
- Bottom-up participation of the affected communities, in determining housing solutions.
- Integrated delivery of services, not just housing. Examples show that for every rupee invested in infrastructure, the poor generate seven rupees of their own capital.
- A stock of publicly-created, innovatively-managed rental housing as part of low-income housing policy.

Unlike other relatively more intractable public policy problems, solving the low-income housing conundrum in India is tantalisingly within grasp. A few policy changes to catalyse the private sector, combined with restructuring government’s own initiatives could trigger a dramatic change. Destroying slum dwellings only exacerbates the problem: the evicted slum dwellers are now pavement dwellers.

**Livelihoods**

Finally, let’s take the third programme: livelihoods. Like those in the middle class, even the poor have those who are more enterprising than the rest, and are risk-takers; the larger group are those who want the security of wage employment. If the intention of livelihood support is to provide a temporary helping hand, rather than a permanent dole, then both types of poor need to be helped; the former need entrepreneurial training and access to financial services, and the latter, appropriate skills for the changing economy.

Across rural and urban India, there are complex currents of economic change sweeping across the livelihood landscape. The author has tried for the past 6 years to get good quality information on urban economies in India, but there is practically no data being collected on urban economic activities.
As one example, in rural areas, under the aegis of NABARD, the entire banking industry is engaged in the creation of detailed annual District Credit Plans (DCPs). These are anchored by Lead District Banks, and reviewed by each State Level Banking Committee (SLBC) and the local District Collector from the government. At these reviews, priority sector allocations are discussed, challenged and monitored. On the face of it, it seems like a fairly rigorous system, quite well-institutionalised.

Unfortunately, there is no such structure for urban activities. None of the DCPs, including those districts which actually include cities and towns in them, have any detailing of urban economic activities. There is a complete credit-information vacuum of our urban micro-economy: the fact is that our governments and banks and policy makers are flying blind. The markets are working in gay abandon, and the government is running around with small strips of band-aid, trying to provide succour and attend to complex issues of social justice. A study that we are just completing suggests that the unmet credit needs of the lower half of urban residents in Bangalore alone is Rs 2,000 crores; this is being completely met by the informal sector, at interest rates anywhere between 5% per month to 10% per day. Way above what Ratan Tata and Mukesh Ambani are borrowing at.

One could claim that this weakness applies only to the urban areas. However, even the reasonably well-mapped rural areas have a different affliction: an extreme reluctance on the part of banks to lend for priority sector activities due to artificial constraints on lending rates. Recovery rates on priority sector loans are often around 20%. While there are gradual moves to remove these ceilings from a regulatory standpoint, this relief is limited to a very small segment of priority sector lending.

This is at a time when we have a silent financial revolution that is sweeping across the country: we are piling up enough evidence to demonstrate that the poor are indeed bankable; that more than handouts, what they need urgently are intelligently designed banking services. The increasing share of microfinance loans to the poor, both in rural and urban India amply demonstrate that if the products are designed correctly, the financial services to the poor can be viable, with recovery rates in the high 90s%.

These credit gaps are felt by the self-employed poor. For the majority of the poor who wish to have wage-employment, what they require is skill development for new types of livelihoods, either in the rural areas or the urban ones. This needs a close connection to the marketplace, and a fairly thorough redesign of the EDP programmes and skill development courses that are currently being conducted by government.

**General Assessment**

A comprehensive study of all urban poverty alleviation initiatives of the Government of India since Independence was done a few years ago, and the author was a part of this study; this was published as part of a larger document on urban poverty issues in India. Reproduced below is a section from this study, related to general observations on Urban Poverty Alleviation Programmes in India:
A critique of Urban Poverty Alleviation Programmes

While discussing the limitations of urban poverty alleviation efforts, one should note their successes and incremental improvements. However, this critique is meant to be constructive and thus discusses their weaknesses as well. These critiques have been divided into three categories: Pre-Design, Design, and Implementation and examined below.

The pre-design section primarily addresses the government’s knowledge of the issue of urban poverty and its intentions or motives in addressing this issue.

The design section addresses specific schemes of the UPAPs. It deals primarily with issues related to the accuracy and method of targeting the right beneficiaries, community participation, and innovation.

The section on implementation, as the name suggests, evaluates the UPAP after the design stage. It highlights the obstacles and accomplishments experienced in implementing and monitoring the schemes successfully.

