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# LOCATING THE DEBATE

Poverty and Vulnerability in Urban India

IIHS-RF paper on Urban Poverty

d Bank

NCAER study

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## 1. Introduction: Poverty, Inequality and the Urban

The period of nationalism, argues Partha Chatterjee, ‘produced little fundamental thinking about the desired Indian city of the future’ (Chatterjee, 2004: 140). In 2005, that seemed to change as the Jawaharlal Nehru Urban Renewal Mission (JNNURM) was launched—a \$2billion urban policy intervention that is a flagship programme of **the Government of India and without doubt India’s largest urban intervention** in its independent history. The JNNURM seeks to build ‘world-class cities’ through ‘reforms and fast track planned development of identified cities.’ **The “focus is to be on efficiency in urban infrastructure and service delivery mechanisms, community participation, and accountability of urban local bodies and parastatal agencies towards citizens.”**<sup>1</sup> At a speech celebrating the fourth anniversary of the mission, then Prime Minister Manmohan Singh reminded the audience that, ‘we must plan big, think big and have a new vision for the future of urban India.’ The ‘urban turn’ has indeed begun (Prakash, 2002).

How do questions of urban poverty and inequality, fit into these ‘big plans’? What has happened to urban poverty and inequality since economic reforms in 1991 continues to be debated. Officially, head count ratios of people living below the poverty line have declined in both rural and urban areas, yet the depth and nature of this decline as well as the very measures used to determine poverty thresholds are deeply contested.

The critiques are multi-fold but two strands are particularly valuable for our analysis. The first recognises the inadequacy of income or expenditure-based poverty measures to measure what it takes to be able to live a dignified urban life. The rise of human development and multi-dimensional indices as well as an emerging focus on inequality and vulnerability as much as poverty, have each transformed and challenged the ways in which policy apprehends what it means to be poor. The second argues that different patterns of growth and development impact poverty and inequality in different ways and to different extents—are our current trajectories of urban growth and development equipped to deliver ‘inclusive growth’ that the 12<sup>th</sup> Plan optimistically described as both ‘faster and more equitable’? How does this ‘inclusive growth’ relate to the idea of a dignified urban life and in what time frame? This paper writes alongside these critiques to **interrogate India’s urban turn through** the lenses of poverty, inequality and vulnerability.

It is no longer as necessary, as it was even in the recent past, to explain focus on urban poverty—its scale and depth have become common sense and objects of inquiry and policy in their own right. Yet the intention is not just to study poverty and inequality *in* urban areas, but to study **urban poverty and inequality**. The paper argues that urban poverty and inequality are distinct objects of inquiry. In other words, place matters. An urban location is not just an incidental site in which poverty and inequality occur but a context that determines their form. Such a location shapes the structural conditions and components of poverty and inequality, the experience of coping with them, as well as the possibilities and forms of response and coping. It

<sup>1</sup> See [jnnurm.nic.in](http://jnnurm.nic.in). Accessed 19<sup>th</sup> April, 2012.

impacts every aspect of poverty and inequality that is of interest to policy makers. It does so in distinction not just from rural poverty, but within itself as it takes different forms in large or small cities, or across regions. Understanding the ways in which different urban locations shape poverty and inequality—locating the debate, as our titles suggests—is essential in order to respond effectively.

We are concerned in this essay with multi-dimensional poverty (cf. Alkire & Foster, 2011; Alkire & Santos, 2013; Moser, 1998; Programme, 1990; A. Sen, 1999). By this we mean that we are concerned with multiple deprivations in basic capabilities that are both exclusions unto themselves and that also result in a broader impoverishment. Further, we agree with the now settled opinion that adequate income is a necessary but not sufficient condition to address such impoverishment. Using these approaches, we see our fundamental questions as follows:

***Are urban residents able to live a dignified life in contemporary Indian cities? What would it take—either expressed in income equivalents or delivered through non-income based mechanisms and entitlements—for them to do so?***

Immediately, the objects of our analyses broaden. Following and integrating the work of several scholars,<sup>2</sup> we choose six core elements of a dignified life that then serve as the structure of this essay. Adequate income, we argue, remains deeply connected to this structure and sits alongside:

- Skill-appropriate, accessible and productive livelihoods (Section 4)
- Access to housing, infrastructure and basic services (Section 5)
- Health, education and food security (Section 6)
- Entitlement frames, rights (Sections 5 and 6)

In each section, we first assess the current situation in urban areas, tracing paradigms, reach, access, affordability, quality, and use, as appropriate. Are there patterns, trends, or aspects that are particular to urban areas? If so, then what explains these patterns? How do income and expenditure-based poverty measures account for these needs? Is income poverty the primary determinant of vulnerability? Finally, what are the implications of these particularities in framing policy responses?

Our intention is not to argue that these elements are not relevant for assessing rural poverty. Our inquiry is to ask whether they are different— in degree, kind or nature— within an urban location in ways that should inform policy and programmatic interventions. There are reasons to expect such difference.

Globally, authors have argued that particular aspects of poverty are heightened in urban areas. Wratten reviews a wide spread of literature to mark four such trends: increased environmental and health risks; vulnerability from commercial exchange and an increased level of cash transactions for basic needs; the direct and indirect costs of sub-standard housing; and an increase in negative interactions with the state and police (Wratten, 1995).

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<sup>2</sup> Saththertwaite and Mitlin (2013), UNDP (1990), Sustain livelihoods, among others.

Several authors argue that urban areas are more commoditised (Baker, 2004; Diana Mitlin & David Satterthwaite, 2013) requiring cash transactions for every element of life from food, construction materials, land-for-housing, water, sanitation, etc., that can, in part, be accessed through non-monetary transactions in rural areas or substituted with natural/common resources. This makes urban poor residents more vulnerable to fluctuations in income than their rural counterparts. Not only are these transactions more commodified, however, the poor pay ‘poverty premiums,’ i.e., within cities, the poorest residents pay relatively more for basic services including both food and non-food expenditures than their rural counterparts. This heightens, therefore, the inadequacy of income and expenditure-based measures of what it means to be poor. Do these arguments hold true for Indian cities? What do they tell us about how expenditures on the core elements of a dignified life compare to existing expenditure and income-based measures of poverty?

Satterthwaite and Mitlin (2013) give a useful and comprehensive account of factors they consider are disproportionately impactful or particular in assessing urban poverty. They argue for eight components beyond adequate income that echo many of our own concerns: (a) inadequate and often unstable income; (b) inadequate, unstable or risky asset base; (c) poor quality and often insecure, hazardous, and overcrowded housing; (d) inadequate provision of public infrastructure; (e) inadequate provision of basic services; (f) high prices paid for many necessities; (g) limited or no safety net; (h) inadequate protection of rights through the operation of law; and (i) voicelessness and powerlessness in political and bureaucratic systems.

In the Indian context, several other factors are critical or disproportionate in their impact. The nature and structure of governance is fundamentally different in urban and rural areas, evidenced by the different lives of the 73rd and 74th amendments which aimed at decentralised and devolved power to local governments. Social security entitlements across rural and urban areas have *de jure* differences, and budgetary allocations at all levels follow these disjuncts (see Section 6). Markets—whether land, labour or capital—remain autonomous and differentiated even as they are increasingly interlinked (see Section 4). Social structures determine conflict and co-operation equally, configuring inequality, identity and belonging in complex ways (see Section 7).

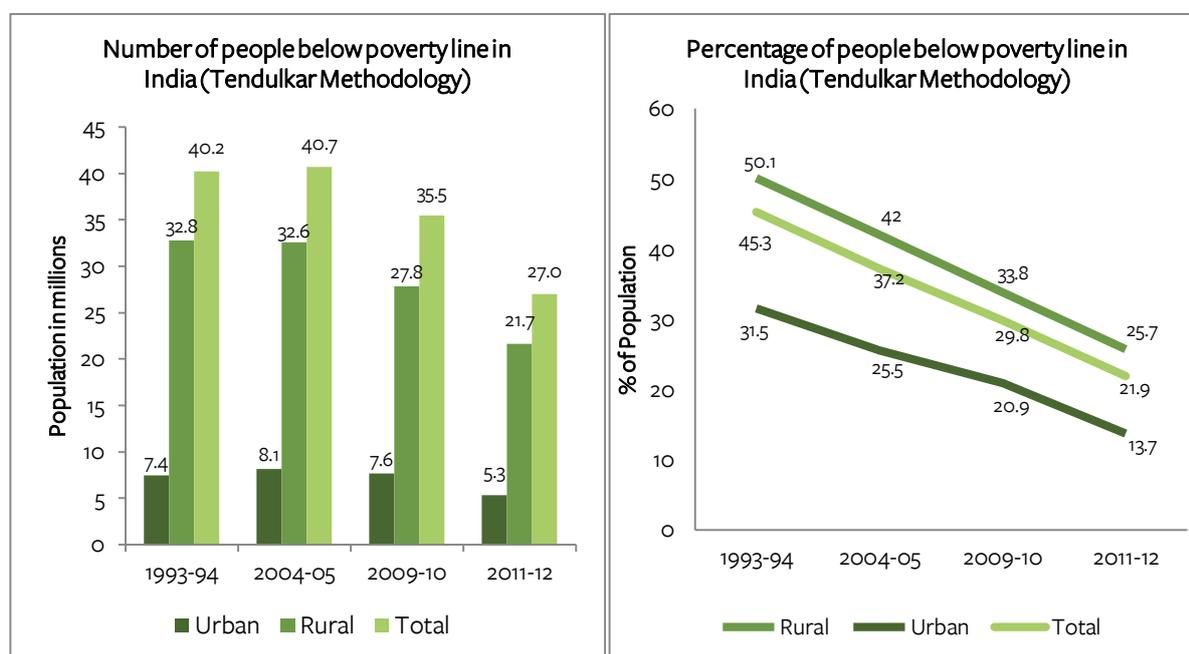
We begin, however, in a more recognisable space. The first section assesses what we know about the scale, nature, depth and distribution of urban poverty and inequality using income, consumption and expenditure-based measures. We ask, as described above, if these empirics suggest particular patterns, trends or concentrations between the urban and the rural; among regions; across different scales of urban settlements; and within cities themselves. With this empirical foundation in place, we then move on to assess each of the other components of dignified life in the contemporary Indian city.

## 2. Urban Poverty: Measures and Empirics

What do we know empirically about urban poverty in India? The poverty line is the most commonly used measure to study poverty for policy purposes. In India, the line is a money metric measure based mainly on calorie norms to measure the extent and incidence of poverty where the number of the poor is expressed as a Headcount Ratio (HCR). Caloric thresholds used are based on age-sex-occupation specific nutritional norms from the 1971 census (P. Sen, 2005b). These norms are meant to indicate socially acceptable standards of the minimum subsistence needs of an average person. In 1973–74, they were fixed to determine expenditures needed to consume 2,400 Kcal and 2,100 Kcal for rural and urban areas respectively.<sup>3</sup> Since then, however, they have not been changed in real terms. Instead, subsequent measures have been adjusted for inflation using all-India implicit price deflator from the National Accounts Statistics for both rural and urban areas and the states (Angus Deaton & Paxson, 1995).

The first poverty lines did try and capture expenditures on other items using the NSS 1972–73 household consumption expenditure survey (ibid). The proportions of the non-food items were negligible and were not updated until the Tendulkar Committee Report came out in 2009. In the interim, poverty lines were updated in 1993 by taking into account price variations across states and the rural and urban areas. The basket of goods was, however, kept as it was.

**Figure 1 Poverty Headcount Ratios, 1993–94 to 2011–12**



Source: Planning Commission, 2013

The Tendulkar Committee added components of health and education to the poverty line keeping in mind the increasing levels of expenditure in these sectors. They also went ahead with a single basket of goods for both rural and urban areas keeping in

<sup>3</sup> These were done by the Task Force on Projections of Minimum Needs and Effective Consumption Demand set up by the Planning Commission.

mind the converging trends in consumption expenditure patterns (Government of India, 2009b). The same methodology was used to compute poverty headcount ratios in 2011. According to the Tendulkar Committee Report 2011–12, India has 21.9% of its population, or 27 million people, living below the poverty line. Of these 5.3 million are urban, and 21.7 million rural (ibid.) However these components formed a very small proportion of the poverty line, clearly diverging from actual expenditures.

The Rangarajan Committee, which tried to rework the Tendulkar methodology to tackle the issues mentioned above, came out with its estimates on poverty ratios in 2014. They reverted to a separate basket of goods for rural and urban poverty lines keeping in mind the differences in expenditure proportions on goods and services between the two. They emphasised the importance of incorporating multidimensionality in poverty lines and assigned higher weights to non-food expenditure components like health, education, rent and conveyance, especially in urban areas. Using this methodology, the Expert Group estimated that 30.9 per cent of the rural population, which is 260.5 million individuals and 26.4 per cent of the urban population, which is 102.5 million individuals, was below the poverty line in 2011–12 (India, 2014).

The above findings demonstrate the sensitivity of poverty head count ratios to the selection of the poverty line. This highlights that poverty lines can at best be used to indicate the extent of poverty at the macro level, they do not explain characteristics and dynamics of poverty. Another accepted fact is that prices and economic characteristics vary even within regions. The urban poverty line may not be a true representation of consumption patterns in all urban settlements; large and metropolitan cities are quite likely to show different patterns as compared to small towns. Therefore, we see that the poverty line as a measure of poverty has a number of shortfalls. Though it is indicative of the extent of poverty, it must be used with other measures to get a more comprehensive understanding.

Our intention in this section is not to delve into debates on the poverty line. Instead, we use HCRs as measured and focus on locating these within the urban. We do so through two key lenses: (a) the spatial lens, with which we will look into the particularity of urban poverty at different levels of geographical aggregation; and (b) the component lens, with which we will highlight that rural and urban poverty are inherently different and need to be analysed differently.

## **2.1 Spatial Distribution of Poverty in India**

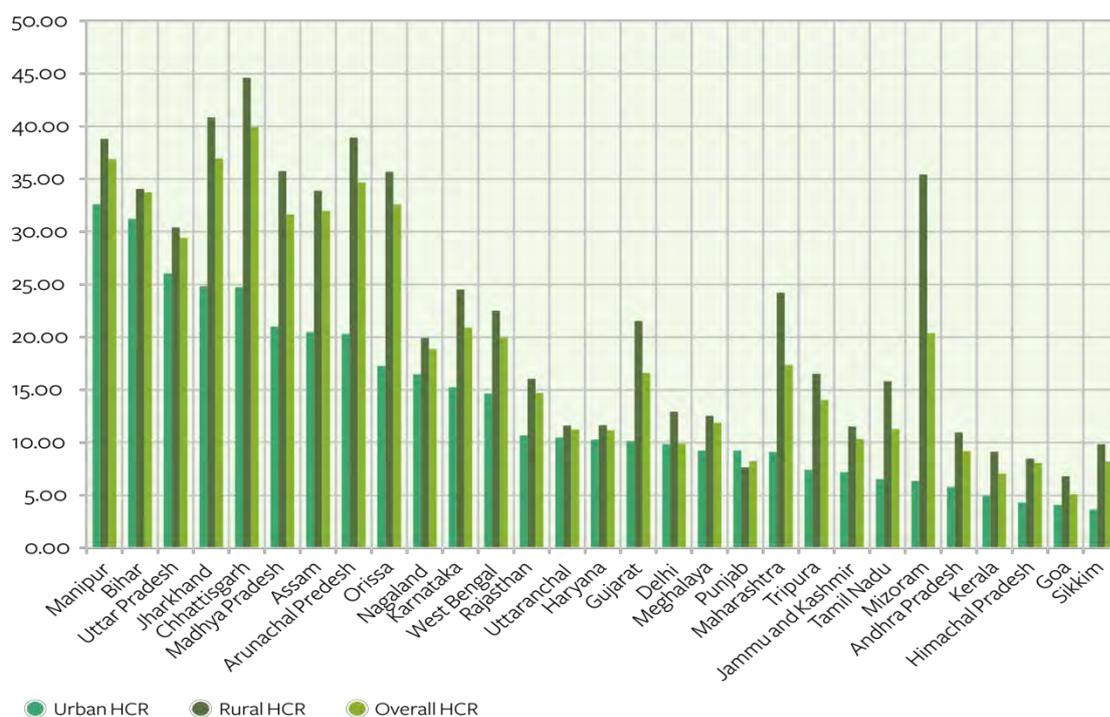
Across scales, urban poverty in India has particular spatial dimensions. Below, we look at three particular configurations of the spatial distribution of urban poverty: (a) inter-state disparities; (b) inter-city disparities, and (c) intra-city disparities, i.e., regionally, among cities and within city-regions.

