

Chapter 11

Urban Development, Housing & Poverty Alleviation

Urban Development

Past five decades have witnessed a phenomenal growth of urban population in India and the addition every year has been about 7 to 8 million people. The level of urbanisation was 11% to 12% in first three decades of the 20th century but it surged noticeably from 17.3% in 1951 to 25.7% in 1991. The major urban concern is the growing gap between the demand and supply of basic infrastructure services like safe drinking water, sanitation, sewerage, housing, energy, transport, communication, health and education. Increased urbanisation is accompanied by severe environmental problems which adversely affect the quality of life of the people. In view of above an integrated urban management policy incorporating different facets like development planning, resource mobilization, capacity building, responsive administration etc. is a key concern.

2. Though India has one of the largest urban systems, its effectiveness is far from satisfactory due to paucity of funds and ineffective management. The Constitution (74th Amendment) Act, 1992, envisaged effective decentralisation of the functions to the Municipalities, and State Governments were to spell out the functions to be assigned to the Urban Local Bodies (ULB) through notification under the provisions of Municipal Acts. However, in many States such notification has either not been issued or, if it is issued, it provides inadequate functions and responsibilities to ULBs. There has been an urgent need for the State Governments to transfer the functions and responsibilities to the ULBs as envisaged in the 12th schedule of the Constitution as also to ensure that the Legislature provides for such laws that can authorise the municipalities to levy, collect and appropriate taxes and duties to augment the revenue/resources of the ULBs which today are only dependent on government grants. Though Finance Commissions have been constituted by most of the State Governments to review the principles that govern determination of taxes, duties and grants-in-aid to the municipalities, the position of most municipalities have hardly shown any improvement. It is observed that resources raised by the municipal authorities constitute barely 0.6% of the national GDP and, therefore, still remain peripheral to the Indian economy. Revenue from non-tax sources has been lagging behind. Dependence of municipal authorities on external sources has been increasing coupled with corresponding decline in the internal revenue from own sources. To improve the quality of urban governance, it would be necessary to ensure that all follow-up action on the 74th Constitutional Amendment is pursued in letter and spirit.

3. Urban growth, mostly uncontrolled and unregulated, has been far away from systematic development planning. Whereas the First Five Year Plan recognised the importance of regional planning, provision for use of land and civic and diagnostic

surveys and preparation of Master plans, the Second Plan stressed the need for developing competent municipal administrations with adequate powers, resources and administrative and technical staff and the use of local authorities as agencies for providing housing and other infrastructure amenities. Regional and urban development was accorded priority in the Third Plan when almost all States had introduced town planning registration with varying scope. However, the plans could not be implemented due to lack of financial and organisational resources, except by a few metro cities and a few towns. Although a significant step was initiated in the form of Central assistance to the States for the preparation of Master plans for select areas, comprehensive action on the part of the States was lacking. During the Sixth Plan relative potentialities of small and medium towns were recognised. The Seventh Plan reiterated the policy of earlier plans to promote smaller towns and new urban centres supplemented by efforts to augment civic services and strengthen municipalities by augmenting the resources and by a system of devolution of funds and provision of new avenues of taxation.

4. To augment civic services and strengthen municipalities, a new scheme of Integrated Development of Small and Medium Towns was initiated by the Central Government during 1979-80. Up to March 1999, 945 towns were covered involving Rs. 345.30 crore. The outlay for the Ninth plan is Rs 275 crore. The implementation of the scheme has not been satisfactory and the areas of concern include timely completion of projects, augmentation of resources by ULBs for continued investment, creation/ consolidation of Revolving Fund, utilization of available funds, tie-up of institutional finance, viability of the implementing agencies, convergence of stakeholders etc. There is a need for evaluation of the implementation of the scheme so as to realize the envisaged objectives. In addition, the Ministry has brought out certain issues for reconsideration e.g. laying down a criteria for prioritisation of projects; review/ modify if needed the existing project mix ratio; strengthening of building capacity of personnel involved in implementation of the scheme; ensuring more flexibility and decision- making powers for any change in the components or areas within the project to State level sanctioning committees.

5. The National Institute of Urban Affairs, vide its evaluation study in a sample of 22 towns, observed that the impediments in implementation broadly are non-availability of land, absence of technical/feasibility studies, and lack of inter-agency coordination/ monitoring. The salient points brought out by the Society for Development Studies on the basis of its study in four towns of Madhya Pradesh were lack of professional approach to the selection of the project components, site location, systematic demand assessment, poor monitoring besides problem of land availability and convergence of all urban development programmes. Similarly, the Centre for Symbiosis of Technology, Environment and Management, through its impact evaluation of Integrated Development of Small and Medium Towns (IDSMT) scheme in Uttar Pradesh and Karnataka, concluded that land acquisition and lack of technical staff in the local bodies delayed the implementation of projects.