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Summary:
The urban poor are already caught in the penumbra of the spotlight on their rural cousins. Unfortunately, even after this policy bias, they face many challenges in procuring basic services for themselves. These challenges of beneficiary identification, programme design, and intelligent state-market linkages are substantial, and will not be solved overnight. But there is hope. There are changes that are taking place throughout the

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47 from “Urban Poverty Alleviation – a General Assessment and a particular perspective” by Supriit, Sharon Barnhardt, Ramesh Ramanathan, Ramanathan Foundation, 2002
country. In small trickles admittedly, in little innovations across the towns and villages of India, with leadership being taken either by a committed government servant, an enterprising politician, a determined civil society activist, or rarer still, by a miraculous combination of all three.

The pace of this change needs to be accelerated, and new ideas need to be encouraged. In this regard, the author would like to submit the following suggestions:

**Nagara Raj like Panchayati Raj:** We need massive decentralisation, a pushing through of urban decentralisation reforms, giving local governments the authority and accountability to determine their destinies, with the full participation of citizens. This means a paradigmatic shift in the power equation between the 3 layers of our federal system. The detailing problems that we discussed earlier will be solved at the grassroot level, differently in different settings. Focus can shift to outcomes, rather than irrelevant input measurement. New service delivery arrangements can be experimented with, involving public-private partnerships. New, locally appropriate solutions will emerge. Mistakes that are made will be localised, from which there will be learning and adaptation. All citizens, including the urban poor, will be able to participate in decision-making on issues that matter to them.

**Introduction of a Common Poverty Scale:** Specifically, there are two fundamental weaknesses with the BPL approach. The first is to do with the methodology itself. Even if there were a single BPL list, the concept of an imaginary “line” that can adequately capture the vulnerability of the poor is at odds with the complex realities that face them. The poor don’t elegantly rise above the “poverty line” in some clinical manner; they slip and slide around with different degrees of vulnerability for a while. The Kerala government’s Kutumbashree programme has developed the concept of a “Poverty Scale” that measures vulnerability on 10-point scale: the poorest are exposed to the greatest number of factors, the less poor have fewer vulnerabilities. Such a Poverty Scale captures this exposure far better than the Poverty Line, with more appropriately designed programmes. For example, those at the upper end could get insurance support to prevent them from sliding back.

**Fixing the BPL lists:** The second weakness is about how such BPL – or Poverty Scale – records are created and updated. Giving this to government servants is tantamount to legitimising corruption and patronage; beneficiary identification is among the most potent forms of largesse in government today. On the contrary, many local communities know who among them is poor, who has lost a husband, who hasn’t had a meal. Legitimate political platforms like the Grama Sabhas in rural areas can be mandated to maintain the Poverty Scale lists; urban areas need similar platforms at the grassroots level in the form or Ward Sabhas and even smaller units below the ward.

**New state-market relationship:** A new dynamic needs to emerge between the banking system and policy-makers who wish to align the powerful forces of the financial markets towards the poor. One where there is freedom to operate, with responsibility for equitable outcomes. What is required on the part of government is an innovative regulatory
mechanism, like benchmarking the profitability of the priority sector segment to the rest of the banks’ lines of business, and demanding sector-wise reporting. We need to move beyond simplistic loan-melas and interest-waivers.

*Ramesh Ramanathan is the founder of the organisation Janaagraha which is based in Bangalore, Karnataka, India*

**Urban Poverty Management in India with special Reference to Micro-finance to Urban Poor in Mumbai**

Dr. G. Y. Shitole

**Introduction**

Poverty has been considered as a social phenomenon in which a section of the society is unable to fulfil even its basic necessities of life. It is absolute poverty, which is prevailing in all the countries of the world and it is a serious problem in developing and underdeveloped countries. The relative poverty is an income distribution of the population of the population in different fractal groups which is in comparison of the levels of living of the top 5 to 10 percent with the bottom 5 to 10 percent population. Geographically this poverty is again segregated as rural and urban poverty considering the type of area in which poor people are found. India being a developing country, there is existence of absolute as well as relative poverty that to in rural as well as urban areas. An attempt is made in this paper to study the magnitude of poverty in India with causes and remedial measures in general and special focus on micro financing as one of the measures of urban poverty alleviation with special reference to Mumbai City.

**What is Urban Poverty?**

Urban poverty is a multidimensional phenomenon. The urban poor live with many deprivations. Their daily challenges may include:
- limited access to employment opportunities and income,
- inadequate and insecure housing and services,
- violent and unhealthy environments,
- little or no social protection mechanisms, and
- limited access to adequate health and education opportunities.