### ***Inter-State Disparities***

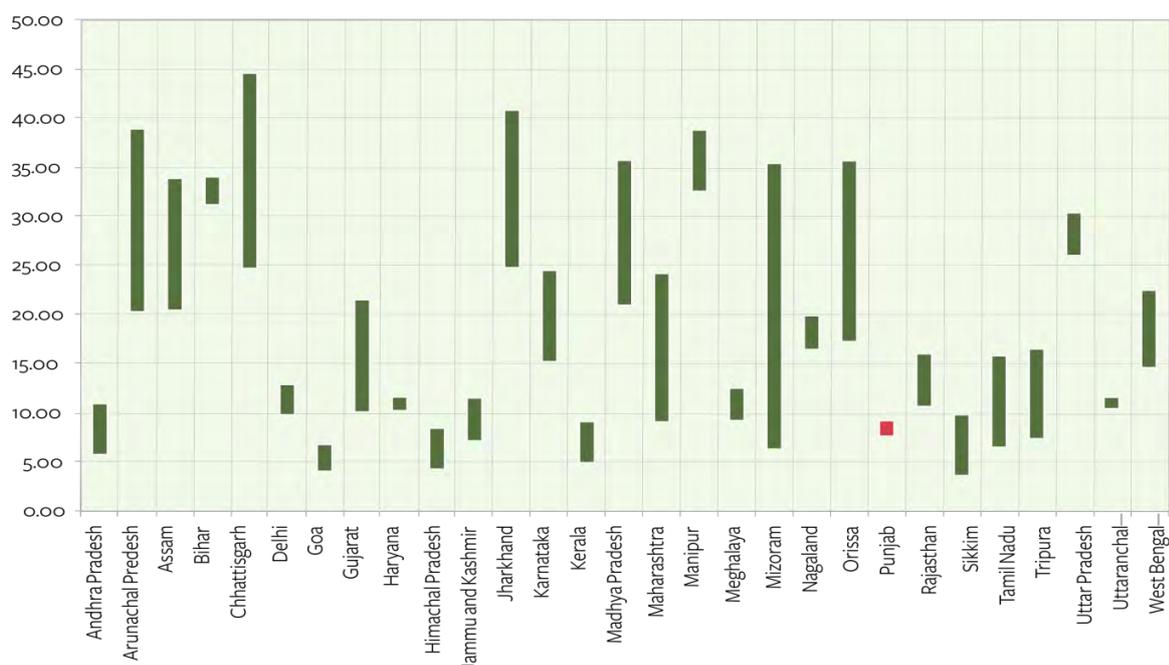
Urban and rural poverty vary across states with particular patterns that have significant implications for policy interventions. Figures 2 to 4 trace poverty head count ratios (HCRs) for rural and urban poverty across Indian states on different axes— rural and urban HCRs; differences between rural and urban HCRs; and the relationship between these differences and the level of urbanisation. Figure 2 shows

stark differences between states with high and low levels of urban HCRs, drawing a particular geography that impacts resource allocation. Should a policy focus on states with high urban HCRs, those allocations would differ from those with just overall HCRs. Similarly, differential allocations between rural and urban poverty must align with the actual urban-rural differentials in HCRs. For some states like Chhattisgarh, Jharkhand, Mizoram, Arunachal Pradesh, and Orissa, the gap between urban and rural HCRs is particularly high.

**Figure 2 Urban, Rural and Overall HCRs**



**Source:** Planning Commission of India, Report on Poverty Estimates, 2011-12  
NSS 68th Round Consumption Data

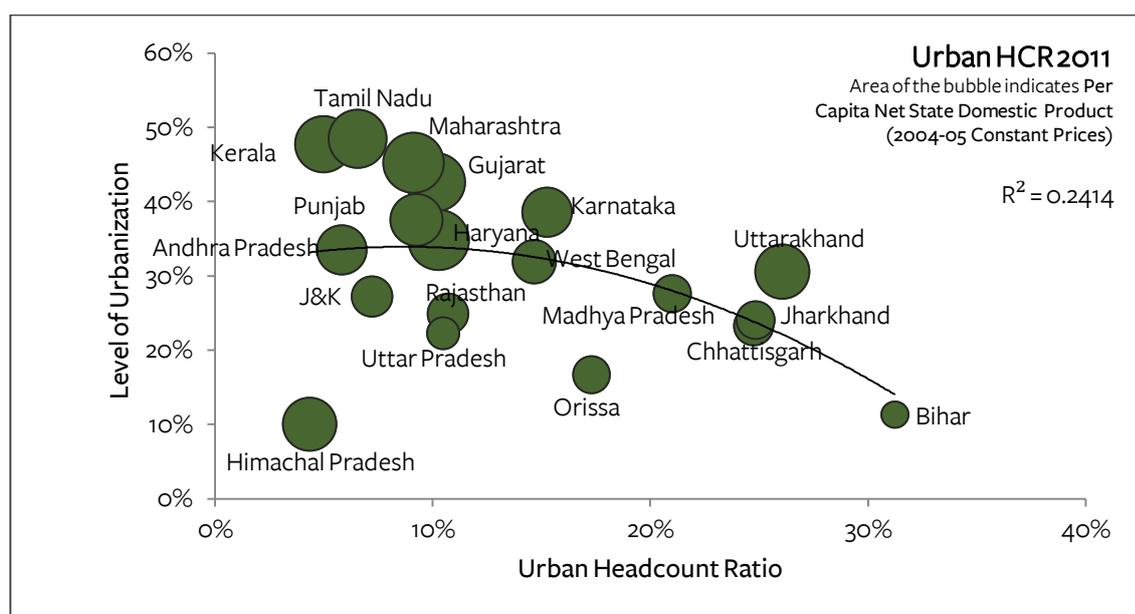
**Figure 3 Differentials between Urban and Rural HCRs**

**Source:** The green bars indicate instances where rural poverty rate is higher than urban poverty rate. The red bar shows where urban poverty rate is higher than rural poverty rate.

The upper ends of the green bars give the rural poverty rate, and the lower ends of the green bars give the urban poverty rate. In case of the red bar, the upper end gives the urban poverty rate, and the lower end gives the rural poverty rate.

Data has been sourced from NSS 68th Round.

Figure 4 suggests an important pattern behind the distribution of urban HCRs. States with higher levels of per capita income tend to be more urbanised. Additionally, states with higher levels of urbanisation tend to have lower urban HCRs.

**Figure 4 Urbanisation, State GDPs, and Urban HCRs**

Source: Census 2011, National Accounts Statistics 2012, Planning Commission 2013

How should this distribution impact, for example, allocations under central programmes like JNNURM? The relationships suggest a simple principle: states with

higher levels of urban HCRs should receive greater resources and therefore more urbanised states with lower levels of urban poverty should receive less. Yet when we **look at India's largest central urban policy mission**—the JNNURM—we find a very different story.

The States that have higher HCRs for urban poverty have significantly lower allocations under JNNURM (see Figure 5 below). In fact, if we take the ten states with the highest urban HCRs, only three appear in the top ten allocations under the Urban Infrastructure and Governance scheme, and only two in the combined allocations under the Basic Services to the Urban Poor (BSUP) or the Integrated Housing and Settlement Development Programme (IHSDP). States with far lower urban poverty HCRs like Maharashtra, Delhi, West Bengal, Tamil Nadu, Karnataka and Andhra Pradesh dominate funding allocations. The seeming imbalance in allocations in BSUP and IHSDP are particularly troubling.

**Figure 5 Overall Allocations under JNNURM by State**

OVERALL ALLOCATIONS			
RANKS (Highest to Lowest)	URBAN HCRS	UIG	BSUP + IHSDP
1	Manipur	Maharashtra	Maharashtra
2	Bihar	West Bengal	West Bengal
3	Uttar Pradesh	Delhi	Andhra Pradesh
4	Jharkhand	Uttar Pradesh	Uttar Pradesh
5	Chattisgarh	Gujarat	Delhi
6	Chandigarh	Tamil Nadu	Tamil Nadu
7	Madhya Pradesh	Andhra Pradesh	Gujarat
8	Assam	Karnataka	Rajasthan
9	Arunachal Pradesh	Madhya Pradesh	Bihar
10	Orissa	Jharkhand	Karnataka

Using a per capita urban resident figure to account for different state sizes alters the picture only marginally for UIG, but improves it for BSUP and IHSDP allocations (see Figure 6).

**Figure 6 Per capita allocations under JNNURM by state**

UIG		BSUP + IHSDP		
RANKS (Highest to Lowest)	URBAN HCRs	PER CAPITA (Urban Population)	URBAN HCRs	PER CAPITA (Urban Population)
1	Manipur	Arunachal Pradesh	Manipur	Arunachal Pradesh
2	Bihar	Manipur	Bihar	West Bengal
3	Uttar Pradesh	Delhi	Uttar Pradesh	Chattisgarh
4	Jharkhand	Jharkhand	Jharkhand	Manipur
5	Chattisgarh	West Bengal	Chattisgarh	Delhi
6	Chandigarh	Maharashtra	Chandigarh	Maharashtra
7	Madhya Pradesh	Gujarat	Madhya Pradesh	Andhra Pradesh
8	Assam	Andhra Pradesh	Assam	Jharkhand
9	Arunachal Pradesh	Madhya Pradesh	Arunachal Pradesh	Bihar
10	Orissa	Tamil Nadu	Orissa	Chandigarh

The dominance of states like Maharashtra, Andhra Pradesh, Delhi, Gujarat, West Bengal, Tamil Nadu and Karnataka is evident. Differential allocations in key urban programmes will arguably exacerbate an important trend—inequality in poverty dynamics across states. Deaton and Dreze, for example, argue that there is marked increase in consumption inequality in the late 1990s. This increase is ‘between states, with the already better-off states in the south and west growing more rapidly than the poorer states in the north and east, between rural and urban households, with growth a good deal more rapid for the latter, and within the urban sectors of many states, where consumption has been growing more rapidly among the best off’ (Angus Deaton & Dreze, 2002). As funding allocations ignore the spatial distribution of urban poverty across states and direct resources towards already urbanised and relatively less poor states, this inequality could deepen.

### *Inter-City Disparities*

Within states, urban poverty varies distinctly across settlement scales. There has been a body of work developing over the last decade on poverty in small and medium sized towns and the variations in poverty levels across different sizes of urban settlements (Dubey, Gangopadhyay, & Wadhwa, 2001; Ferré, Ferrerira, & Lanjouw, 2008). In their work on poverty in urban settlements, Lanjouw and Murgai have found through small-area estimation techniques that poverty in small and medium towns is more severe and prevalent as compared to large/metropolitan cities (Lanjouw & Murgai, 2013).

**Table 1 Poverty in Small and Medium Towns: 1983-2005**

Urban Settlements	1983		1993-94		2004-05	
	Share of Poor	Population Share	Share of Poor	Population Share	Share of Poor	Population Share
Small Towns	40.3	34.3	41.4	31.3	84.5	72.6
Medium Towns	46.8	46.9	45.5	47.4		
Large Towns	12.9	18.9	13.1	21.3	15.6	27.4
Total	100	100	100	100	100	100

Source: (Lanjouw & Murgai, 2013). Small towns - population of less than 50,000; Medium towns – population more than 50,000 and less than 1 million; Large – population greater than or equal to 1 million

The table shows that the million+ cities in India account for only 15.6 per cent of the total urban poor in 2004–05, even though they account for 27.4 per cent of the urban population. Extending this analysis to the NSS 65th round (2008), we find that these cities account for only 14 per cent of the urban poor. This trend is similar for slum concentration as well. Contrary to the image of the megacity teeming with large slum settlements and ceaseless migration, the reality is, in fact, rather different. Out of the total slum population in the country, 38.1 per cent is concentrated in million plus cities, while the rest, 61.9 per cent is concentrated in the other urban settlements (Census 2011).

### *Does the Slum represent Urban Poverty?*

While unsettling the co-relation of urban poverty and the megacity, it is equally important to recognise shifts in a second assumption that marks urban poverty— its spatial concentration in what is known as a ‘slum.’ Particularly for policy, as will be argued in detail later in this essay, the ‘slum’ has stood as the proxy for poverty. While debates have raged on targeting in social policy, many urban versions of these policies have framed their regulation in the assumption that the poor can be reached spatially through the slum. Until recently, for example, governance frameworks for environmental services excluded non-notified slums. The flagship affordable housing programme of the UPA government, the Rajiv Awaas Yojana, thus seeks precisely to create a ‘slum-free’ city.

Do slums accurately represent urban poverty? Three clear but distinct strands of thought argue otherwise. The first is a technical disagreement on the definition of the ‘slum’ itself in the current Census 2011. Though, in a welcome move, the Census now measures slums regardless of the legality of tenure, it has further introduced a size cut-off of 60–70 households. This is marked increase from the 20 household cut-off used by NSSO and recommended by the Planning Commission. The excluded clusters that are smaller than 60 households, argue Bhan and Jana (2013), are also most likely to represent more vulnerable residents. A significant undercounting of slums, therefore, seems apparent with critical implications for policy and resource allocations. According to the Census 2011, Manipur, with urban poverty rates of 32 per cent, reports not a single slum—either notified, recognised or identified. Does this imply that the state will not receive any funds under the Rajiv Awaas Yojana?

The second strand of arguments state that the markers of poverty and vulnerability move across slum and non-slum definitions. Bhan and Jana (2013) show that deficiencies in key indicators of quality of life—access to water and sanitation, for example—are not confined to the slum. For example, in Bihar (which reports slums

in a surprisingly low 36 per cent of all its towns and cities), 24.7 per cent of **non-slum households** live in semi-permanent, temporary or non-serviceable housing; 27.4 per cent defecate in the open, 27.3 per cent have no access to drainage, and 46 per cent do not have a separate kitchen—all factors that one associates with urban poverty and vulnerability. A quick survey of data from the states on a single point associated with slum households and urban poverty—open defecation and the use of public latrines—underscores the porousness of the definitional separation of slum and non-slum households. The all-India percentage of households using public latrines and defecating in the open totals up to 34 per cent in slums, and 15 per cent in non-slum areas, in particular, in the case of states like Bihar (46 per cent and 29 per cent), Odisha (52 per cent and 30 per cent) and Tamil Nadu (39 per cent and 22 per cent).<sup>4</sup> The difficulty in separating poverty and vulnerability across slum and non-slum lines are echoed by several other studies (Chandrasekhar & Mukhopadhyay, 2012).

Particularly salient given our analysis above of the presence of the urban poor in small towns, Amitabh Kundu recently paraphrased the opinions of the Registrar **General's office as arguing that the** 'entire population in many of the smaller towns below 50,000 can be considered to be living in slums due to their poor living conditions.'<sup>5</sup> Kundu argues that in a generalised condition of marginalisation the slum/non-slum distinction is not only tenuous but the possibility of under-counting, particularly in the 'identified slums' category becomes even more significant.

Put simply: targeting the slum may increasingly not allow one to target the urban poor. If poverty and vulnerability are the question and object of intervention, the slum is perhaps neither the only answer nor should it be the only site of action. We will return to this point repeatedly through this paper.

### *Intra-City Distributions*

The spatial distribution of the urban poor within the city can be considered a geography of risk and vulnerability. Within cities, urban poor settlements—particularly the small clusters we argue are excluded from definitions of the slum, but also more generally—tend to occupy sites marked by different kinds of environmental risks. Poor households and settlements are most often found in low-lying areas prone to repeated flooding, river banks or the sides of sewage drains, alongside railway tracks, on hillsides prone to landslides, on waste dumps, or near the presence of polluting factories, among others. Satterthwaite and Dodman (2008) argue that 'both the scale and extent of urban poverty and the exposure of the poor to disasters and climate change' have increased rapidly (Dodman & Satterthwaite, 2008). In India, particularly, Revi (2008) argues that 'slum, squatter and migrant populations resident in traditional and informal settlements' and 'industrial and **informal service sector workers, whose occupations place them at significant risk to natural hazards**' are, in fact, among the most vulnerable urban populations to climate change and disasters.