6. Megacity scheme was launched by the Central Government in 1993-94 in order to upgrade the infrastructural facilities in the mega cities which comprise about 17% of the urban population. The scheme was applicable to five cities of Mumbai,

Calcutta, Chennai, Hyderabad and Bangalore. Up to 1999-2000, 375 projects involving Rs. 3,089.78 crores were sanctioned. The outlay for the Ninth Plan is Rs. 500 crores. Though various projects are being taken up under the scheme, many of the problems in the implementation are observed to be common to that of IDSMT. In addition, identified areas requiring attention include high rates of interest charged by Financial Institutions (FIs), the desirability of retaining 75% of Central and State share in the Revolving Fund and the manner of its utilization, the formula for allocation of central share of funds among the five Mega cities, use of land as a resource and the concept of generation of funds via commercial projects which are divergent among States, etc.

7. It has been observed that a comprehensive overhauling of the implementation of the schemes of IDSMT and Megacity is to be considered keeping in view, among other factors, the outer limit of the city's capacity to absorb expansion. Also, to realize the efficacy of the schemes the State Governments may explore ways and means of rationalising the tariff structure for the amenities made available to the beneficiaries as one of the ways to strengthen the resources of ULBs for sustainable development of infrastructure. Despite the divergent problems faced in the implementation of the Megacity projects, a good initiative has been taken by the Government of Andhra Pradesh in the direction of raising revenue by using Government land as a resource.

Hyderabad Urban Development Authority (HUDA), is a planning body constituted in 1975 by the Government of Andhra Pradesh. The State Government has permitted HUDA for disposal of Government land in public auction to raise resources for taking up projects like roads, fly-overs etc. in the urban areas. The resources thus raised have also been utilized as State Government's matching contribution for Megacity projects.

8. With a view to containing the pressure on population on Delhi and to attain balanced and harmonious development of Delhi and adjoining areas of the neighbouring States, the National Capital Region Planning Board (NCRPB) was established about fifteen years back. The NCR is spread over an area of 30,242 sq. km. comprising NCT Delhi (1,483 sq.km), Haryana (13,413 sq.km), Rajasthan (4,493 sq.km.) and Uttar Pradesh (10,853 sq.km.). An outlay of Rs. 200 crores has been earmarked for the Ninth Plan as contribution to NCRPB.

9. The NCRPB has identified certain areas in support of its vision of NCR as a Common Economic Zone (CEZ) which requires a consensus by the member states on rationalisation of fiscal measures, banking system, integrated transport and communication system which influence trade, commerce and industrial activities in the region. Other important measures include phasing out of trading activities like fruit and vegetable marketing outlets including go-downs and storage facilities, all large manufacturing units as well as hazardous industries etc. out of Delhi. There is

also the need to encourage the farmers for establishment of their own 'mandis' in the periphery of NCT.

10. The concept of NCR Delhi has not succeeded. Some of the key reasons ascribed are sanction of a large number of projects without any co-relation to availability of funds, slow progress in completion of schemes, prioritisation of projects, re-delineation of area, involvement of different stake holders/lack of coordination within the States, inadequate provision in the outlays by the Central Ministries and the participating States, and lack of common interest within the States and among the member states. Though information on releases made by the NCRPB is available, the progress of progress of expenditure by the participating States and of Central Ministries is not known.

11. Keeping in view the haphazard growth of cities and towns over the years, a scheme for preparation of base maps using aerial photography was launched in the Eighth Plan on a pilot basis for effective urban planning. The Central Town and Country Planning Organisation (TCPO) in collaboration with the concerned State Town Planning Department is undertaking interpretation of aerial photographs and collection of other secondary data/information. This is done to generate thematic maps and graphic data base for the development of Geographical Information System (GIS) and processing of information for use of town planning departments, local bodies, development authorities, PWD, tax authorities and other sectoral development agencies. The scheme was initiated to cover 50 towns in two phases. An allocation of Rs. 10 crores has been made in the Ninth Plan. Recent reviews held with the State Governments indicated their desire for areas being covered by the urban mapping programme undertaken by the TCPO. Now that high resolution satellite remote sensing technology is available, the Planning Commission would suggest that the scope of the scheme may be widened to include areas like drainage, sewerage, low cost sanitation, urban waste management etc.