But urban poverty is not just a collection of above characteristics; it is also a dynamic condition of vulnerability or susceptibility to risks. In order to provide a richer understanding of urban poverty, this study presents these two analytical frameworks (i) a dynamic framework of poverty (vulnerability and asset ownership) and (ii) the multiple characteristics of poverty and its cumulative impacts.

**Multidimensional Character of Urban Poverty**
Urban poverty is a multidimensional phenomenon. This paper sets out four dimensions of poverty:

- Income poverty
- Health and education poverty
- Personal and tenure insecurity
- Dis-empowerment.

The term *income poverty* is concerned with dependence on cash for purchases of essential goods and services. There may be employment insecurity or casual working class with lack of qualifications and less payment to urban poor. The concept of *health poverty* is related with overcrowding and unhygienic living conditions. The residential environment is prone to industrial and traffic pollution due to juxtaposition of residential and industrial functions in cities. The poor in cities settle on marginal lands which are prone to environmental hazards, such as landslides and floods. They have exposure to diseases due to poor quality air, water and lack of sanitation. The concept of *education poverty* refers to constrained access to education due to insufficient school sizes in rapidly growing cities, inability to afford school expenses and personal safety or security risks deterring school attendance. The *personal insecurity* refers to drug or alcohol abuse and domestic violence; family breakdown and reduced support from children; social diversity and visible inequality in cities, which increase tension and can, provide a temptation for crime. The *tenure insecurity* results due to land and housing in authorized areas are not affordable; therefore the poor occupy land illegally and construct their houses without construction and occupancy permits. The concept of *dis-empowerment* is related to illegitimacy of residence and work as well as insufficient channels of information for obtaining jobs, knowing one’s legal rights to service, etc. as a result the urban poor do not have importance for the rights and responsibilities of citizens.

**Poverty Syndrome**

According to the census of 2001, of the total population of 15.1 million in Mumbai as many as 5.82 million forming about 38.5% of the total live in slums. It is not unrealistic to assume that a great majority of slum/pavement dwellers are poor and are mostly engaged in activities that do not generate adequate income. As scope for generation of wage employment is somewhat limited, reliance is placed generally on self-employment activities like vending, pickle and jam making; papad making; cooking and supplying of meals; carpentry, tailing, driving and plumbing; mechanical and electrical fittings; and provision of other services such as laundry, saloon, courier, etc.

### Table 1: Estimates of Poverty in India (in percent)

<table>
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<th>Year</th>
<th>All India</th>
<th>Rural</th>
<th>Urban</th>
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<tr>
<td>1973-74</td>
<td>54.9</td>
<td>54.4</td>
<td>49.0</td>
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<td>1977-78</td>
<td>51.3</td>
<td>53.1</td>
<td>45.2</td>
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<td>1983-84</td>
<td>44.5</td>
<td>45.7</td>
<td>40.8</td>
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<td>1987-88</td>
<td>38.9</td>
<td>39.1</td>
<td>38.2</td>
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<tr>
<td>1993-94</td>
<td>36.0</td>
<td>37.3</td>
<td>32.4</td>
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<tr>
<td>1999-00</td>
<td>26.1</td>
<td>27.1</td>
<td>23.6</td>
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The above statistics show that the urban poverty has been alleviated to fifty percent within the period of thirty years. The reduction of urban poverty is faster than the rural poverty in India. Though the government measures are more in number for rural poverty alleviation with big publicity and propaganda as a political stunt, such as Garibi Hatao, Jawahar Rozagar Yojana, etc. In actual sense the urban poverty is extension of rural poverty because the rural poor migrate to urban areas in search of jobs and better life which results in urban slums and poor localities. Even Government focus is on rural poverty alleviation as a matter of fact rather than urban poverty. However, the urban poor get some job opportunities and slowly more number of urban poor do not remain poor without much efforts from Government or N. G. Os. Also it is important to note that more reduction in urban poverty is seen during the post reforms period.

**Key Factors Affecting Urban Poverty in India**

1. The impact of labor markets on urban poverty.
2. Vulnerability of the Urban Poor.
4. Location of the urban poor.
5. Poverty and basic urban services.
6. The impact of migration on India's urban poverty.