Constrained mobility, the need to be close to livelihoods, and the impossibility of access to legal housing compel poor households to bear risks that then have significant and cyclical consequences. Reduced resilience through compromised

<sup>4</sup> See Statement 10 of Registrar General (2011b)

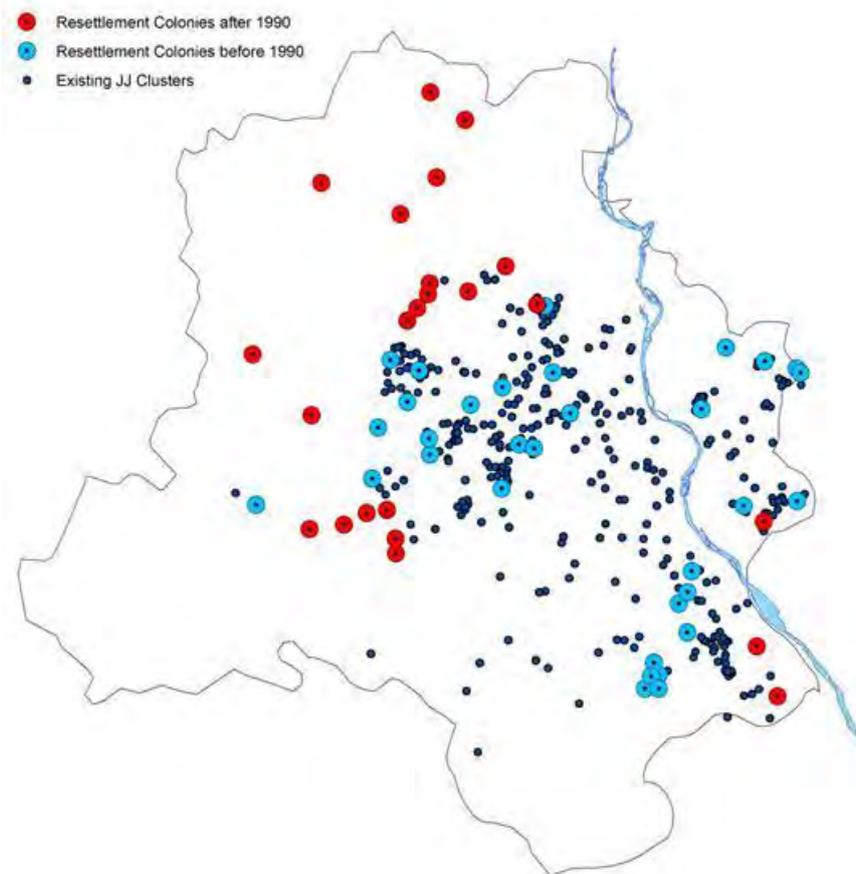
<sup>5</sup> Kundu (Forthcoming) Declining Slum Non Slum Gap: A Sign of Inclusive Urbanisation? The Hindustan Times.

human development alongside increased exposure and hazard risk thus leads to deepened impact of a shock, an increased *ex-post* vulnerability to poverty and a reduced ability to cope and recover.

A second set of risks take the form of insecurity of tenure and both the threat as well as the reality of eviction and resettlement. Eviction and peripheral resettlement or resulting homelessness have been markedly intensified particularly in large Indian megacities since the early 1990s [Chennai: (Coelho, Venkat, & Chandrika, 2012), Bangalore: (PUCL-K & HRLN, 2013), Delhi: (Bhan & Shivanand, 2013; Dupont, 2008), Mumbai: (Patel, D'Cruz, & Burra, 2002; Weinstein, 2013).] While not all those who are poor have insecure tenure, city-level analyses indicate that a significant proportion of the poor do, in fact, live with the threat of eviction.

The impact of insecure tenure on human development outcomes is discussed later in Section 6. Here, however, it is important to mark that cycles of eviction and resettlement are also re-shaping the geographies of cities. Increasing peripheralisation through relocation far from city centres and sites of work have tremendous impact on the lives of the poor in what one of the authors has elsewhere called 'permanent poverty' (Bhan & Menon-Sen, 2008). This impact is mediated through increased mobility costs, loss of employment and education, reduced access **to infrastructure and services at the city's edges, and a socio-political isolation** from the city, all of which are particularly gendered (Coelho et al., 2012). For Delhi, for example, Figure 7 **shows the remaking of the city's geography** through eviction and peripheral resettlement over just two decades. Ironically, this relocation parallels the move of manufacturing and 'polluting industries' from city centres to the peripheries of city-regions, once again reinforcing the co-location of environmental risks and the geographies of poverty.

**Figure 7 Resettlement Colonies before and after 1990 in Delhi**



## 2.2 Studying the Components of Urban Poverty

Our second lens is to study the components of poverty, i.e., to understand the different compositions of consumption expenditures that go into the estimations of poverty. We do so in order to ask: do urban and rural poor households spend differently? We look at expenditure patterns from the 2011–12 NSS consumption survey and observe the components of spending.

Our analysis proceeds as follows. First, we categorise expenditure classes on the basis of relative monthly per capita expenditure (RMPCE) as formulated by Chandrasekhar (2010), where:  $\text{Relative MPCE} = \text{MPCE} / \text{Poverty Line}$  (S. Chandrasekhar & M. Montgomery, 2010). As mentioned earlier, a relative comparison of consumption expenditure over classes is better than an absolute cut-off as it helps us understand the distribution of expenditure which in turn helps in analysing inequality. RMPCE allows us to classify households on the basis of the magnitude of poverty they are above or under. Hence a person with 0.1 RMPCE is ten times as ‘poor’ as someone with 1 RMPCE. Similarly, someone with 3 RMPCE is three times as rich as someone with 1 RMPCE. This allows us to bring in a notion of **extent or depth of an individual’s experience of poverty**. One additional advantage of

using the RMPCE is that it allows one to analyse populations across sectors/states/regions because it is relative to poverty lines as applicable in the given sector/state/region.

In the following analysis, we have created ten categories based on the RMPCE, ranging from RMPCE  $<0.5$  to a maximum class of RMPCE  $\geq 5$ .<sup>6</sup> This variation allows us to mirror **Mitlin and Satterthwaite's classification of the degrees of poverty** into: (a) destitution; (b) extreme poverty; (c) poverty; and, (d) at risk (Mitlin & Satterthwaite, 2013). Such an analysis if conducted over time might help give an idea of mobility of population between these classes.

A note on the difficulties with survey data is necessary here. As Figure 8 shows, it appears that NSSO surveys a very small number of destitute and extremely poor households. As per the sample sizes, it appears that a large proportion of NSSO samples lie in the range of 0.75–1.5 RMPCE (44 per cent of total rural samples, 30 per cent of total urban samples), thereby implying that the income stratification allows us to get a better understanding of the population that lies in the neighbourhood of the poverty line, and less so of those at the extremes.

**Figure 8 Sample Sizes in NSS**



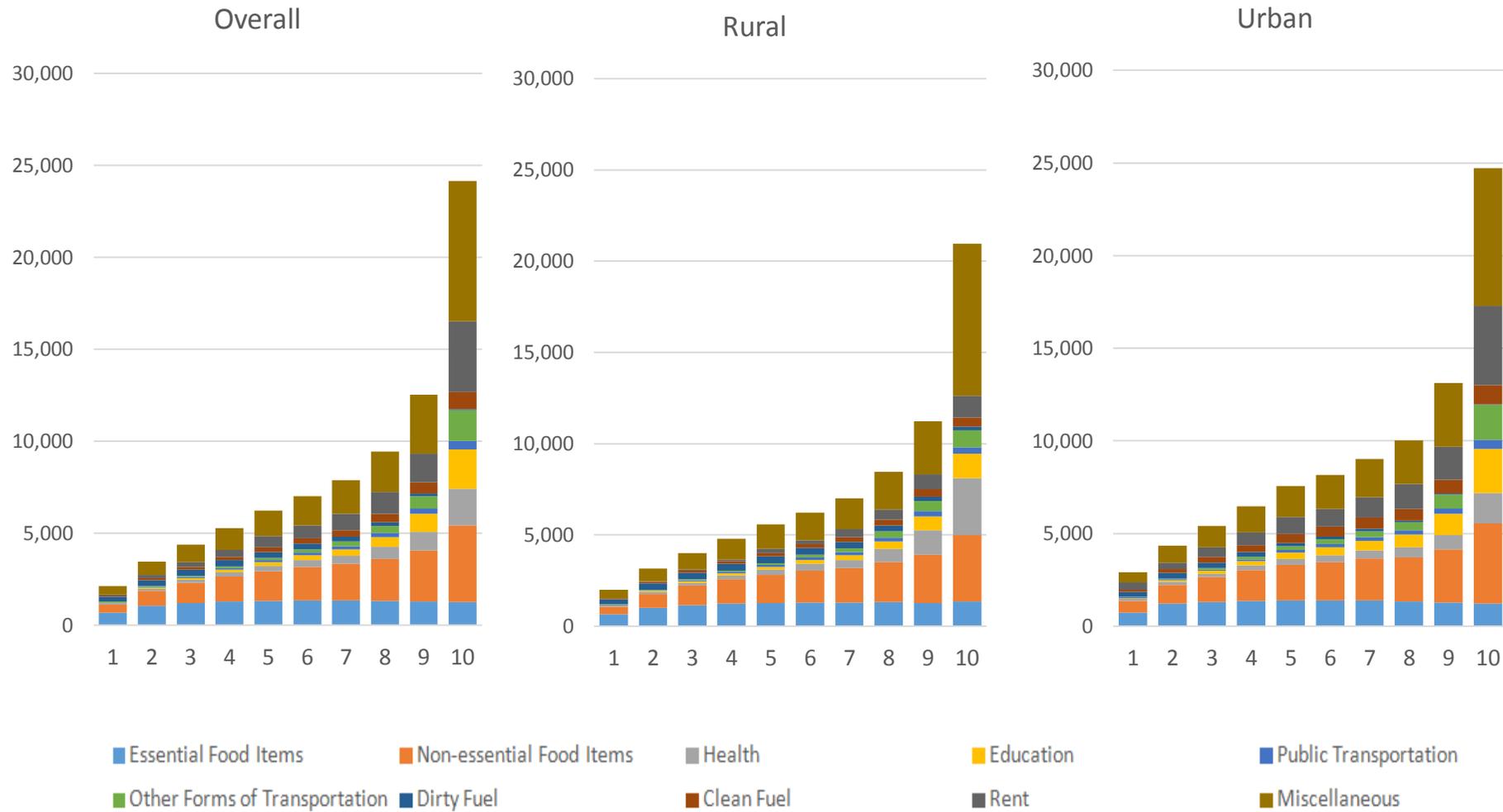
Source: Computed from NSSO 2011-12 unit level data

<sup>6</sup> The classes are: (1) RMPCE  $< 0.5$   
 (2)  $0.5 \leq \text{RMPCE} < 0.75$   
 (3)  $0.75 \leq \text{RMPCE} < 1$   
 (4)  $1 \leq \text{RMPCE} < 1.25$   
 (5)  $1.25 \leq \text{RMPCE} < 1.5$   
 (6)  $1.5 \leq \text{RMPCE} < 1.75$   
 (7)  $1.75 \leq \text{RMPCE} < 2$   
 (8)  $2 \leq \text{RMPCE} < 3$   
 (9)  $3 \leq \text{RMPCE} < 5$   
 (10) RMPCE  $\geq 5$

To link up with the components of multi-dimensional poverty, the components that we take into consideration are:

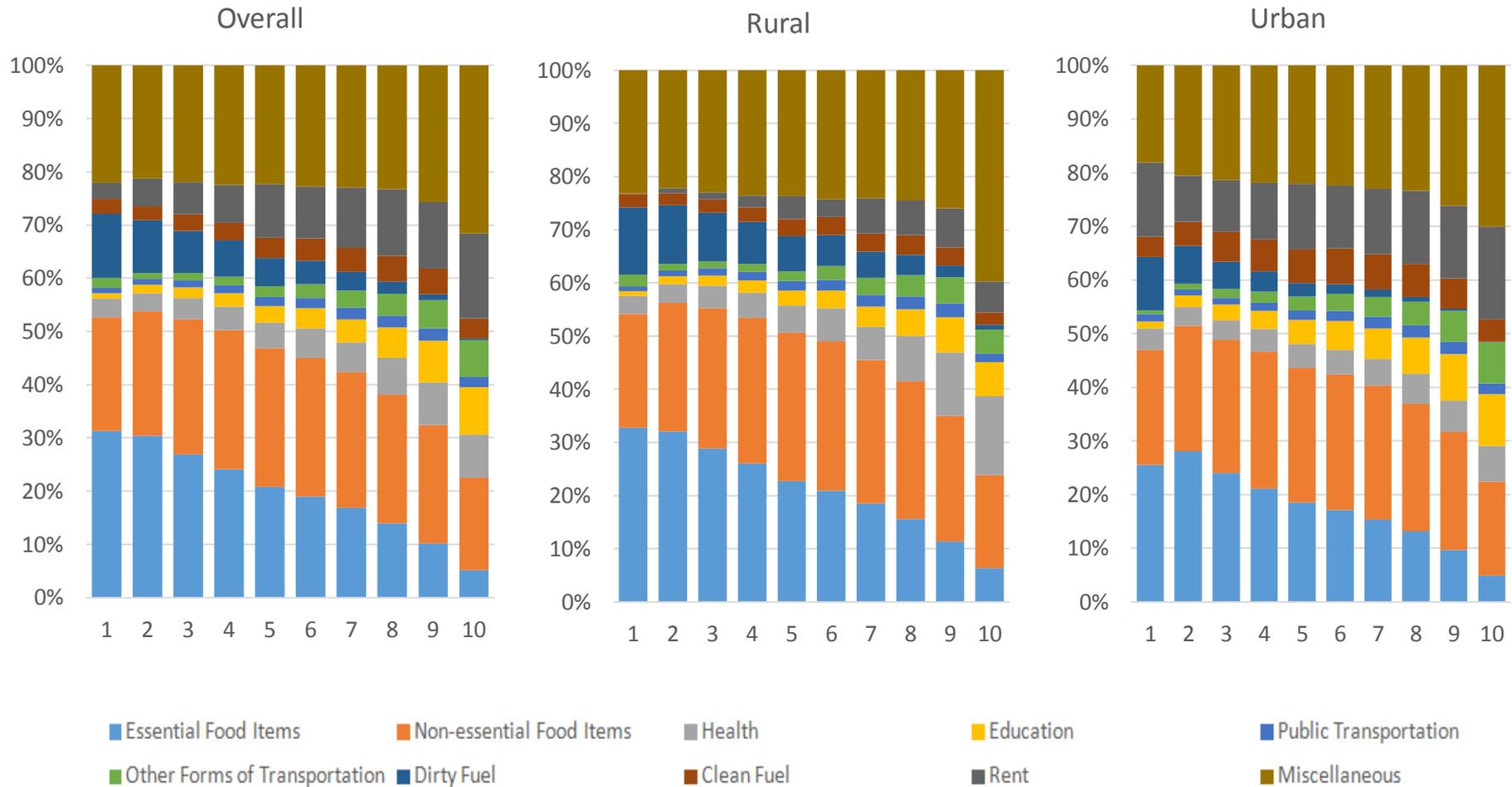
- (1) Expenditure on essential food items: cereals, pulses, salt, sugar, cooking oil
- (2) Expenditure on non-essential food items
- (3) Education
- (4) Health
- (5) Public Transportation
- (6) Other Forms of Transportation
- (7) Dirty Fuel
- (8) Clean Fuel
- (9) Rent
- (10) Miscellaneous (includes durables, pan, tobacco, intoxicants etc.)