12. As cities grow in population and size, the demand for transport services both public and private (chartered, permit holder buses/ mini-buses, cooperative-run buses etc) increases more than proportionately. The number of vehicles increased from 5 million at the end of the Third Plan to 32 million in 1996. As the increase of public transport system with associated infrastructure did not progressively increase to the desirable extent, people switched over to personalised modes, which resulted in accidents, over-crowding/ overloading in public transport system, creating serious health problem and environmental degradation. There is need for a re-look on liberalizing the existing laws relating to issue of license/ permit for public/ private transport vehicles. Also in view of increased vehicular traffic and accidents there is need to look at the requirement for establishing professional driving training institutes for public transport drivers. Further, the transport network suffers due to factors linked to it like requirement of land, increased land values, relocation of families especially its impact on the livelihood of the urban poor, community facilities etc. However, in spite of the crucial need for efficient urban transport system, commensurate allocation for this sector has been conspicuously missing both at State and Central levels. Treating this as a concern of State/Local governments urban transport is looked upon as an appendage to the inter-city rail/road transport systems

and perhaps its own need and priorities have not been recognised. Though Central assistance has been mainly confined to support for various feasibility and other studies relating to urban transport systems in metropolitan cities, urban transport development (a crucial component of urban infrastructure) needs to be accorded a much higher priority than has been the case in the past. An integrated urban transport system particularly for the metropolitan cities should involve the Centre, States and ULBs and also the private sector.

13. The only major Central scheme under way since 1996 is the Delhi Mass Rapid Transit System (MRTS) project executed by the Delhi Metro Rail Corporation (DMRC) Ltd. It involves Rs 4,860 crore (at April '96 prices). The project envisages introduction of a Metro Rail System of about 55.3 km. comprising 11 km. of underground rail corridor and 44.3 km. of elevated-cum-surface rail corridors. An amount of Rs 362.22 crores has been kept as EAP-Pass through assistance to DMRC from OECF (Overseas Economic Cooperation Fund of Japan) and Rs. 425 crores as equity to DMRC for the Ninth Plan.

Urban Housing

14. Increasing population, rapid industrialisation and regional development are major factors that have aggravated the housing scenario over the years. Even in the early 'fifties, lack of employment opportunities in rural areas and growth of industry in urban areas made for a high rate of migration from rural to urban areas and led to a high demand for housing in the urban areas. On the supply side, the private sector, the primary source of building activity, was constrained due to low availability of land and high prices of building material. Consequently, the gap between demand and supply of housing led to over-crowding and deterioration of housing estates.

15. While accepting that housing is essentially a private, self-help activity, Government has recognised the necessity for state intervention to meet housing requirements of the weaker section of society. This was outlined in the Housing Policy from the First Plan itself when housing for Low and Middle Income Groups was given a high priority. Since State Governments were to provide assistance to households in the form of subsidies and cheap loan, the Central Government initiated the Industrial Housing Scheme to cover workers of certain industries and took initiatives to reduce the prices of building materials as also to encourage private builders. In the Second Plan, housing programmes of the First Plan were expanded and new schemes viz, Slum Clearance and Sweeper's Housing and Middle Income Group Housing were introduced. The Third Plan emphasised on coordination of efforts of all agencies i.e. public, private and cooperatives as also on re-orienting the programmes to the needs of Low Income Groups (LIGs), land acquisition and development, preparation of Master plans and regional development plans of metropolitan towns and research in building techniques. The Fourth Plan stressed on controlling land prices, providing financial assistance to cooperatives and private efforts and in assuming legal powers to recondition slums. The Fifth Plan gave emphasis to preservation and improvement of existing housing stock through statutory/ legal, regulatory and fiscal measures and stressed on the optimum use of land, making available land for housing purposes particularly for Economically Weaker Section (EWS) as also to prevent concentration of land ownership. During

Sixth Plan, public sector was assigned promotional role in urban housing whereby the role of providing majority of housing was left to private sector. The role of public sector itself was limited to slum improvement, housing for urban poor and encouragement of organisations like Housing and Urban Development Corporation (HUDCO) for channelising resources to private sector.

16. The Seventh Plan clearly demarcated the role of public sector viz resource mobilisation, provision of subsidised housing for poor and land acquisition and development. The National Housing Bank (NHB) was established in 1987 and HUDCO in 1970. To provide an appropriate platform for technology transfer and its application in the shelter sector and promote commercial production of innovative materials, the Building Materials and Technology Promotion Council (BMTPC) was set up with a network of Building Centres. Experimental housing projects were undertaken by National Building Organisation (NBO) in different geo-climatic conditions and Non Governmental Organisations (NGOs) were involved in supporting the Government effort.