**Sponsored Poverty Alleviation Programmes**

So far, a number of programs have been launched to ameliorate urban poverty, which includes the Scheme of Urban Micro Enterprises, Nehru Rozgar Yojana and Prime Minister's Integrated Urban Poverty Alleviation Programme and Urban Basic Services for Poor (UBSP), etc. Within the framework of such multiplicity of schemes, more emphasis was given to individual program targets and as a result, income generation on sustainable basis was relegated to the place of secondary importance. With a view to rectifying this situation, Government of India has most of these schemes restructured into a Swarna Jayanti Shahari Rozgar Yojna (SJSRY) from December 1997.

This program provides employment to unemployed or underemployed urban poor by encouraging them to set up self-employed venture. The scheme also gives a special impetus to empowerment and upliftment of the poor women. For this purpose, a special program for development of Women and Children in Urban Areas, has been launched under which group of urban poor women setting up self-employment are eligible for subsidy up to 50% of the project cost. It must, however, be stressed that all such sponsored poverty alleviation programs do not generally lead to establishment of relationship banking. Indeed, most of these often remain a one-time activity, wherein loan is given usually at one stroke. In this situation, the borrower tries to get maximum limit of the loan amount permissible under a particular scheme to fetch the maximum amount of loan and subsidy.
Further, it is observed that financing of a large number of small sized loans under poverty alleviation programs often exacerbates transaction costs. For the banks, the subsidized interest rates make lending under sponsored programs least attractive. The provision of capital subsidy at times vitiates the effectiveness of poverty alleviation programs to a significant extent. Further, in the absence of social intervention, benefits of financial intervention often get marginalized. For example, if there is an uncontrolled increase in family size, despite the accrual of projected incremental income, there would be erosion in the per capita income. Likewise, various social evils like addiction to drinking, smoking, gambling, and use of drugs as also other tobacco products may push the poor family towards an enduring poverty. Thanks to these limitations, the sponsored poverty alleviation programs has not made significant positive impact.

Micro-finance - An Innovation for Poverty Alleviation

As a policy intervention, micro-finance seeks to:

- reduce poverty by increasing the access of poor people to savings and credit so they can invest in physical capital to increase the productivity of existing assets;
- provide working capital for the purchase of inputs;
- allow for consumption smoothing, enabling major expenses such as health treatment or funeral costs to be met.

Micro finance therefore forms part of an asset-based community development strategy with the following features:

- **Savings**: With savings facilities available to them, the poor are able to accumulate cash surpluses, which could be turned into productive assets and make a significant contribution to household livelihood strategies. Cash surpluses can also create a barrier for the foreseen and unforeseen expenses of the future, thus reducing vulnerability to debt traps.

- **Transaction services**: Given the legacy of the migrant labour system, transaction services are an especially important issue in South Africa. The program outlined in the financial services charter and the recently launched Mzansi account take us some way forward in addressing access to transaction banking.

- **Credit**: In the right circumstances credit can assist the poor in building assets and 'smoothing' the up-and-down nature of their income. Like savings, credit can assist in converting very small, irregular incomes into a large lump sum, which can augment livelihood strategies and reduce vulnerability.

- **Insurance**: Like savings and credit, properly managed insurance services can 'smooth' income. Our people have organised themselves into popular insurance enterprises in the form of burial societies, which indicates the importance of insurance services to the poor.
Lack of access to credit increases the vulnerability of the urban poor by constraining their ability to improve their homes, their work, and to start new businesses. Credit underwriting is a major problem since the poor do not have property to use as collateral and often lack regular incomes. Supporting micro-finance programs and provision of tenure security to support underwriting are possible policy actions at local levels. The poor typically have little access to formal savings programs. Mechanisms to mobilize small savings of the poor are often limited to credit associations and informal solutions such as rotating savings and credit associations. NGOs or other micro-crediting organizations' ability to collect savings and to mobilize other private and public funds is also limited. In many developing and industrial countries, banks do not perceive the poor as worthwhile clients. Outright discrimination in some countries can be seen. Banks are often located so that they are out of reach of the poor. Discrimination can also be seen in how the poor are treated when they try to open savings or checking accounts. Therefore, the poor may tend to accumulate savings in inefficient ways, such as informal credit unions, rotating saving and credit systems, which yield very low or no interest, or by buying tradable goods. However, experience shows that once banks begin servicing savings accounts among the low-income communities, they become more willing to make credit available to the poor. Local authorities can initiate small savings and credit programs for the urban poor. In the Philippines, for example, local governments have small savings and credit schemes for poor women in Barangays (neighborhoods).