**Figure 9 Components of Monthly Household Expenditure (NSSO 2011-12)**



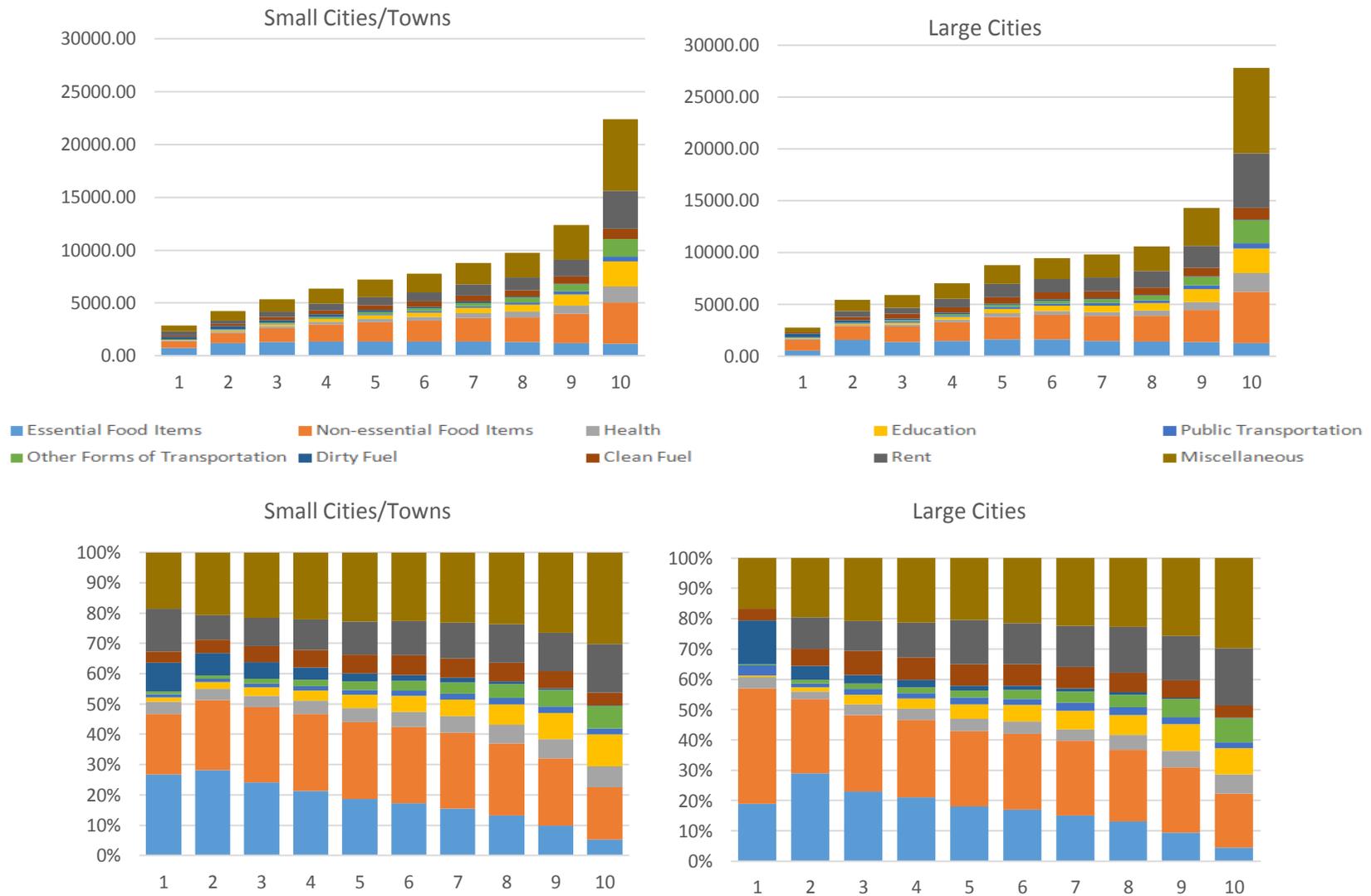
Source: Computed from NSSO 2011-12

**Figure 10 Components of Monthly Household Expenditure (NSSO 2011–12—Proportion of Total Expenditure)**



Source: Computed from NSSO 2011-12

**Figure 11 Components of Monthly Household Expenditure (NSSO 2011–12)**

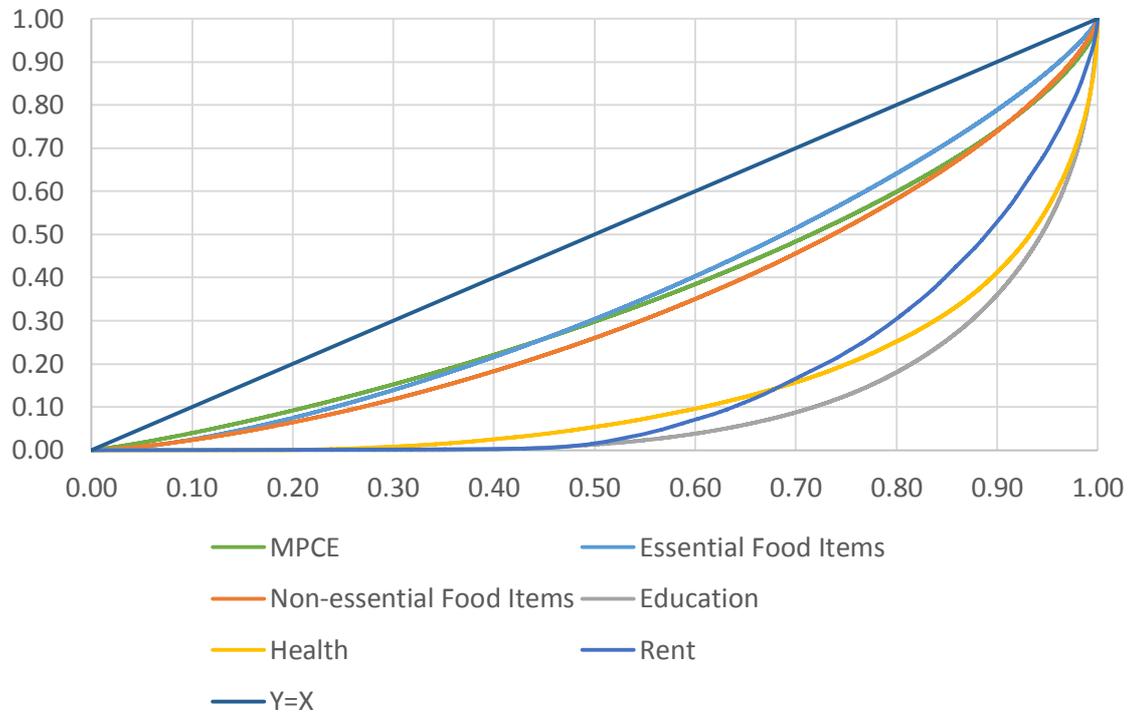
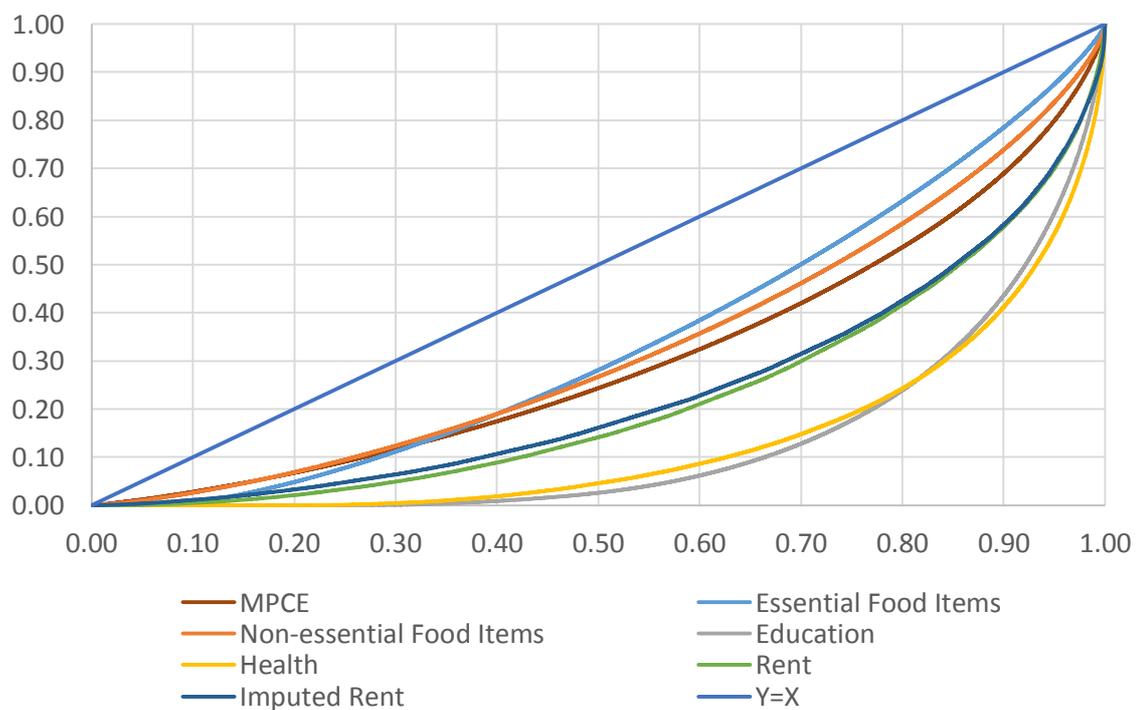


Source: Computed from NSSO 2011-12

There are a few interesting trends that are visible at the national level. The proportion of monthly household expenditure on essential food items decreases with increasing RMPCE—from above 30 per cent in category 1 to less than 5 per cent in Category 10. The proportions of monthly household expenditure on non-essential food items and transportation show an increasing and then a decreasing trend while moving along categories. The proportions of monthly household expenditure on health and education show an increasing trend. Proportion of monthly expenditure on dirty fuel goes down to zero, but the proportion spent on clean fuel increases and then decreases marginally. Proportion spent on rent increases as we go higher up the expenditure classes.

The differences between rural and urban expenditure trends are significant. First, rural poor households spend more on food across all RMPCE categories. In urban areas, the proportion spent on essential food and non-essential food increases and then decreases. In rural areas, the proportion on non-essential food increases and then decreases, while that of essential food continually decreases. Proportions of expenditure on education and health decrease over RMPCE categories, but the urban sector spends significantly higher sums on both. Similarly, the proportion spent on rent in the urban is significantly higher than rural. These trends, of the proportion of expenditure spent on different components, are also visible across states—a detailed state-level break-up of these trends is presented in the Appendix.

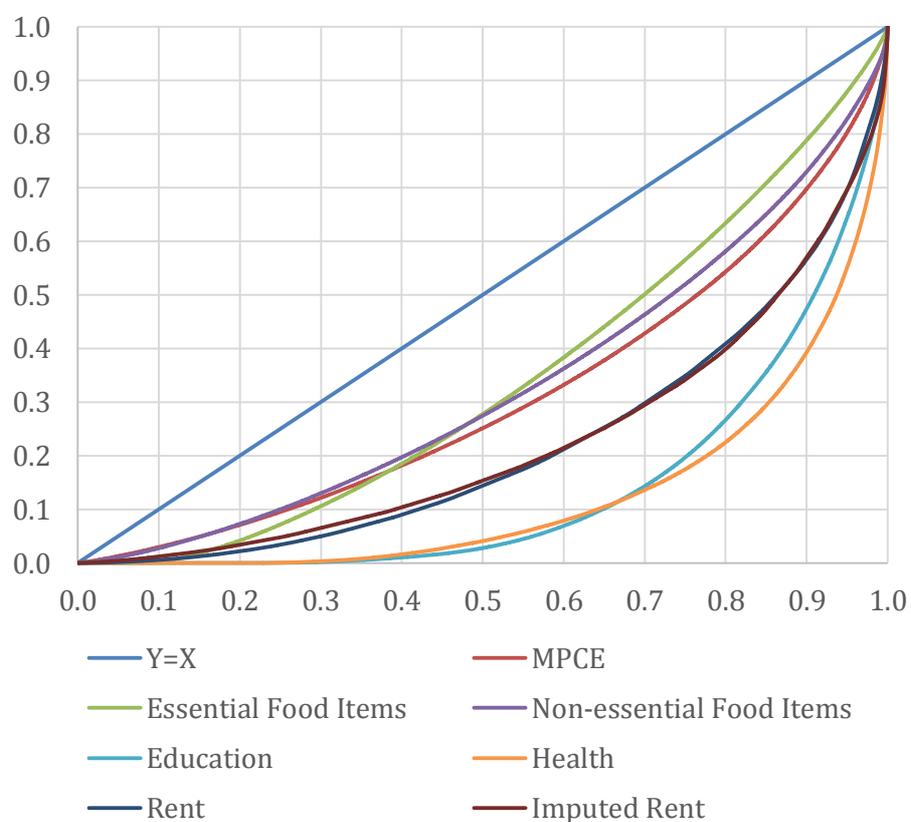
Income inequalities also exhibit stark differences between rural and urban sectors when broken down to their underlying components. We used the same components as the above inter-expenditure-class analysis, that is, expenditure on essential food items, non-essential food items, health, education, dirty fuel, clean fuel, public transportation, other forms of transportation and house rent; and plotted component-wise Lorenz curves for the rural and urban sectors. In addition to this, we also include a Lorenz curve for the monthly per capita expenditure, which forms the basis of most discussions on urban and rural poverty. Figures 11 and 12 below highlight the findings.

**Figure 12 Inter-Component Distributions: Rural****Figure 13 Inter-component Distributions: Urban**

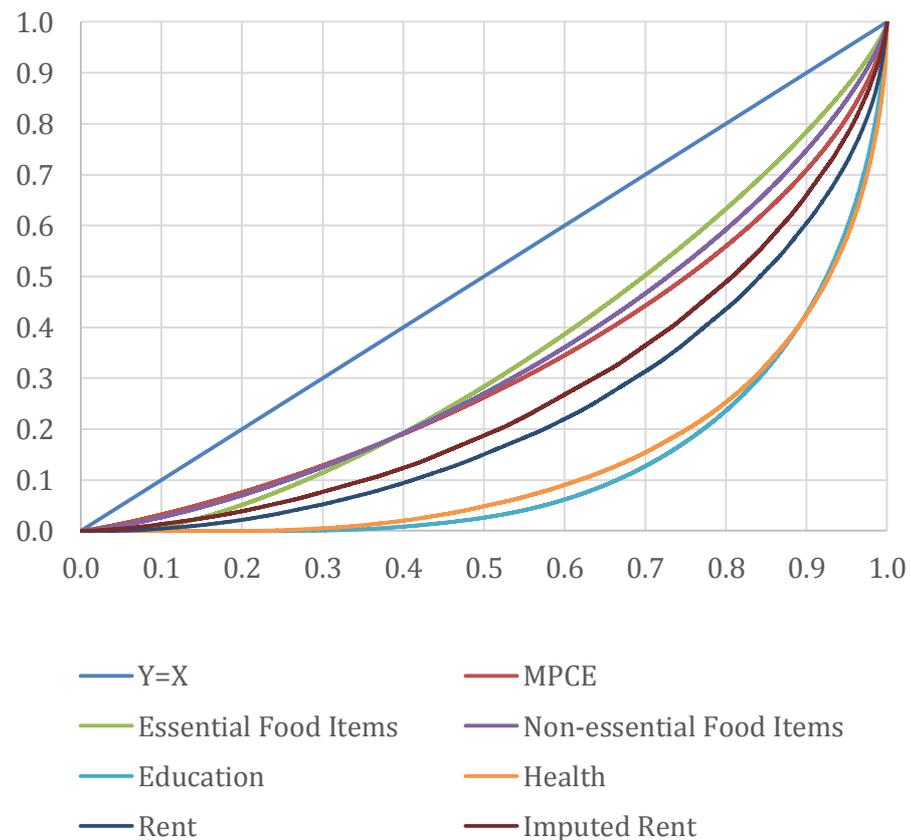
As with the inter-expenditure-class analysis, we see dramatic differences between the rural and urban sectors. First and foremost, we see that urban areas have much higher income inequalities than rural areas which offset the benefits of increasing per capita income in urban areas. Health and education categories show the highest levels of inequalities in urban areas, food items show similar levels of inequality while house rent appears to be less unequal in urban than rural.<sup>7</sup> In the sections that follow, the inability of rising per capita incomes to improve the effective quality of life through improved consumption, health and education will be emphasised and detailed.

Second, within urban areas, we see significant differences between inequalities in the large cities and small and medium cities, as classified by the NSSO.

**Figure 14 Inter-Component Distributions: Large Cities**



<sup>7</sup> House rents in the rural sector are at extreme ends of the spectrum in the sample. There are households that pay a rent of Rs.2 a month as rent, which is why rent inequalities are higher in rural as compared to urban areas.

**Figure 15 Inter-Component Distribution: Small and Medium Cities**

As with the rural-urban inequality divide, similar trends in food, health, education, and rents are visible—thereby suggesting that inequalities rise from rural, to small/medium cities, to large cities. The differential impact of income increases in rural and urban areas, and within urban areas have significant implications for addressing poverty. This implies that effectively reducing the experience of multi-dimensional poverty will require different areas of emphasis and intervention in urban and rural areas, and within urban areas. Further, this reminds us that as incomes increase, different components of poverty respond differently, requiring medium-term adjustments that are, once again, particular in and within cities.

### **3. Structure and Nature of Urban Growth and Development**

The previous section reviews what we know about the extent and depth of poverty and its spatial distribution, and then goes on to highlight the particularities of urban poverty and deprivation. This section comments on the relationship between economic growth and poverty reduction, in particular trying to understand its impact on the urban sector, and on urban poverty and vulnerability.

#### **3.1 The Relationship between Growth and Poverty Reduction**

We begin by reviewing the debate on whether economic growth has been beneficial for poverty reduction. This question is a subject of extensive study

for many scholars, and an area of acute relevance for policy makers. There is broad agreement that poverty remained high and stable at 50–60 per cent (Panagariya & Mukim, 2014) between the 1950s and 1970s (also a period of very slow growth in the Indian economy), and that poverty has reduced since the 1980s when the reforms process began. Within this line of reasoning, the disagreements are over the extent of the decline in poverty, whether growth has been more or less pro-poor in the post-reform period when compared with the 1980s, and how much poverty might have reduced in a scenario of lower inequality or greater redistribution.

We take each of these in turn. The first set of disagreements over the extent of the decline in poverty have centered around questions of measurement and the poverty line, and on whether methodological changes in consumption surveys over time have led to incomparable estimates of poverty over time. There are several accounts of the vibrant debate on growth and poverty that lay out the poverty measurement issues (Datta (2006), Pal and Ghosh (2007), Panagariya (2008), Vakulabharanam and Motiram (2012)). Within this debate, there is agreement that poverty numbers from the 1993–94, 2004–05, and 2009–10 NSS rounds can be compared, with adjustments made for the poverty line.