17. The core strategy of the Eighth Plan was to create an enabling environment for housing by eliminating various constraints and providing direct assistance to disadvantaged groups. Emphasis was laid on removal of legal bottlenecks to increase supply of serviced land and rental housing, increase formal flow of finance for housing sector and encourage self-help housing as well as finance. To provide housing to the disadvantaged groups, special assistance programme in the form of subsidy, preferably in kind (i.e. in terms of raw materials), differential rates of interests and delivery support system were evolved. Despite the introduction of housing policies and programmes, the problem of urban housing continues to exist. As per NBO, the urban housing shortage is projected to decline from 7.57 millions in 1997 and 6.64 millions in 2001. Yet another estimate (Habitat-II) indicates that the urban housing shortage would in fact increase to 9.4 million.

18. The housing policy 1994, laid emphasis on assisting people and in particular the houseless, the inadequately housed and vulnerable section. Keeping in view the requirement of large investments to overcome enormous shortages in the housing sectors and the need for more concerted and focused attention on the poor and the deprived, the policy was revised in 1998 to encourage private and cooperative sector participation in this sector. The ultimate goal of the new Housing and Habitat policy (1998) is to ensure the basic need, "Shelter for All". The thrust is directed towards housing solution of priority groups, SCs/STs, disadvantaged groups like the disabled, freed bonded labourers, slum dwellers and households headed by women and people below poverty line --- groups whose needs otherwise may not get effectively met by market driven forces.

19. Keeping in view the objectives of the new Housing and Habitat Policy and shortages in the housing and related infrastructure, the strategies adopted in the Ninth Plan are as below:

- (i) While housing needs of all segments will have to be met, the Plan would focus special attention on households at lower-end of the housing market and the public housing. The thrust is directed towards housing solution of priority

groups whose needs otherwise may not get effectively met by market driven forces; (ii) Government will, as a facilitator, create an environment in which access to all the requisite inputs will be in time, in adequate quantum and of appropriate quality and standards; (iii) There will be provision for more direct intervention by the Government in the case of lower segments of the housing market and selected disadvantaged groups; (iv) A package of incentives and concessions to attract private sectors would be introduced to shoulder the task of housing for the poor; and (v) Land market reforms will be undertaken through legal, planning and fiscal provisions.

20. Apart from the problem relating to availability of land, there are constraints on the investment required for meeting the demands of housing shortage. Whereas the Working Group on Housing placed the estimate of investment at Rs. 1,21,370 crore during the Ninth Plan, there are other estimates placing this at Rs. 79,830 crore (Habitat II estimate). In addition to the investments from Cooperatives and private sector, the Public Sectors (HUDCO & NHB) have also been contributing substantially to the promotion of housing activities. However, the contribution from cooperative sector has not been substantial in certain areas. Within the State Governments, various agencies/government departments appear to be handling activities relating to housing e.g., rental housing, police housing, judicial housing etc. To effect better coordination and supervision, it would be useful if such activities are brought under a single agency especially as there is no formal system for collecting information with regard to urban housing. Very often, built-up houses remain unoccupied due to poor location and absence of basic urban infrastructure facilities and this is further compounded by inadequate public transport facilities. To make housing activity sustainable, new strategies have to be devised.

21. In Delhi, the DDA (Delhi Development Authority) is playing a role in land development, distribution and construction of houses. DDA has not promoted private sector housing complexes whereas in neighbouring States (UP and especially Haryana), many private developers have come up bringing in the element of competitive pricing in building activity. It has also been observed that there has been lack of coordination between DDA and other Development Departments under NCT Delhi resulting in houses remaining unoccupied -- among other reasons -- due to absence of basic infrastructure amenities like drinking water, sanitation facilities, electricity, etc. In tune with the Policy statement of the Government on housing, the Planning Commission is of the view that Government should move away in phases from direct involvement in construction of houses and concentrate more on development and distribution of land. In order to benefit the poorer sections, emphasis should be on ensuring availability of land to them.

22. Established in 1970, HUDCO over the last few Plan periods has contributed to the housing stock. However, an analysis of the data available would show emergence of regional imbalances. A large number of States are unable to access funds from HUDCO. Bottlenecks for balanced housing activities in the States arise from non-availability of land and the incapability of the States to conform to the terms and conditions/procedural problems (e.g., government guarantee, etc.), which are obligatory before funds can be accessed from HUDCO. It is also observed that

there is gap between target and sanctions, sanctions and release, release and utilisation as also utilisation and recovery of loans.