Surely, the poor (whether in rural or urban areas) cannot and should not wait for long to get the required assistance. To address all these complex issues, a proper blending of financial and social intervention is imperative. In this context, the importance of micro finance intervention cannot be over emphasized. Micro finance is an innovative tool. It is concerned with the provision of thrift credit, other financial services and products of very small amounts with an element of social intervention enabling mainly the poor to improve their living standards. The concepts 'micro finance' and 'micro credit' are usually used interchangeably; in fact, micro lending per se is at times considered as micro credit in some quarters. However, micro credit is always dovetailed with thrift, and hence, micro finance is a more appropriate expression rather than micro credit.

Micro finance includes a whole gamut of financial services like thrift, credit, insurance, leasing of equipment, remittance etc. required by the poor. Micro finance is generally routed through small groups commonly known as Self-Help Groups (SHGs), which not only serve as a platform to supervise the activities of each other but also provide social collaterals. Loan amount to the member of the SHG is based on the amount of the savings of the SHG and is recovered generally in 12 monthly installments. Loans are repeated and gradually increased; thus establishing relationship banking.

The implicit objective of SHGs is to combat unjust social relationship by increasing people's participation through their empowerment. The emphasis is also on human resource development. The SHGs are generally of small size. Such small sized SHGs not only ensure active participation, but also promote group dynamics in decision-making and greater transparency. Moreover, separate SHGs for men and women are more conducive for addressing the issues of gender imbalance. Also SHGs frame their own rules and regulations to suit the local conditions. Though the primary objective of micro-finance interventions is to help the poor to surmount poverty, they also assist them to
undertake financially viable enterprises, which could be taken up by the banks for commercial lending.

Relevance of Micro-finance in Mumbai

Although, micro finance interventions are more popular in rural areas (illustratively, Grameen Bank in Bangladesh; Aman, Ikhatiyar in Malaysia; and MYRADA in India), their relevance in urban and metropolitan areas is more pronounced as these areas actually bear the brunt of the consistently increasing migration of the poor from rural areas. In India, Mumbai has the largest number of slum dwellers (5.82 mn) distantly followed by Delhi (1.82 mn), Kolkata (1.49 mn) and Chennai (1.08 mn). In terms of proportion of slum dwellers to total population, Mumbai again ranked first with 38.5% slum dwellers distantly followed by Delhi (18.8%), Chennai (18.3%) and Kolkata (12.7%).

The concentration of a large number of the poor is not only an incipient threat to the peace and harmony of the city, but also hazardous for the financial health of the city. Against this backdrop, there is an urgent need for a mechanism under which those who migrate to cities have necessary organizational network to fall back upon in times of difficulties. Nonetheless, efforts are in place to help the poor in a number of cities such as "SEWA" in Gujarat (SEWA also operates in several other areas in Gujarat) and Society for Promotion of Area Resources Centers (SPARC) operating in major cities of India, including Mumbai. Besides SPARC, National Slum Dwellers Federation (NSDF) and Mahila Milan Bank together form an alliance to help the poor in Mumbai as also in other cities to organize poor in SHGs and work on the principles of micro finance. There are also quite a few other non governmental organizations (NGOs) operating in Mumbai for the betterment of the poor, but all these initiatives need to be augmented further, given a staggering number of Mumbai’s poor. Undoubtedly, various concerned agencies will have to make concerted efforts to cover and assist all the poor within a timeframe. In this context, all those who are interested in equity and social justice, as well as in the betterment of Mumbai, should join together either as co-operative society, trust, company, non-banking finance company (NBFC), mutually aided co-operative society (MACS) or any other type of institutions that offer micro finance services to the poor. Thus, it would be possible to organize at least pavement dwellers (if not slum dwellers) in Mumbai to form of SHGs of homogenous people in different localities. Undoubtedly, proper shelter is the top most priority for all urban poor. Indeed, a better living place is the very foundation for a socio-economic transformation.

Similarly, a proper work place is a pre-requisite for taking up any gainful economic/business activity. It is important to note that the poor generally do not possess proper ownership rights of housing or business site. They are mostly squatters, living and operating businesses without any legal titles. Therefore, the first priority towards reduction of poverty in a place like Mumbai should be of to clearing of pavements or slums by concerned authorities and provision of alternative sites with legal rights. Organizing slum dwellers in SHGs would enable them to sort out problems like purchase of land, construction of dwellings etc., with concerned agencies. The members of the
SHGs should be encouraged to save at least a rupee or two rupees per day, and that may be ultimately used for construction of shelter as also to tide over emergencies. This will also relieve them from the clutches of money lending sharks.