In recent work that makes these adjustments, Panagariya and Mukim (2014) find that poverty HCRs have been declining since 1993–94 in both urban and rural areas and for all socio-economic and religious groups. This decline has been faster between 2004–05 and 2009–10, a time of more rapid economic growth relative to the period between 1993–94 and 2004–05<sup>8</sup>. In fact, in this time period, poverty reduction was faster for SCs and STs, leading the authors to conclude that growth has been poverty reducing for all social classes and not exclusive. This finding is also echoed by Thorat and Dubey (2012), who find that poverty reduction was faster between 2004–05 and 2009–10 and that poverty reduction for Muslims was greater than that for Hindu upper castes. However, while the findings above reflect improvements in HCRs based on consumption expenditure, Patnaik (2013) points to data from nutritional intake which shows worsening poverty between 2004–05 and 2009–10 in terms of percentage of people unable to consume the minimum calories required.

A second set of studies deal with the question of whether growth has been more pro-poor in the post-reform period when compared to the 1980s. Datt and Ravallion (2009) **find ‘no robust evidence that the responsiveness of poverty to growth has increased, or decreased, since the reforms began, although there are signs of rising inequality’**. In addition, comparing poverty reduction from 1991 onwards with that in the 1980s has a conceptual problem because growth in India actually started accelerating from 1980 onwards, with the beginnings of the early reform process (Kohli, 2006). Regardless of whether growth has been more or less pro-poor in the post-reform era, it is widely agreed that growth is a necessary, *but not sufficient*, condition for

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<sup>8</sup> Growth was more than 9% between 2004–05 and 2009–10, while it was closer to 7% between 1993–94 and 2004–05.

poverty reduction. The aspect that is more important for poverty reduction is the nature of growth and its distributional consequences.

This leads to the third set of disagreements within this class of critiques, which is those concerning distributional questions. There is relatively more agreement on the use of consumption surveys to understand distributional changes than on the actual numbers of poor and the extent of decline of HCRs. There is widespread consensus among scholars that inequality has increased in the post-reform period, particularly between urban and rural areas and within urban areas. In fact, Thorat and Dubey (2012) find that this inequality has actually dampened the poverty reducing impacts of growth in urban areas between 2004–05 and 2009–10. These findings are confirmed by Tripathi (2013), who argues that growth has been absolutely pro-poor but not relatively pro-poor between 1993–94 and 2009–10. This means that while the incomes of the poor have increased by some amount in absolute terms, they have not increased more than average income growth. In a similar vein, World Bank (2011) finds that growth in urban areas went from being distribution neutral between 1983 and 1993–94, to being pro-rich between 1993–94 and 2004–05. The question of the nature of growth is dealt with in more detail in the next sub-section.

The first class of debates dealt with above largely centre on the quantitative relationship between growth, poverty, and inequality (where poverty and inequality are measured using consumption). However, a second, and deeper, class of critiques, is on the inadequacy of using income- or consumption-based measures derived from calorie norms to measure poverty, arguing that this measure is limited and does not include other aspects required for a dignified urban life. This is addressed to some extent by a shift to multi-dimensional metrics of poverty, however, much still needs to be done in moving the policy frame towards using and referring to these measures. Alkire and Seth (2013) have shown that multi-dimensional poverty in India declined much faster than income poverty between 1999 and 2006. However, reduction in multi-dimensional poverty was far slower than the rate achieved by some of its poorer neighbours, like Nepal and Bangladesh. As expected, the data also shows that the urban-rural differential in multi-dimensional poverty is far higher than the urban-rural differential in income poverty (ibid), pointing to an underestimation of deprivation when assessing poverty based on income measures alone.

Within this strand of critiques is also one that argues for an improved qualitative understanding of the dynamics of poverty and vulnerability, to understand movements in and out of poverty, and to gather evidence on self-reported indicators of well-being and other aspects of poverty that are not captured by large-scale surveys (Shaffer, Kanbur, Thang, & Bortei-Doku Aryeetey, 2008). The combined evidence from these studies is inconclusive about the relationship between growth and poverty, however, they yield insights different from the quantitative evidence presented above, as argued in Vakulabharanam and Motiram (2012):

‘The qualitative approaches on urban poverty and inequality add valuable insights to this picture, by showing how the specifically urban dynamics that Indian growth has

unleashed have affected the livelihoods of the urban poor and their inclusion in the growth process. By focusing both on the nature of working groups and their dynamics, these approaches point to the need for a correction in our understanding sourced from the estimates of large-scale surveys. It is clear that urban poverty levels probably run much deeper and are chronic by nature, given the kind of occupational continuities and the low valuation of the labour that the working poor in cities (especially in the informal sector) are forced to perform. It is also probably true that the poor perceive their condition in myriad ways, some of which are different from those of ‘experts’ and policymakers.’

Another recent study sheds light on self-perceptions of the poor. It tackles a dimension of well-being that is inadequately captured in existing data measurement and frameworks, which is embedded social and political inequality that might prevent reductions in economic inequality, or allow for increases in capabilities without necessary increases in income. This innovative study by Kapur, Prasad, Pritchett, and Babu (2010) in rural Uttar Pradesh employed Dalit surveyors and had the questions formulated by Dalits. The questions included those about occupational mobility, whether non-Dalits accepted hospitality at their homes, whether they were invited to weddings of people of other castes, whether they were served food together, and so on. The study showed a decrease in social inequality far exceeding that predicted by consumption variables (ibid.)

### **3.2 The Nature of Growth has Impacts on Poverty Reduction**

As discussed in the previous sub-section, the distribution of the benefits from growth has important implications for poverty reduction. Growth in India following reforms has been largely capital- and skill- intensive, not creating enough employment opportunities for our large, low-skill workforce and therefore not creating adequate pathways out of poverty. The industrial sector has failed to deliver on its promise of expanding employment, and the agricultural sector continues to be a low-productivity sector employing a large proportion of our workforce. The greatest expansion in employment in recent years has been in the construction and the informal services sector (Anand, Koduganti, and Revi 2014), with an absence of social security or a benefits regime.

Diana Mitlin and David Satterthwaite (2013) review studies that find a relationship between being a poor household and informal employment in India, and also evidence that urban wages have declined between 1999-00 and 2004-05 despite national economic growth. Similarly, Thorat and Dubey (2012) find that urban poverty incidence is highest among casual labour, followed by self-employed, and is lowest among regular wage or salaried workers. Not only this, poverty reduction has been greatest for the regular wage and salaried workers between 2004-05 and 2009-10, followed by casual labour, and then followed by the self-employed. Diana Mitlin and David Satterthwaite (2013) explain that: ‘**Cities with growing economies** usually have new employment or income-earning opportunities. These often include a larger and more diverse demand for goods and services from middle- and upper-income groups whose incomes are rising (Montgomery et al. 2003), but there may be constraints on the possibilities for low-income

groups (or particular sub-groups) to take advantage of this demand.’ This is discussed in greater detail in the section on employment and livelihoods.

Another relevant aspect is the rural-urban distribution of growth and the nature of the rural-urban transformation. In commenting on the relationship between growth and poverty reduction in China and India between 1980 and 2000, T. N. Srinivasan (2003) talks about how growth in this period in China was not only faster but also more pro-poor. Aside from reasons such as differences in the savings and investment rate and extent of openness to foreign trade, he also discusses the sequencing of the reform process as being responsible for the extent of poverty reduction. In China, reforms were undertaken first in the agricultural sector, leading to spectacular results for several years and increased incomes of the poorer segments of the Chinese population. Aside from growth in the rural sector, the nature of rural-urban transformation also matters. Christiaensen and Todo (2013) analysed a global sample of 51 countries to study whether the nature of the rural-urban transformation process has impacts on poverty reduction. They classify the workforce into large metropolitan cities, secondary towns and non-farm activities in rural areas, and agricultural activities in rural areas. They find that growth in the second category has a significant impact on poverty reduction, while concentration in metropolitan cities has no impact. Concentration in metropolitan cities is associated with faster growth overall, but it is less inclusive than the pathway which involves concentration in secondary towns and in rural non-farm activities.

The policy focus in recent years in India has regarded the urban sector as the source of growth in the economy. Within this, large cities are seen as the main drivers of this process, which is why interventions such as the JNNURM funnel central government money directly to improving infrastructure and service provision in the largest cities of the country. This ignores the poverty reduction impact of the rural sector, as well as the poverty reduction potential of intervening in small and medium towns and urbanising villages. Another aspect of regarding metropolitan cities as engines of growth is the recent **attempt to create ‘modern’ cities attractive for** capital through beautification and other clearance drives, following neoliberal policies which usually hurt the poor (Mitlin & Satterthwaite, 2013).

### 3.3 Cities for Growth, Redistribution for Villages

Cities’ being viewed as growth engines by policymakers is not a problem in and of itself, but it is problematic if policymakers use this as a way to abdicate their responsibilities towards urban poverty reduction. We argue that there is an inconsistency in the treatment towards urban and rural residents when the frame in the urban sphere is that growth will generate enough opportunities to **‘raise all boats’ while redistributive policies continue to focus on the rural** sphere. There is enough evidence presented in this section to support growing inequality in urban areas, and to demonstrate that growth by itself will not guarantee a dignified life for poor urban residents. While the jury is out on the **impacts of UPA’s redistributive policies on poverty reduction in rural areas**, the earlier sub-section points to the fact that recent growth has been either pro-poor or distribution neutral in rural areas whereas it has been anti-poor

in urban areas. This presents a strong argument for a re-thinking of policy focused on urban poverty reduction, and the remainder of the paper shows the different ways in which this can be thought through.

We use the classification of policy approaches to poverty reduction offered by Diana Mitlin and David Satterthwaite (2013) to understand the differences between rural and urban poverty reduction strategies in India in recent years. While there are elements of many different types of strategies at play, rural poverty reduction strategies in recent years have predominantly been welfare-based and rights-based, while urban poverty reduction strategies are market-based or focused on technical or urban management or governance solutions.

Therefore, programmes like the JNNURM have a stated focus on strengthening local government, and bringing in measures such as e-governance to improve transparency and accountability. A stark illustration of the difference between the two approaches lie in their response to the employment question: rural areas have an employment guarantee through the National Rural Employment Guarantee Act (NREGA), whereas the National Urban Livelihoods Mission (NULM) provides skills training and assistance with self-help group formation. The latter approach clearly relies on the market for job creation, and sees the role of the government as equipping people with necessary skills to capitalise on labour market opportunities, whereas in rural areas, it sees itself as playing the role of job creation as well. We discuss this in greater detail in the employment and livelihoods section of the paper. Another problem of the policy response to urban poverty reduction is the mistaken assumption that urban poverty is only concentrated in slums, which has been discussed in detail in the previous section.

Therefore, this section argues that while economic growth is necessary in order for sustained poverty reduction to take place, by itself it will not guarantee the types of outcomes we care about in ensuring a dignified life to all urban residents. The policy response to urban poverty needs to raise questions about the nature of economic growth itself, which needs to shift to a more broad-based and labour-intensive model. It also needs to grapple with questions about the distribution of benefits of growth, particularly in urban areas. This will require serious attention on designing a benefits regime that works, particularly for workers in the informal sector.

However, the limitations of explicit redistribution and welfare-based approaches are that the poor are viewed merely as beneficiaries from growth, rather than participating in the growth process itself (Anand, Koduganti, and Revi 2014). An approach that involves rebalancing **India's growth pathway** to be more labour intensive is a far more sustainable path towards poverty reduction, and requires a different set of priorities. We argue that both approaches, redistribution and rebalancing of growth, need to be pursued simultaneously, in the short-term and long-term, in order to make sustained advances in addressing urban poverty and vulnerability. A possible entry point for the shift in thinking required is to start accepting informality as an economic reality rather than a transitory phase in our development trajectory, and enabling the informal sector to become more productive through

economic policy while simultaneously setting up a welfare protection regime accordingly.

To conclude, the nature of the policy and programme response to urban poverty needs to broaden away from trickle-down effects and other market-based interventions on the one hand, and slum improvement on the other, to a wider set of responses, that are discussed in greater detail in the following sections.

### 3.4 Configurations of Work and Livelihoods

As discussed in the previous section, the growth experience of India following liberalisation has been accompanied by some optimism among scholars and policy makers about the record of poverty reduction. However, the emergent responses, particularly viewing cities as engines of growth, tend to miss out the role of employment generation in simultaneously reducing poverty as well as in economic development. Coelho and Maringanti (2012) also highlight the fact that recent scholarship on poverty in Indian cities has tended to focus on housing, land rights, and the politics of shelter and tenure at the expense of employment and livelihoods.

One of the few policy documents to make explicit the link between work and poverty reduction, the National Commission for Enterprises in the Unorganised Sector (NCEUS) (2009) comments on how the benefits from the growth process have bypassed the majority of the population, and how:

‘though the population suffering from extreme poverty came down significantly, they seem to have moved only marginally above the poverty line. ... **These groups emerge as a sort of coalition of socially discriminated,** educationally deprived and economic destitutes, whereas less than one fourth of our population only was enjoying a high rate of growth or their purchasing **power. ... One very important characteristic of this group of the Poor and Vulnerable** section of the people is that, they had very little expansion of their employment and enhancement in their earning capacity.’ (p. ii-iii)

What would be the role of cities in expanding employment opportunities for the poor? The agricultural sector has seen a declining share in the Indian economy over the past few decades in both output and employment terms, a trend that is likely to continue. Output and employment growth largely stems from the secondary and tertiary sectors, which are located in urban areas. Cities are therefore particularly important as sites for employment generation, especially to absorb additional workers moving out of low-productivity agriculture as well as to provide opportunities for new entrants to the workforce over the coming decade because of **India’s demographic transition**. Policies such as the proposed National Urban Livelihoods Mission (NULM) are targeted at skills training, thereby improving the employability of workers transitioning from rural to urban areas, or transitioning from one economic sector to the other. While this is an important aspect of ensuring adequate skill levels in the potential workforce, it will not yield the desired results if new

jobs are not created fast enough, or in other words, if the demand for labour in urban areas does not continue to increase.

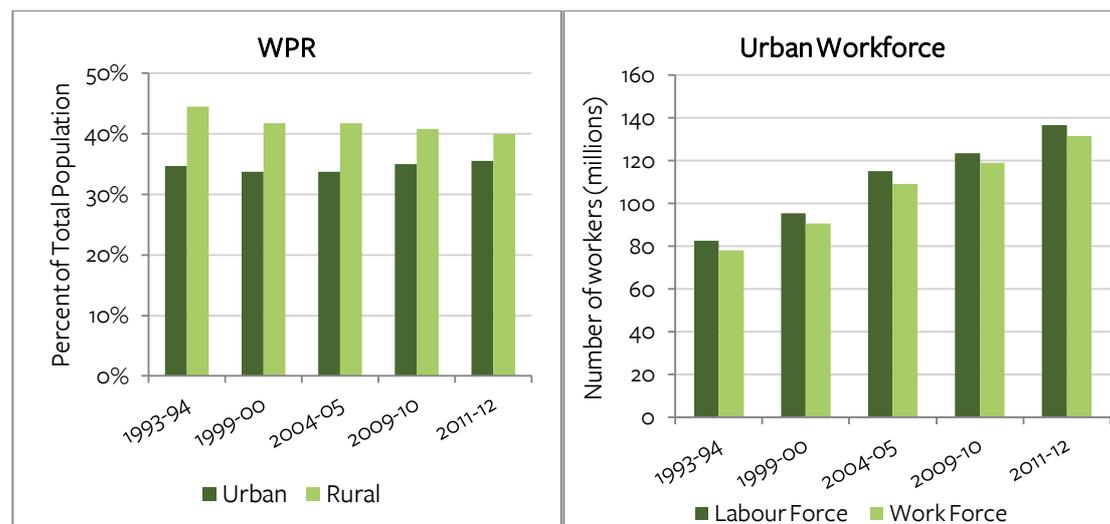
### 3.4.1 Urban Employment Trends

#### **The employment experience of India's growth story has been disappointing.**

Economic growth has been technology- and skill- intensive in nature, and the share of labour in the growth equation has reduced since the early 1990s (Bhandari, 2013). Work force participation rates (WPRs) have been steadily declining since 1993, which has been a period of rapid output growth in the Indian economy (Papola & Sahu, 2012). Several observers have questioned the nature of the employment growth relationship in India following liberalisation (Ghosh and Chandrasekhar (2007), Himanshu (2011)), and point to the fact that more active policy intervention will be required to ensure growth in more employment-intensive sectors.