The Urban Poor

23. Urban poverty, even though more starkly visible to makers of policy, would appear to have engaged governments in India far less than rural poverty, both in the range of interventions and in scale of financial outlays. It remains, for the most part, an area of significant and persistent neglect in public policy, despite evidence of burgeoning urban populations with stubbornly high levels of both absolute and relative poverty.

24. Nearly 93 per cent of the labour force comprising roughly 290 million comes under the informal sector. It is this vast disparate workforce of self employed, casual, contract and migrant workers, present both in rural and urban areas, that keep the engine of Indian economy greased and running. They present the authentic picture of working India - the workers who are concentrated in the agricultural and handloom industries, the home-based industry, the construction industry, fisheries, small manufacturers, agricultural labour, forests and others. In this huge army, more than half are women and, a significant section, children. In spite of all odds, the unorganised sector workers have been struggling to organise themselves. The last 20 years have seen many small but courageous organizations struggle for better living and working conditions for their members. They feel the need for representation and support at the policy level.

Delhi has about four lakh rickshaw pullers and three lakh vendors. But the city government has put a limit of one lakh licensed rickshaws. Thus, about three lakh rickshaws operate illegally in Delhi. A vast majority of street vendors have no license either. They all operate outside the legal economy, complaining of harassment by police and municipal authorities. The licence-permit raj is seen entrenched in areas where the poor earn their livelihood. About 80 per cent of the respondents in a survey say that they have not experienced any change in economic policy.

The alternative is low cost housing. Urban planners are however do not take into account the basic economic reality of migration. One hardly comes across a planner who takes pride by developing planned squatterment and even low-income rental housing. The urban managers in turn hardly provide accessibility of the poor to basic urban services like potable water supply and sanitation. Urban planners and managers may need to be educated and trained to acquire knowledge and skill to change the existing order and help the poor and their settlements.

25. Lack of transparent rules - The poor often have neither the capital, nor credit nor the enterprise to set up shops, and eke out a hand-to-mouth existence as street vendors, especially in urban areas. They live in constant fear of being forcibly moved away. Street vendors cannot vend without a licence and yet there is almost a blanket ban on the issuing licence. In recent times, judicial intervention especially in Bombay and Delhi has played a significant role in asking municipal authorities to demarcate

hawking and no-hawking zones but the executive reaction is slow to act on the court rulings.. In a few cases authorities have demarcated the no-hawking areas, but the areas which are to be reserved for hawking have not been delineated. Not only does the process need to be expedited in areas covered by the court decisions but a similar exercise needs to be systematically undertaken in all urban areas.

26. Urban migrants pushed to the city by abject rural poverty and unemployment have no legal access to house-sites or sites to establish temporary petty business activities. They are therefore criminalised by the very processes of survival. There should be careful earmarking of sites for urban poor migrants close to potential work-sites and land allotted to homeless migrants by a process free from bureaucratic tangles. Equally, sites for temporary lease for petty commercial activities should also be developed in all potential and existing commercial centres, and these should be available to the rural poor on realistic terms. The process of getting ration card made is cumbersome and poses the most severe problem to migrant labour. This may be replaced with an identity card which should be issued on asking.

27. Homelessness itself is perceived in India to be a crime. Wandering persons (vagrants), wandering lunatics, 'illegal' squatters, pavement dwellers: they all are 'guilty' of violating several penal statutes. A large numbers of the homeless are routinely rounded up by the police.

28. Urban slum dwellers are not entitled to water or light connections unless they have a legal title to the land. Since most of them are forced to be encroachers, they get caught up in a vicious cycle of degraded living conditions without minimal facilities. It is reported that goons-dadas have emerged in large scale and they act as go-betweens with corrupt officials.

Housing for the Poor

29. Another area of concern is the lack of a suitable strategy to deal with the housing problems for the socially disadvantaged group as also those engaged in the informal sector. A focused attention is needed for evolving a State-specific strategy including structured housing programme for urban poor to prevent growth of slums and for rehabilitation of existing slums. Despite the fact that 32% of the urban population live below poverty line, a shelter/housing programme in urban areas for this category does not find a place in State outlay (Urban Housing). A change in the housing strategy for this group of people may help reduce the proliferation of slums. A perusal of the Plan outlay of States and schemes run with the support of agencies like HUDCO and State Housing Boards would show there is no conscious planning of an affordable land and shelter policy for this section of urban population below the poverty line.