It is interesting to note that according to a case study of Mahila Milan Bank, the poor used to borrow in times of desperate need from pathans/money lenders, pawnbrokers at an interest rate of 10% per month. But on joining saving groups of Mahila Milan Bank, they have been completely relieved from the clutches of such sharks. The peer pressure under SHG System will also curb the tendency of selling of newly acquired house/work site and may discourage reverting back to foot-paths, which is not uncommon among pavement dwellers. SHGs will also help them in procurement of raw materials and skill development for processing of raw material and marketing of finished goods processed by the poor.

**Support from SIDBI**

SIDBI has galvanized its efforts for accelerating orderly growth of micro sector in urban and metropolitan areas. It has established Foundation for Micro Credit in November 1998 to provide a complete range of financial and non-financial services to institutions engaged in delivery of micro finance products and services. SIDBI's Foundation also provides support to Micro finance Institutions (MFIs) for capacity building.

Under its scheme, micro finance institutions having good credibility, track record and professional expertise are eligible for assistance. The loan assistance for micro finance institutions for lending is need-based, and is subject to a minimum limit of Rs.12 lakh. However, maximum amount of assistance by micro finance institutions to a single borrower/member of a SHG should not exceed Rs.25,000.

**Policy Initiatives of Reserve Bank of India**

While announcing the monetary and credit policy for the year 1999-2000 the RBI Governor, Dr. Bimal Jalan, evinced a great deal of interest in bridging gaps between micro realities and macro policies. Accordingly, the Micro Credit Special Cell was set up in the RBI to suggest policy measures for mainstreaming and upscaling of the micro finance sector. Indeed, it is the first central bank in Asia, which took several policy measures concerning micro finance, the key features of which are:

(i) RBI has allowed banks to formulate their own models or choose any conduit/intermediary for extending micro credit. Banks are allowed to choose suitable branch/pocket/area where micro credit programmes can be implemented;

(ii) Banks are permitted to prescribe their own lending norms keeping in view the ground realities;

(iii) Banks are also allowed to devise appropriate loan and saving products and related terms and conditions including the size of loan, unit cost, unit size,
maturity period, grace period, margins and purpose of borrowing including for housing and shelter needs;

(iv) Interest rates on bank's loans given to micro-finance institutions are completely deregulated;

(v) Bank lending under micro finance will be treated as part of priority sector targets as well as under sub-target of lending to the weaker sections;

(vi) The micro-finance institutions registered as not for profit NBFCs have been exempted from registration and prudential requirements. RBI has permitted such NBFCs to provide credit not exceeding Rs.50,000 for business activity and Rs.1,25,000 for meeting the cost of a dwelling unit to the poor.

This apart, the Government of India has also allowed foreign direct investment in micro credit to encourage foreign participation in various micro finance projects.

A joint project was undertaken by the Department of Commerce, Mumbai University and Department of Economics, S.N.D.T. Women’s University involving twenty teachers and two hundred students during early nineties conducting survey of 562 informal sector enterprises in Mumbai to understand their financial problems. All these small informal sector enterprises had micro credit from different sources and their sincere efforts and hard working attitude have obtained some skills either through formal or informal training. Their capacity to do business contributes to the great help in the overall development of the economy as well as that particular urban area. In turn it helps to reduce the urban poverty.

Conclusions

In summing up, micro finance is an innovative mechanism for ameliorating urban poverty. Indeed, it offers an inspiring tool for concerned people be it businessmen, industrialists, professionals, administrators, researchers or students, for making Mumbai a better place to live, work and invest in. All these stakeholders can deploy micro finance institutions to solve the problems of the pavement dwellers first through the conduit of SHGs by availing of assistance of SIDBI and other facilities and freedom given by RBI towards mainstreaming and upscaling of micro finance sector.

The urban poverty alleviation is much easier than the rural poverty alleviation in the country, because the rural poor people remain poor for generations together which is not in case of urban poor. The SEVA experience in Ahmedabad shows that the micro-credit can go long way in alleviating the urban poverty. Similarly the Gramin Bank in Bangladesh started as a rural scheme but it is working well in semi urban areas.

References:

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