This aggregate trend is driven by a decrease in rural WPRs, while urban WPRs have stayed largely stable. Urban WPRs are currently lower than rural WPRs, but the gap between the two is narrowing (see Figure 16). Since the number of people in urban areas has been increasing, the overall numbers of people employed in urban areas has also risen. The most recent employment round of the National Sample Survey Organisation (NSS, 2011–12) provides evidence that urban employment generation has accelerated in the past two years. The average annual additions to the urban work force have exceeded those of the rural work force by 2.5 per cent per year between 2009 and 2012 (Anand, Koduganti and Revi 2014), which indicates the potential for looking at cities as sites for an expansion in employment opportunities.

**Figure 16 WPR by Place of Residence and Urban Workforce**



Source: IIHS-RF paper on urban economy, data from employment rounds of the National Sample Survey Organisation.

Sectorally, this has been driven by an increase in employment in the manufacturing, construction, and services sectors, particularly in trade.

However, the growth in employment has been far slower than the growth in output, leading to a structural mismatch in the economy. In addition, much of this additional employment generation has been in the informal sector, with low wages and an absence of social protection (NCEUS (2009), Papola and Sahu (2012)). Because of the predominance of informal work in urban areas (roughly 80 per cent of urban employment is informal (Chen & Raveendran, 2012)), it becomes imperative to provide social security entitlements since a large majority of workers cannot access them through the workplace. Therefore, it is important for any intervention to address both the quantity as well as the quality of employment being generated.

### **3.4.2 Female Workforce Participation**

Female Workforce Participation Rates (WPRs) are very low in India compared with the world average, or even with other middle-income countries. While less than 30 per cent of women over the age of 15 work in India, the comparable figure for China is 70 per cent, Brazil is 60 per cent, Indonesia and Korea around 50 per cent (World Bank World Development Indicators)<sup>9</sup>. The average for the world and for middle-income countries is around 50 per cent (ibid.)

Female WPR is an important driver of the trends outlined above—the reason that total urban WPRs are lower than rural WPRs is because urban female WPR is far lower than rural WPR, whereas urban male and rural male WPRs are similar (Anand, Koduganti and Revi 2014).

Rural female employment seems to be driven from economic necessity, as witnessed by the surge in rural female employment in 2004–05, which was **due to a very bad agricultural year and was seen as a sign of ‘rural distress’** rather than **a permanent expansion in women’s work participation** (Himanshu, 2011). This was evidenced by a reduction in rural WPRs in the next round (2009–10), as agricultural outputs improved and so did well-being in rural households. By contrast, low urban female participation rates are reflective of the low mobility enjoyed by women, as well as considerations such as social constraints due to traditional gender roles, and workplace conditions and safety. In particular, for urban women to work represented an economic choice, since more educated women tended to work less when compared to women who were economically worse off. However, more recently, this trend seems to have reversed in urban areas, with more educated women entering the workforce, and urban female WPRs rising, far more rapidly than rural female WPRs (Anand, Koduganti and Revi 2014).

Similarly, the growth in urban employment during the last NSS round has been driven largely by a growth in female employment, with an average of 5.8 per cent average annual additions between 2009 and 2011 in excess of additions to the rural female workforce (ibid.) If this is a lasting trend driven by increases in education levels and empowerment of women and other social and economic changes in the economy, then the future expansion of employment in cities could be largely driven by more and more women

<sup>9</sup> Accessed October 2013 at: <http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>

entering the workforce. This has implications for inclusion, as well as for more a more balanced model of economic development.

Anand, Koduganti and Revi (2014) argue:

‘However, feminist economists have challenged the positive link between women increasingly working in urban areas in developing countries and their economic empowerment, pointing to questions of the condition, quality, and wages for their work (Khosla, 2012). There is evidence that women in developing countries most commonly find employment in urban industries that have low wages, require semi-skilled workers, and are casual or contracted activities. This has been referred to as the **‘process of feminisation of flexible labour’, where women tend to be segregated into the most exploitative and casual form of labour within increasingly informalising economies’** (ibid.) Therefore, an increase in the number of women in the workforce by itself is not a good indicator for improvements in poverty outcomes through employment generation. The quality, security, and remuneration from employment are equally important.’

### ***3.4.3 Work and Social Security***

Smita Srinivas has usefully argued that social security programmes can be seen as work (labour status), workplace (employer-related) or place-based (territory and citizenship) in their conception and implementation (see Srinivas, 2010: 457). The categories overlap often— ‘national insurance schemes based on citizenship are place-based even if, at times, administered through workplaces’— and programmes often have more than one kind of benefit.

Yet the differentiation is an important one. We argued above that the nature of urban growth and development continues to be unable to answer the employment needs of a majority of urban residents. Informal employment has not reduced with sustained economic growth and sectoral transformation and, in fact, it has arguably deepened. This implies that work- and workplace-based entitlements must grapple centrally with the issue of informal work, but also that place-based entitlements that accrue to urban residents because of their presence in urban areas take on a disproportionate importance in urban India.

The relationship between employment and entitlements has two distinct elements: (a) entitlements to work; and (b) entitlements that accrue to workers because of their labour status. We take each in turn.

#### ***a. The Tale of Two Missions: NREGA and NULM***

One clear divisions in entitlement frameworks for the urban and rural poor is the presence of a 100-day work guarantee under the National Rural Employment Guarantee Programme (NREGA) and the absence of its urban equivalent. The National Urban Livelihoods Mission remains still at conception and design stage, seven years after the rural flagship programme was launched. Even in its design, the NULM is not proposed to be an employment guarantee. Instead, it is designed as a programme for skill development and self-employment or entrepreneurship support rather than

either addressing the choice of growth and development pathways to generate more and particular types of employment, or acting as a social safety net for workers. Wage employment only features as a small component of the proposed NULM.

Urban areas did have the Swarna Jayanti Shehri Rozgar Yojana (SJSRY), one of the few urban programmes launched at the same time as its rural counterpart. Yet while the latter grew and scaled into NREGA, the SJSRY remained relatively impoverished and is poised to transition into a much weaker set of employment entitlements under NULM. Table 3 shows the relative funding allocations between SJSRY and SGSY.

**Table 2 Urban and Rural Livelihood Programmes**

Comparing Urban & Rural Livelihood Programmes: SJSRY, SGSY & NREGS

Indicator	Govt of India Schemes		
	SJSRY	SGSY/NRLM	NREGS
Inception year	1997	1999	2006
Ministry	Housing and Urban Poverty Alleviation	Rural Development	Rural Development
Eligible 'Beneficiary' households (crore)	1.9	6.4	15.4
Budget Estimate (crores) in 2010-11	536	2,984	43,111
Geographical Coverage	3,903 towns	nr	619 districts
Salient Cumulative Outputs (Dec 2010)	0.68 crore person workdays	1.281 crore Swarozgaris assisted	145 crore person workdays

### *b. Lost Opportunities: Social Security and Unorganised Sector Welfare Boards*

The UPA government constituted the NCEUS as part of its National Common Minimum Programme and its stated focus on the welfare of all workers through a set of interventions in social security, health insurance, and other schemes addressed particularly towards informal workers. As an outcome of this, the NCEUS submitted a comprehensive report to introduce a National Minimum Social Security to all informal and unorganised workers (NCEUS, 2006), based on which a draft bill was introduced into and discussed by Parliament. The provisions of this Bill included entitlements such as health and maternity cover, life insurance, provident fund for contributing workers, old age pension for BPL workers while, providing for the establishment of a National Social Security Board for Unorganised Workers, with similar structures to be replicated at the state level (International Labour Organization, 2006). These Boards would oversee national and state social security funds that were financed through contributions by central and state governments as well as contributions from workers and employers.

However, the final act that was passed, the Social Security for Unorganised Workers Act 2008, did not go far enough to universalise social security as envisioned by the NCEUS. Instead of establishing the National Social Security Board and giving it powers to formulate policies and monitor welfare funds, the Boards were set up merely to ‘recommend to the Central Government suitable schemes for different sections of unorganised workers; advise the Central Government on such matters arising out of the administration of this Act as may be referred to it; monitor such social welfare schemes for unorganised workers as are administered by the Central Government,’ and so on (Ministry of Law and Justice, 2008). This Act was critiqued widely, even by the NCEUS in their subsequent reports (NCEUS 2009).

## **4. Housing, Infrastructure and Services**

The core intention of this essay is to locate what is urban about poverty and inequality. In the introduction, we laid out a set of questions it is worth briefly remembering as we find ourselves in the middle of the essay: are there patterns, trends, or aspects of poverty and inequality that are particular to urban areas? If so, then what explains these patterns? How do income- and expenditure-based poverty measures account for these needs? Is income poverty the primary determinant of vulnerability? Finally, what are the implications of these particularities in framing policy responses?

This section directs these questions to three key components laid out by Satterthwaite and Mitlin (2013) in their analysis of the particularity of urban poverty: ‘(c) poor quality and often insecure, hazardous, and overcrowded housing; (d) inadequate provision of public infrastructure; (e) inadequate provision of basic services.’ In the sections below, given space limitations, we focus on two of many possible sectors: affordable and adequate housing, and access to water and sanitation. Our intention is to trace current levels of access, quality and sustainability within each sector, to examine the relationship between levels of access and income poverty, and to assess the particular urban nature of this relationship. Having done so, we define two key patterns that perhaps underlie the empirics we present: distinct approaches to urban development and basic services in urban policy and governance, and illegality as a barrier to access.

### **4.1 Affordable and Adequate Housing**

Amitabh Kundu has argued that Indian urbanisation is, in fact, ‘exclusionary’ (A. Kundu, 2009). By this, he means that migration to urban areas must contend with the increasing ‘push’ factor out of cities—the difficulty in finding decent shelter being primary among these. The Kundu Committee Report argues that the overall housing shortage in India is of the order of 18.78 million units, of which 0.53mn comprise the homeless.<sup>10</sup> Figure 17 lays out the

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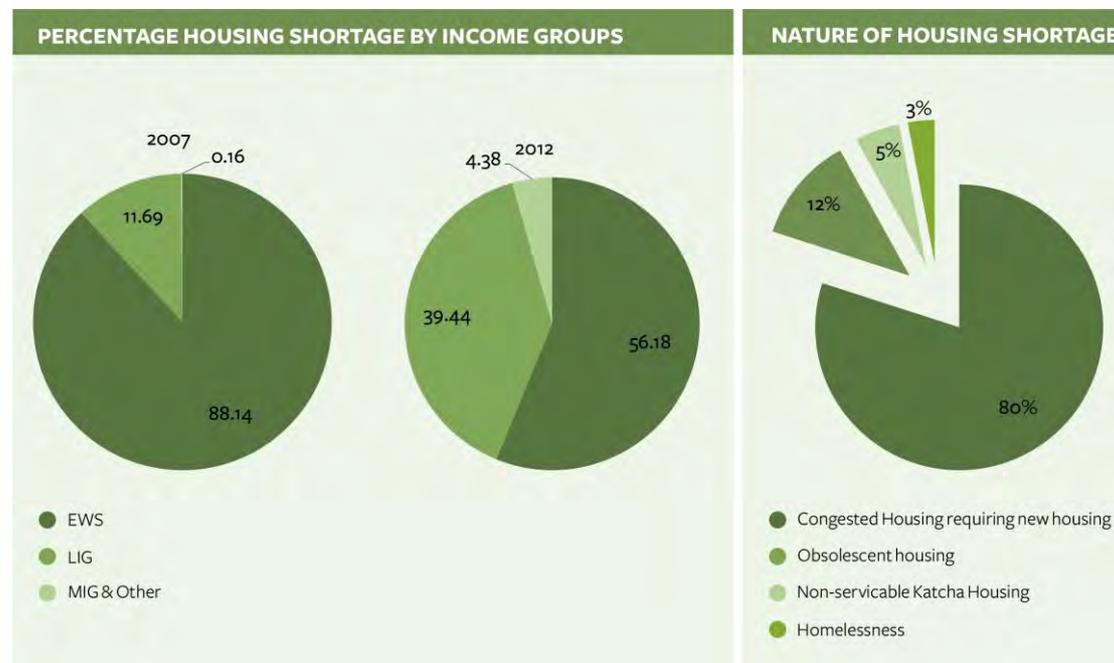
<sup>10</sup> These figures are widely thought to be underestimations, particularly given that homelessness is defined by a lack of abode, address and even a fixed spatial location. Added to this, many people who are homeless lack even a single formal document that allows them to prove identity. Given this, it is worth quoting rather extensively from one of the few large sample studies on homelessness that exists (CES,

estimation of this shortage, along with comparisons with both the earlier Kundu Committee Report (2007) as well as the Census of 2001.

**Figure 17 Estimates of Housing Shortage**

HOUSING DEFICIT	2001	2007	2012
Total Number of Households (HH)	55.83	66.30	81.35
Total Housing Stock (HS)	50.95	58.83	78.48
Housing Deficit (HH - HS)	4.88	7.47	2.87
HOUSEHOLDS REQUIRING NEW HOUSING			
Upgradation of Katcha Housing	1.70	<b>Not Included</b>	
1. Living in non - serviceable Katcha Housing	-	2.18	0.99
2. Living in obsolescent housing	2.01	2.39	2.27
3. Living in congested housing	1.97	12.67	14.99
4. Homeless	<b>Not Included</b>		0.53
<b>Sub Total (1+2+3+4)</b>	<b>5.68</b>	<b>17.24</b>	<b>18.78</b>
Housing Deficit (HH - HS)	4.88	7.47	<b>Not Included</b>
<b>Total Housing Shortage</b>	<b>10.56</b>	<b>24.71</b>	<b>18.78</b>

**Figure 18 Nature of Housing Shortage in India**



undated). This report argues that the Census in 2001 enumerated 1.94 million homeless people in India, of whom 1.16 million lived in villages, and 0.77 million lived in cities and towns. The numbers of homeless individuals counted in Delhi was 21,895, for example. The Delhi Development Authority, for example, estimated that the homeless constitute 1% of the population, i.e. 150,000 people. The order of underestimation therefore can be as high as a factor of seven, which would put homelessness much closer to nearly 3 million households.

What is immediately noticeable is that the shortage is particular. It is concentrated and almost entirely accounted for by a particular income segment of the population. Figure 18 shows that 95 per cent of the shortage in housing is for families classified as either from the Low Income Group (household income between Rs 5,000–10,000 a month) or Economically Weaker Sections (household income under Rs 5,000 a month).<sup>11</sup> The correlations between housing and income poverty, therefore, are very strong, suggesting yet another geography of vulnerability. The increasingly commonly heard refrain that, ‘even middle class and working households cannot afford adequate housing’ in Indian cities is untrue. The housing market does not, as is commonly believed, exclude large numbers of middle and working class communities from adequate housing though it may well exclude them from the kind of housing stock they want.

The main thrust of the Kundu Committee Report argues that the nature of housing shortage in India constitutes those living in housing conditions they define as ‘housing poverty.’ These include households living either in unacceptable dwelling units, or in what the authors call ‘unacceptable physical and social conditions.’ In their report, these are represented by obsolescent or congested houses. The former refers to material dilapidation while the latter to multiple families who live in a single dwelling unit out of compulsion. As Figure 17 shows, a majority of existing housing shortage comes from housing poverty rather than the absence of homes entirely. What is important to notice here as well is that only 5 per cent of the existing housing stock is seen as ‘non-serviceable.’ It is this characteristic that prompts the Kundu Committee to argue that housing shortage in India is not one of vast shelterless communities but of existing, often self-built ‘affordable housing that is inadequate.’

There are two important facets thus to note: (a) a majority of those with housing poverty are also income poor, and (b) a majority of those with housing poverty are not homeless, but live in existing, self-built housing that is inadequate.

### **Box 3: Housing Poverty and the Poverty Line**

How would accounting for housing costs affect measures of income poverty? Chandrashekar and Montgomery (2010) use NSSO data from 2004–05 to argue that ‘a substantial percentage of urban households have unmet housing needs even if they live above the official poverty line’ (p. 2). In their initial estimations, they argue that this figure is Rs 124–130 against an urban poverty line of Rs 538.60. In other words, to get what they call ‘minimally adequate’ housing, households need to spend an additional amount equivalent to 23–24 per cent of their monthly consumption expenditure. Conversely, a poverty line that took into account basic housing needs would rise by a quarter of its value..

The study underscores a second important point. Rising consumption expenditure

<sup>11</sup> EWS and LIG figures have since been raised, but the noted definitions are those used by the Kundu Committee.

does not, until a certain threshold, lead to adequate housing. The authors argue that 35.5 per cent of households in non-notified slums and 15.4 per cent of households in notified slums live in housing judged ‘unsafe’ in the estimation of the surveyor. In these communities, the authors argue, ‘consumption levels that are well above the urban poverty line provide no guarantee of acceptable quality housing.’ For example, 20 per cent of households in notified slums live in unsafe housing despite having consumption expenditures of between two and two-and-a-half times the poverty line.