Government of Karnataka started implementing recently a programme "Sites Under Ashraya Scheme in Urban Areas". Under the scheme plots are formed and distributed free of cost to persons living below poverty line in urban areas. During Ninth Plan a provision of Rs. 44.80 crore has been made and 2.5 lakhs plots are to be formed and distributed.

30. Accelerated urbanisation coupled with industrialisation and absence of structured housing schemes for the urban poor have brought with it a rapid growth of slums. In spite of efforts to contain proliferation of slums in different plan periods, the slums have been increasing fast and thick and cause tremendous pressure on urban basic services and infrastructure. The problems of slum dwellers have been engaging the attention of government since the Second Five Year Plan.. A slum clearance scheme was introduced in 1956. Gradually it was realised that this strategy would not lead to provision of adequate facilities for the target group since slum dwellers grew at a rapid pace and the cost of rehabilitation by providing additional land and developing it was very high. Such relocations involved substantial hardships to those affected. In 1972, then, the strategy of slum clearance and rehabilitation on new land was abandoned and a Central scheme of Environmental Improvement of Urban Slums (EIUS) was introduced with an objective of improving the living environment of slum dwellers by providing basic civic facilities. Under EIUS from 1972 to November 1998, a total of 320.81 lakh persons were covered as against the target of 282.96 lakh people.

31. In slums, 40 percent of households are without access to safe drinking water and 90 per cent without access to sanitation. Diarrhoea deaths account for 28 per cent of all mortality, while acute respiratory infections account for 22 per cent. Nearly 50 per cent of urban child mortality results from poor sanitation and lack of access to clean drinking water in the urban slums.

32. Government of Karnataka carried out an evaluation of the works executed in the select slums in the state. According to its report dated May 2000, the condition of 49 out of 61 works was found to be poor. 62.5% of street lighting, 67% of drinking water works and 78% of roads, drains, community toilets and bathroom were in poor condition. Repairs were not done and damaged parts were not repaired. Toilets and baths were not regularly cleaned and water was not available there. Garbage disposal and maintenance was never done.

33. Slums are a direct outcome of the failure of State policy and law to intervene effectively to ensure legal access of the urban poor to land and financial resources which would be necessary to enable them to construct for themselves legal and adequate shelter. Despite stated commitment in official documents to ensuring access of housing to the poor, actual investments in this regard have been niggardly and misdirected. This is aggravated by both law as well as administrative and other prejudices which have not only consistently blocked the access of the urban poor to shelter but have actually criminalised them.

34. Swelling populations, fragile and insecure incomes and a legal and regulatory regime hostile to the urban poor combine to exclude poor people from safer, higher value sites in the city. Instead, they are crowded in precarious locations such as open drains, low-lying areas, the banks of effluent tanks, vicinity of garbage dumps, open

pavements and streets. They survive in chronic fear of eviction, fire or flood. Housing for those who do not sleep in the open is in a shambles literally. Overcrowded inside and outside, the house itself is just built out whatever material is available and often fails to keep out the cold or the rain.

35. Most housing schemes for the urban poor result in inappropriately located and designed tenements of poor standard and inefficiently high costs. What is worse, they are priced out of the range of the poor. Other points about housing for urban poor are summarized below:

- i. Much of the land on which the poor settle is deemed by the government to be illegally occupied and is, therefore, characterised by high levels of insecurity of tenure.
- ii. Illegality leads denial of infrastructure and public services needed to improve the habitat.
- iii. The economy of the poor households often dictates a need to be located in central areas of the city with access to incomes and daily work. But these locations are generally the site of the greatest insecurity of tenure, rapidly rising land prices and most intense land-use conflicts and tend to push the poor to fringe areas.

36. Non-availability of affordable/suitable land has been impeding the growth of housing activity and the concept of developing a land market is now being recognised by State Governments. Legislative amendments are also vital to this sector. The Ministry has since formulated and circulated to the States a Model Rent Control Bill, a Model Apartment Ownership Bill and a Model Property Regulation Bill. The reduction of stamp duties is also being pursued as also issue of Amendment to the NHB Act to bring about speedy foreclosure. This would facilitate a secondary mortgage market. The Urban Land Ceiling Regulation Act, 1976 stands repealed and the value of this initiative would be felt after the State Governments also adopt this. In the Budget of 1999-2000, the Ministry offered a package of fiscal incentives for the housing sector which include exemption from income tax on the interest on loan for self-occupied property up to a ceiling of Rs. 75,000 to attract investors into housing activity and raising the incremental deposit of commercial banks for housing sector from 1.5 % to 3 % to boost the housing activity.