## **4.2 Access to Water and Sanitation**

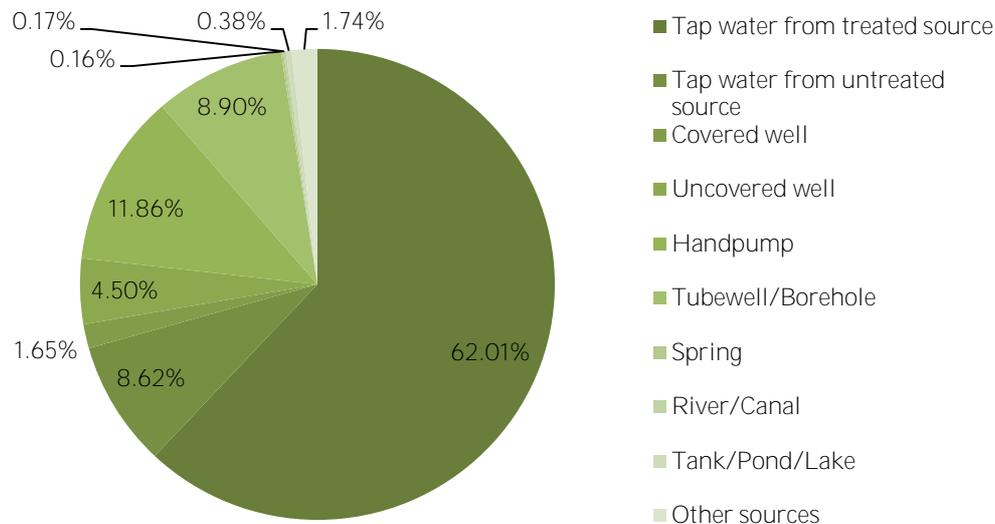
In work elsewhere, IIHS has analysed access to water and sanitation extensively (IIHS, 2014). This section draws from and remains in conversation with that body of work. Our focus here, however, is to ask particularly what current access to water and sanitation in urban areas looks like for income-poor households, and whether there are patterns of access to water and sanitation that are shaped in some way by an urban location. In the section below, we show: (a) deep inadequacies in access to water and sanitation in urban areas; (b) their economic as well as developmental impact on urban households; (c) the particular distribution of this access and impact across income quintiles within cities, as well as across cities, suggesting again that there is a particular urban and spatial distribution to geographies of access that we must pay attention to.

### *Access to Water*

Nearly 70 per cent households have access to tap water, out of which 62 per cent have access to treated tap water.<sup>12</sup>

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<sup>12</sup> There is no precise means to ascertain the percentage of households being catered to by public supply; it is likely that the bulk of treated water supply is from government agencies, as treatment at household levels is not admissible in this category.

**Figure 19 Distribution of Households according to Source of Water**

Source: Analysis of Census 2011 Data; IIHS 2014

It is clear that there is a decrease in access to tap water, especially treated tap water as one moves down the city class size. Wells, especially uncovered wells, appear to be providing water to a larger proportion of households in smaller cities, whereas handpumps also retain a considerable share of up to a fifth to a quarter in the smaller cities. Probably indicating the direct dependence on households on groundwater sources, the share of handpump and tube wells together with wells, seem to not only provide for more than a third of households in smaller cities, but their proportion does not reduce below 30 per cent even in Class II cities.

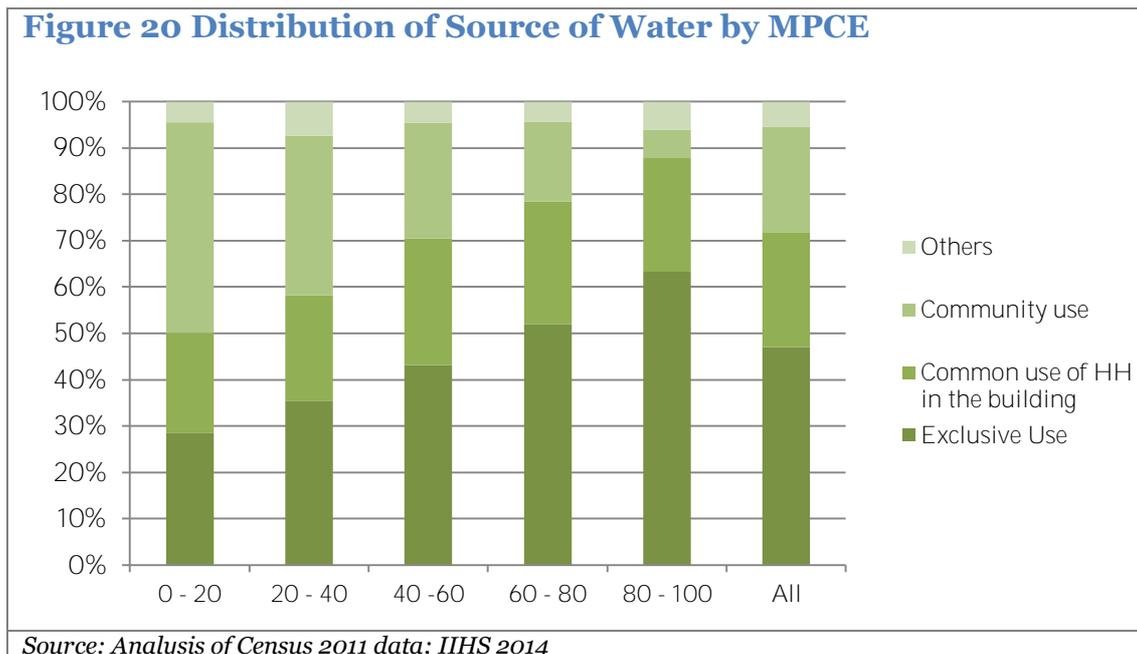
**Table 3 Access to Water by Source and Size of Settlement**

S. no	Water Source	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	All Classes
1	<b>Tap Water</b>	78%	66%	58%	57%	50%	54%	71%
a	Treated Tap Water	72%	55%	47%	42%	37%	42%	62%
b	Untreated Tap Water	6%	11%	11%	15%	13%	12%	9%
2	<b>Well</b>	3%	7%	15%	12%	11%	12%	6%
a	Covered Well	1%	2%	4%	3%	2%	2%	2%
b	Uncovered Well	2%	6%	11%	9%	9%	10%	4%
3	Handpump	8%	14%	16%	19%	25%	22%	12%
4	Tubewell	9%	9%	8%	10%	11%	8%	9%
5	Others	2%	3%	3%	3%	3%	3%	2%
a	Spring Water	0%	0%	0%	0%	0%	1%	0%
b	River Canal	0%	0%	0%	0%	1%	1%	0%

c	Tank/ Pond	0%	0%	0%	0%	1%	1%	0%
d	Other Water Sources	2%	2%	2%	2%	1%	1%	2%
	Total	100%	100%	100%	100%	100%	100%	100%
	Total Population	227,74 2,687	41,458, 757	58,146, 757	31,837, 478	15,863, 147	1,947,3 12	376,99 6,138

Figure 20 shows the distribution of households with access to water sources across MPCE (NSSO, 2010). As can be clearly seen, more than 50 per cent of households in the lowest MPCE category have access only to community source of water.

**Figure 20 Distribution of Source of Water by MPCE**

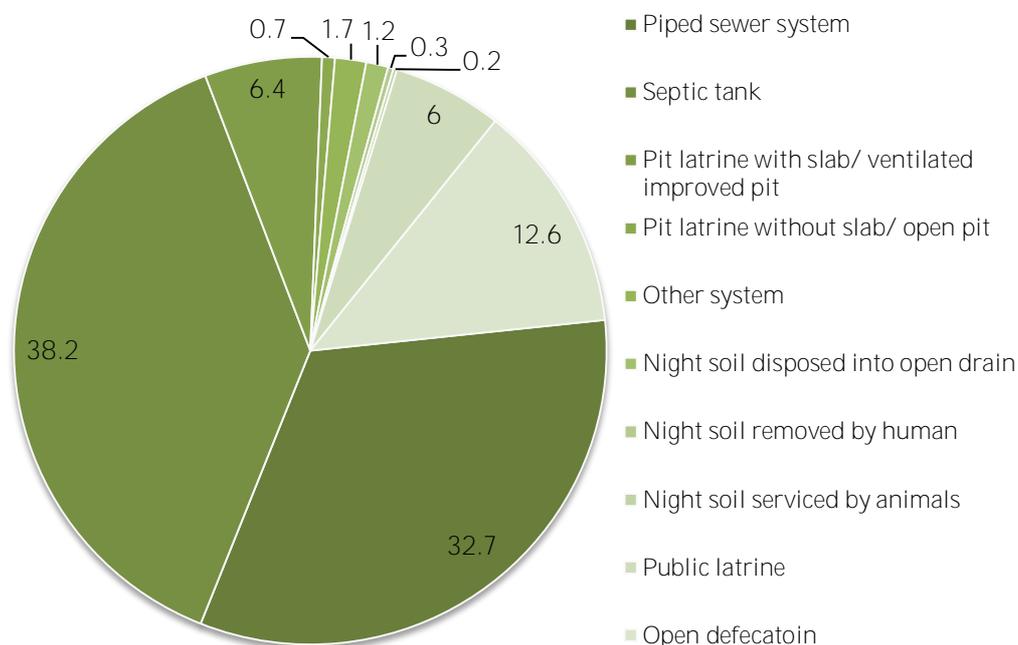


Three patterns thus emerge: inadequacies in access, the worsening of these deficiencies across scale of urban settlement, as well as across income classes. As we shall note below, this pattern repeats itself when looking at sanitation.

### ***Access to Sanitation***

Around 81 per cent of urban households have access to toilet facilities within the household premises, 6 per cent access public toilets, and 12 per cent are forced to resort to open defecation. Thus, nearly 10 million households still defecate in the open. Open defecation, and lack of access to any kind of toilet facilities, individual or shared, remains the biggest concern and challenge for urban sanitation in India.

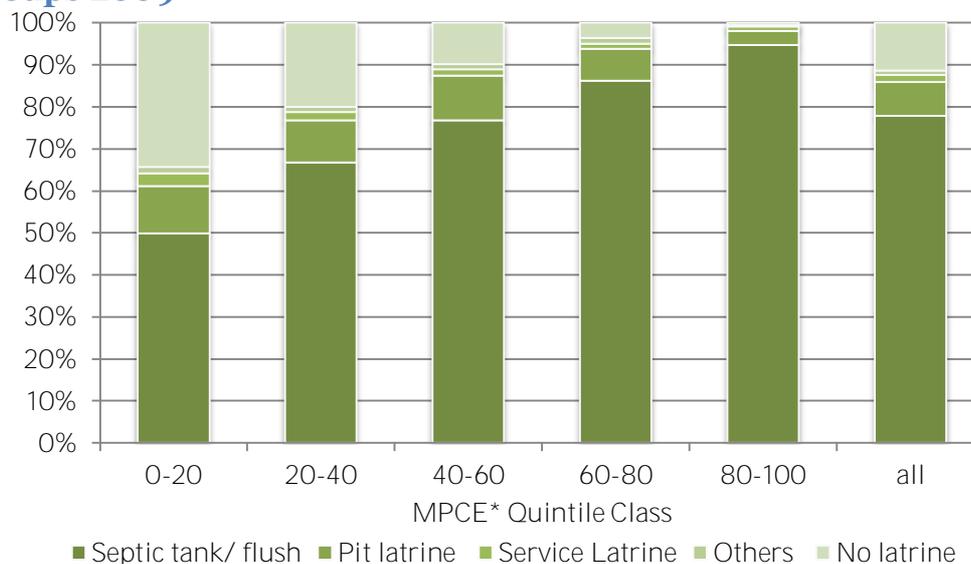
**Figure 21 Distribution of Toilet Facilities in Urban Households 2011**



Source: Analysis of Census 2011 data; IIHS 2014

Not surprisingly, access to toilet facilities are not distributed equally among households with varying economic status. While there are some differences in the categories for data collection in Census and National Sample Survey Organisation, analysis of NSSO (2009) findings indicate a clear trend: the lower the Monthly Per Capita Expenditure (MPCE) quintile, the higher the possibility of lack of access to toilet facilities.

**Figure 22 Distribution of Toilet Facilities across Different Income Groups 2009**



Note: \* - MPCE → Monthly Per Capita Expenditure

Source: NSSO 2009; IIHS 2014

Further as Table 6 shows, the smaller the urban settlement, the higher the rates of open defecation and the lower the access to adequate sanitation.

**Table 4 Distribution of Households across Class Size of Settlement**

No	HH Arrangement	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	All Classes
I	Latrine facility within the premises							
1	Water Closet							
a	Piped sewer system	46%	16%	12%	9%	8%	11%	33%
b	Septic tank	33%	51%	48%	43%	37%	37%	38%
c	Other system	1%	2%	2%	3%	3%	4%	2%
	<b>Sub Total (Water Closet)</b>	<b>80%</b>	<b>69%</b>	<b>62%</b>	<b>54%</b>	<b>48%</b>	<b>51%</b>	<b>73%</b>
2	Pit Latrine							
a	With slab/ ventilated improved pit	4%	7%	10%	12%	14%	12%	6%
b	Without slab/ open pit	0%	1%	1%	1%	2%	3%	1%
	<b>Sub Total (Pit Latrine)</b>	<b>4%</b>	<b>8%</b>	<b>11%</b>	<b>14%</b>	<b>16%</b>	<b>15%</b>	<b>7%</b>
3	Other Latrine							
a	Night soil disposed into open drain	1%	1%	1%	1%	0%	0%	1%
b	Night soil removed by human	0%	0%	0%	0%	0%	0%	0%
c	Night soil serviced by animals	0%	0%	0%	0%	0%	0%	0%
	<b>Sub Total (Other Latrines)</b>	<b>2%</b>	<b>2%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>2%</b>
	HHs with latrines within premises (1+2+3)	86%	79%	75%	69%	65%	67%	81%
II	No Latrine within the premises							
1	Public Latrines	7%	6%	4%	4%	4%	4%	6%
2	Open Defecation	7%	15%	21%	27%	31%	30%	13%
	HHs with no latrines within premise(1+2)	14%	21%	25%	31%	35%	33%	19%
	Total number of households (I +II)	100 %	100 %	100 %	100 %	100 %	100 %	100%

Source: Analysis of Census 2011, IHS 2014.

### *Differential Impacts of Access to Sanitation*

The primary and most severe impact of inadequate access to sanitation is premature mortality. A study by the Water and Sanitation Program (WSP 2011) estimated that 9 per cent of all deaths in India were sanitation deaths, of which 5 per cent were due to diarrhea and 1.4 per cent due to acute respiratory infections. This is an enormous burden. The study further argued that the data were most likely underestimations since they excluded an even higher

mortality burden. It is “highly likely,” the report argued, that “the poor bear a disproportionately high mortality burden due to inadequate sanitation.”

This burden stands alongside a deep economic impact. The study estimated the economic impacts of inadequate access to urban sanitation in India.<sup>13</sup> They found that inadequate sanitation costs equivalent to 6.4 per cent of **India’s GDP. Disaggregating this number, we find a particular pattern. Urban** households in the poorest quintile bear the highest per capital economic losses due to inadequate sanitation, specifically Rs 1,699, which is 1.75 times the national average and, importantly, 60 per cent higher than the losses of the average urban household that stood at Rs 1,037. Rural households in the poorer quintile bear per capital losses of Rs 1000, which is 8 per cent higher than the rural average of Rs 930. In other words, not only do households in lower quintiles have poorer access, they suffer higher costs of inadequate access.

It is worth noting these differential patterns of inequality. It is often assumed that access to environmental services like water and sanitation is better in urban areas partially simply because of the presence of infrastructure and physical proximity to it. Yet presence does not imply access. The distance between them can be due to a number of factors including illegality (discussed below) as well as prohibitive costs for either connections or service delivery. What the data above suggest is that differentials in access among income classes is much more severe in urban areas than in the rural – the difference between the lowest quintile and the average is 60 per cent in the urban and only 8 per cent in the rural. This implies the need for differential strategies to address deprivation, and underscores the gap between proximity and affordable access for urban poor households (WSP 2011: 11).

### 4.3 Illegality as a Barrier to Access

We argued above that income poverty, housing poverty and inadequate access to basic services are closely linked, and that the proximity of infrastructure does not imply access to it. What data is less able to capture one of the key reasons for these strong co-relations between income poverty, poor housing and poor infrastructure: illegality and the resultant insecurity of tenure.