37. To facilitate introduction of innovative technology to reduce building costs and encourage use of environment friendly technology, grants were given to the Building Material Technology Promotion Council (BMTPC). However, the proven technology developed by BMTPC and the technologies adopted by other institutions/agencies need to be reviewed. There is a feeling that BMTPC has not played its role effectively in educating the people (like plumber, electrician, carpenter etc) connected with the construction activities on the various models and use of appropriate materials.

38. From being *provider* of housing stock to the poor, the role of the State is now increasingly perceived as *facilitator* and subsidized housing of the poor is being debunked in favour of cost recovery by institutions. Official documents now speak of the objective of providing *affordable* shelter to the poor, rather than ensuring *adequate* shelter of minimum basic standards to all people.

39. During 1996, the Central Government introduced the National Slum Development Programme (NSDP) under which funds by way of Additional Central Assistance (ACA) were given to States on yearly basis. In addition to ACA, investments have also been made through external assistance for slum upgradation. A provision under NSDP is also made to take care of housing and shelter upgradation of slums.

40. The Working Group was set up in the Planning Commission to study some of the related issues and the basis on which funds were to be allocated among States. The main recommendations of the Working Group were as under:-

- (i) Locational characteristics of slums differ considerably from each other being area-specific, and slum upgradation expenditure may vary irrespective of magnitude of slum population in various States.
- (ii) Handling of slums is a delicate issue. It has to be dealt with in a decentralised manner as different States have different specific local problems; Central intervention in the matter can at best be limited;
- (iii) The slum population in States/Union Territories (UTs) should form the basis for allocation of funds for slum improvement. The slum population given in the Census may not serve the purpose because the data have selective coverage and are limited to notified slums in class-I and II towns (city proper) only. Therefore, States/Union Territories may adopt the definition of *slum* as provided under Section 3 of Chapter II of Slum Areas (Improvement and Clearance) Act, 1956 and Rules made under it in their respective States or the definition adopted by the NSSO (National Sample Survey Organisation) for its 49th Round.
- (iv) For States, for which the number of slum households are available in the NSSO report, the slum population may be estimated by using the standard size of five persons per household to arrive at estimates of State-level slum population for allocation of funds;
- (v) Some institutional arrangements are required to be made at State level to collect the slum population data and other related information at fixed intervals -- preferably after a gap of five years -- through local bodies in their area of operation. At the Central level, the Ministry of Urban Affairs and Employment may identify a central agency for collection and maintenance of data on slums and other related matters for monitoring slum upgradation schemes.

41. The Planning Commission has found that only a very few States have developed a structured scheme for housing for the BPL category.

Government of Maharashtra has implemented a World Bank Aided Affordable Low Income Shelter project in Bombay Metropolitan Region with an objective of bridging the gap between incremental shelter demand and supply and to improve slum dwelling and environmental surroundings of slum locations. Development of service plots and slum upgradation were the main components of the project.

42. An important issue in the context of proliferation of slums would be to consider the feasibility of making the contractors responsible for providing affordable shelter and basic amenities to the workers engaged by them. A major shift in policy may be examined to promote and sustain economic opportunities in smaller and intermediate towns and restrict the areas of economic opportunities in larger cities. It has been observed that often relocation of slum programme failed because the beneficiaries resorted to disposal of the assets for their own benefits. To avoid this practice, the ownership of the properties should not be vested in the individuals; instead slum dwellers may be helped in forming cooperative societies.

43. A Night Shelter Scheme was introduced in 1988-89 to improve/provide shelter to the shelterless in the metropolitan cities. This was revised in 1992 to include other urban areas. However, constraints relating to availability of land in suitable areas stalled progress in the Eighth Plan. The Ministry has been asked to work out details of this programme in consultation with the State Governments and examine the possibility of merging this scheme with other ongoing schemes.

44. However, a major flaw in the entire range of State responses to the unmet right to shelter of the urban poor is that it does not in any significant way alter the legal and regulatory regime in favour of the poor. On the contrary, both law and its practice remain heavily weighted against the urban poor.

45. An equitable urban land policy would assist the poor in their access to land for shelter. In practice, land use has largely been regulated by markets or public authorities. Both mostly exclude the poor.

Urban Poverty Alleviation

46. The active involvement of poor can well contribute to poverty reduction and in turn to the growth process. The programmes related to poverty reduction has remained an important goal of urban policy in India. The 1993-94 official estimate of the total urban population below poverty line was 32.36%. The origin of urban poverty alleviation initiatives could be traced to the community development programmes which began in early 1950s. The government policies and programmes on urban poverty reduction have moved from a stage where it was seen primarily in

terms of social and economic inequities in the First Plan and later as distortions in the income distribution in the Fourth Plan. The Fifth Plan identified Environmental Improvement of Urban Slums (EIUS) as a basic need of the poor population and the Sixth Plan made the first attempt to address urban poverty issues directly instead of treating them as an adjunct of rural poverty. The Urban Basic Services for the Poor (UBSP) catered to basic physical and social needs of the urban poor with a community participatory approach and the Nehru Rozgar Yojana (NRY) was designed to provide employment to the unemployed and under-employed urban poor. In the Eighth Plan, Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) sought to address the problem of urban poverty with a multi-pronged long term strategy which envisaged bringing community based organisations to the centre of the development of process by facilitating direct participation by the targeted groups.

47. The Ninth Plan has noted that the problem of urban poverty is a manifestation of lack of income and purchasing power, which in turn is attributable to lack of productive employment and considerable under-employment, high rate of inflation and inadequacy of social infrastructure, affecting the quality of life of the people and their employability. An integration of all these -- the area approach, the beneficiary approach and the community approach -- was applied to rationalise the various urban poverty alleviation programmes.

48. A few months after start of the Ninth Plan, the Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was launched in December 1997 subsuming the earlier urban poverty alleviation programmes viz, NRY, UBSP and PMIUPEP. The new rationalised scheme contemplates upliftment of urban poor by convergence of employment components of the earlier schemes and seeks to provide gainful employment to the urban unemployed or underemployed poor through encouraging the setting up of self-employment ventures or provision of wage employment. The two schemes under SJSRY comprise, (a) the Urban Self Employment Programme (USEP) and (b) the Urban Wage Employment Programme (UWEP). The USEP seeks to provide wage employment to beneficiaries including women and children living below the poverty line. The scheme also encourages setting up of Neighbourhood Groups, Community Development Societies etc. The UWEP applies to ULBs with a population of less than 5 lakhs as per 1991 census. The outlay for the Ninth Plan is Rs. 1,009 crore. The overall percentage of performance by States during 1997-99 was 30%.

49. Recent discussions with State Governments have given an impression that in most places schemes like Neighbourhood Committee, Development of Women and Children in the Urban Areas (DWCUA) are yet to be established. Like-wise, the wage component has apparently not had the desired impact in many urban areas. Capacity building also needs to be strengthened and the programme requires a formal evaluation to understand the reasons behind low utilisation of funds. It was observed that the performance in the implementation of SJSRY is not very encouraging and the scheme requires an evaluation study to assess the strength and weaknesses before drawing conclusions about the relevance of its components especially to suit the local needs of States/UTs. It was also felt that there is a need for modification of criteria,

norms etc. for applicability of the scheme in States/UTs with divergent problems, absorption capacities etc. as also to explore the possibilities of convergence of on-going programmes having a common target group. Despite the fact that the scheme has not progressed to the anticipated level, it is encouraging to note how the Government of Andhra Pradesh has tuned the component of women group (DWCUA) under SJSRY to local conditions in community sanitation; this helps women from poor families in the State to secure gainful employment and contribute to better sanitation in the area.

The Department of Municipal Administration, Government of Andhra Pradesh, took the initiative of entrusting some of the functions of ULBs to the women groups under the DWCUA component of SJSRY. Kukatpally Municipality is one such area where 12 willing women came forward to form a group under the DWCUA and registered it as Mother Teresa Stree Samaj Sewa Sangam under Society's Registration Act. Keeping in view the deteriorating condition of sanitation in the locality, the Municipal Authority ascertained the priority areas of attention, viz., sweeping, cleaning the roads and lifting/transporting of garbage and entrusted the women's group with this task and to supervise implementation of the scheme on contract basis.

The cost estimate of Rs 73,656 per month for this was worked out on the basis of area to be covered, quantum of work involved, manpower required and wages to be paid. The Municipality helped the women's group in securing financial assistance through subsidy under SJSRY and supplemented it with a bank loan for purchase of a tractor required for transporting the garbage. The arrangement for repayment of loan was also worked out by the Municipality.

The success of the scheme can be assessed from improved sanitation in the target area, economic empowerment and individual identity (self respect) of women, increase in the earning of the family etc. In a year's time, 26 ULBs in the State have organized 74 women groups and are successfully maintaining public sanitation.