Tenure security can be understood as the *de facto* or *de jure* sense of security **that one will not be dispossessed of one’s home. Insecurity of tenure can take** different forms but in Indian cities, it most commonly manifests itself in the idea of ‘informality’ or ‘illegality’ of the settlement. What do we mean by ‘illegality’ of, for example, the “slum”? **One form of illegality, most commonly** associated with the settlements of the poor, typically refers to occupation of land and the building of housing which one does not own in title. Significant scholarship exists on the undisputed fact that a significant proportion of residents in Indian cities live ‘illegally,’ by occupying and building settlements

<sup>13</sup> Economic impacts were calculated by factoring in premature mortality, cost of health care, as well as productivity and welfare losses; cost of household treatment of drinking water, the use of piped water and bottled water; as well as time loss at work or school. Nearly 72% of the total costs were attributable to health costs. See WSP (2011).

on public or private land. The reasons for such occupation is equally diverse: a failure of the state to keep up to its own stated commitments in building low-income and affordable housing [Roy (2004), Bhan (2009b), Hazards Hazards Centre (2003)]; the inadequate notification of urban, residential land in planning documents that could provide space for legal housing to be built (Bhan, 2013); the skewed structure of our urban land and housing markets that makes entry into the formal housing market nearly impossible for most urban residents; the absence of sufficient investments in regional and urban infrastructure to expand settlement structure and accommodate migration as well as natural growth (HPEC, 2011), among many others.

Individual residents can also be illegal within a settlement that is itself legal. A resettlement colony, for example, is a settlement where those evicted from ‘illegal’ settlements are given legal plots of land, subject to multiple conditions. The resettlement colony is thus a legal, planned settlement. Yet residents of resettlement colonies are intended to be eternal owner-occupiers, making inhabitation by anyone other than the original allottee of the plot illegal. Studies have shown, however, that rental housing is comprises anywhere from a third to half of resettlement colonies. Renters, therefore, cannot be legal residents (Bhan & Menon-Sen, 2008).<sup>14</sup> **Let us take illegality’s** impact on infrastructure and housing in turn.

### *Illegality and Access to Basic Services in Urban Areas*

Spatial illegality will limit or prevent access to social security benefits if the **eligibility criteria defining ‘beneficiaries’ of any programme are, at least in part, determined by the legality or otherwise of their residence in the city.** If, for example, basic environmental services like water and sanitation cannot be provided by public agencies in JJ Clusters and Unauthorised Colonies because of they are considered to be illegal settlements by the Master Plan, then spatial illegality becomes a key factor in preventing access to such services. In this section, we look at three ways in which spatial illegality excludes residents: (a) **de jure** exclusions; (b) the difficulty in existing on paper that results in **de facto** exclusions; and (c) cycles of evictions and resettlement.

Insecure tenure can lead to both **de jure** and **de facto** exclusions from basic environmental services like water, sanitation, drainage and solid waste management. In cities like Delhi, the exclusion is clear. The Delhi Jal Board is not obligated to ‘provide water supply to any premises which have been constructed in contravention of any law’ (Ch. 3, Section 9.1a of the Delhi Jal Board Act<sup>15</sup>). In Mumbai, under the Municipal Corporation of Greater Mumbai Water Rules, 2002, water connections can only be given “**to a group**

<sup>14</sup> Empirical work across cities of the South shows that illegal practices of inhabitation are not limited to the poor but, in fact, ubiquitous to poor and elite residents alike in constantly shifting terrains of how urban space is settled and produced (see, among others, Bayat, 2001; Bhan, 2013, forthcoming 2013; Holston, 2009). **For every “slum” occupying land, in other words, there are also “unauthorized colonies,” illegal building practices as well as irregular subdivisions and conversions of rural land that settle urban space in an equally contentious relationship with both the plan and law.**

<sup>15</sup> See here: [http://www.delhijalboard.nic.in/djbdocs/about\\_us/act.htm](http://www.delhijalboard.nic.in/djbdocs/about_us/act.htm). Accessed June 20th, 2014.

of hutment dwellers with not less than 15 members,” failing which an exceptional case has to be argued for. But more importantly, “such connections can be granted to only such hutments which were constructed though without proper permission, prior to 1 January 1995.” The exclusion therefore works through a cut-off date. A recent judicial challenge to this exclusion in the Bombay High Court has resulted in its reinforcement. Denying the petition filed by the *Pani Haq Samiti*, the Bombay High Court articulated a common fear underlying the denial of water to slum residents—**that services would make residents feel entitled to tenure security**: “you would not want to move away from that place if you have water.”<sup>16</sup>

Yet insecurity of tenure can also result in de facto exclusions through the requirements of process. Even if the Bangalore Water Supply and Sewerage Board (BWSSB) does not have de jure exclusions for households without tenure, applying for a water connection requires an application along with ‘sanctioned plan or Tax Paid Receipt’—a requirement certain to exclude many households, particularly poor households without tenure. Inclusion may also be differentiated with a distinction between what level of amenities can be provided to communities with or without security of tenure. As the BWSSB outlines, it offers “individual household connections for those with land tenure” and “community-level services such as shared metered connections” for “communities without security of tenure.”<sup>17</sup>

### *Eviction and Insecure Tenure*

Insecure tenure is both an exclusion unto itself as well as a key determinant of how (and if) settlements are able to develop and change over time. Yet insecure tenure has one additional significant impact for urban households: it makes even the fragile development gains made by poor households vulnerable to the shock of eviction. The last two decades have seen cycles of eviction and relocation heighten across Indian cities (see Bhan & Shivanand, 2013; Dupont, 2008; HLRN-HIC, 2011; Patel et al., 2002, among others; PUCL-K & HRLN, 2013). These cycles of displacement erase **a generation’s** ability to move from *kuccha* to *pucca*, from poverty to a life with dignity. The shock of eviction is a key site of the depletion of assets. Cycles of forced eviction and resettlement have multiple impacts on impoverishment. They erase existing, if vulnerable, housing that has often been built incrementally over decades thereby causing housing poverty to deepen. They create homelessness. As other sections have argued, resettlement is often merely a case of what households have described as “**permanent poverty**” (Bhan & Menon-Sen, 2008).

Studying the impact of one instance of eviction on poor households in Delhi, Bhan and Menon-Sen argued that eviction and peripheral resettlement sees a generation being prevented from development by a depletion of assets, a breaking of livelihoods, increased costs due to the distance from work and the city, increased violence, the fracturing of long-built community ties, as well as

<sup>16</sup> *Pani Haq Samiti vs Bombay Municipal Corporation*. CWP 10 of 2012

<sup>17</sup> From “Services to the Urban Poor” on the BWSSB website. Available here: <http://bwssb.org/services/>. Accessed May 12<sup>th</sup>, 2014.

large-scale dropouts from school education (Bhan & Menon-Sen, 2008). The impacts of resettlement on health and education and on access to social security and welfare are detailed in Section 5. The increasing frequency of **evictions and the failure of resettlement has prompted scholars to ask: “can the persistence of urban poverty be partly explained by such forced mobilities within cities?”** (Chandrika, 2012)

## **5. Social Security and Capabilities in Urban Areas**

We argued in the introduction to this essay that we are concerned with multi-dimensional poverty. In this section, we focus on two key aspects of non-income aspects of poverty and vulnerability: (a) social security entitlements that enable residents with lower incomes to access the components of a dignified urban life through the provision of public goods; and (b) the particularly urban nature of impacts of income poverty in three capabilities—health, education and food security. We argue that not only are the dimensions of deprivation particular in urban areas, but the potential to avail of publically sponsored social assistance is also severely skewed.

### **5.1 What are urban residents entitled to?**

Public social assistance for the poor in urban areas has historically consisted of far fewer programmes and schemes than in rural areas. Many interventions including old age pensions, stipends for widows, and healthcare options were first designed for the rural poor, but more recent examples include the National Social Assistance Programme (NSAP), National Rural Healthcare Mission (NRHM), the and National Rural Livelihoods Mission (NRLM). The Below Poverty Line (BPL) card, the gateway to so many social assistance schemes, is based on a census that for over two decades was designed and conducted by the Ministry of Rural Development.

Urban areas did not have a comparable, systematic census to determine access to schemes intended exclusively for BPL households prior to the Socio-Economic Caste Census in 2011 (Government of India, 2012), the operationalisation of which remains incomplete.<sup>18</sup> In the absence of these procedures and programmes, in several states, it is the Ministry of Rural Development that delivers benefits in urban areas. Intervening in urban areas is not the main thrust of these programmes, making them more of an afterthought. This has begun to change. Since the twelfth plan, there are many new programmes that are coming up in urban areas yet many seem to mimic rural interventions. It is important to investigate whether they are giving due consideration to how deprivations uniquely manifest in urban areas, and the existing social infrastructure.

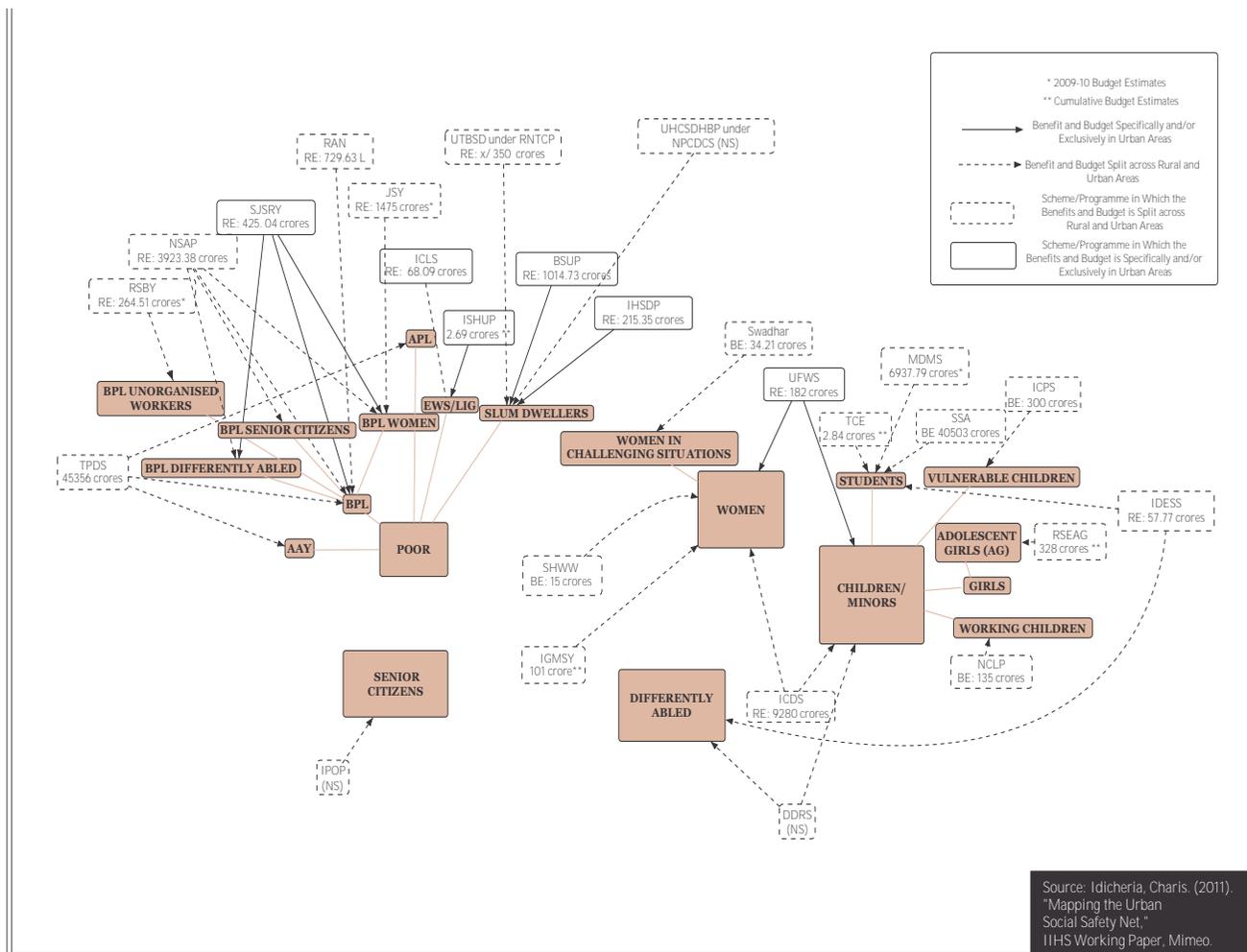
So what are rural and urban residents entitled to? Figures 23 and 24 map the current imagination of vulnerable groups from the perspective of social security entitlements. The difference in urban and rural entitlements is

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<sup>18</sup> Thirteen states and UTs are yet to publish any results; 21 have draft results; and none are finalised. See [www.secc.gov.in](http://www.secc.gov.in). Accessed June 20th, 2014.

evident even as the multiplicity of schemes and ministries make it difficult to clearly demarcate social safety nets and intended beneficiaries.

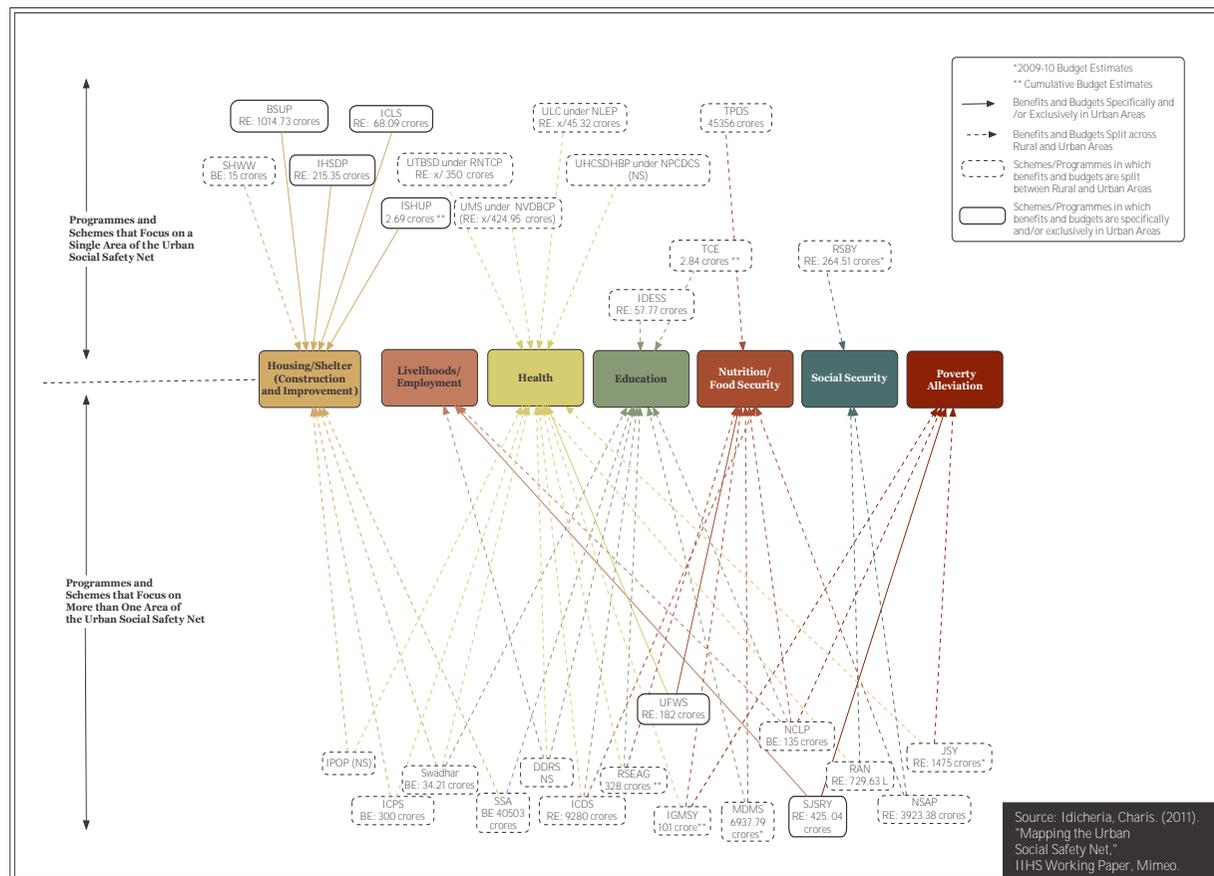
Figure 23 Social Security Entitlements - I



Source: Idicheria, Charis. (2011). "Mapping the Urban Social Safety Net." IIHS Working Paper, Mimeo.

**Figure 24 Social Security Entitlements - II**

Mapping the Urban Social Safety Net: Programmes and their Operational Themes



Source: Idicheria, Charis. (2011). "Mapping the Urban Social Safety Net." IIHS Working Paper, Mimeo.

[61]

Social Safety Nets

## 5.2 Health

It is beyond the scope of this section to discuss the complexities of urban health in detail. Like other sections in this report, our focus is on looking at the relationship between income poverty and urban health on the one hand, and to assess whether urban health outcomes are shaped by their location. We find three important patterns: (a) particular patterns of morbidity in urban areas; (b) inequality across income classes within cities; and (c) particular patterns of care-seeking behavior.

Urban areas tend to fare better than rural areas in most health indicators (see Annexure 1). Yet causes of mortality tend to be markedly different in urban areas, as Table 5 below shows.

**Table 5: Mortality in Urban and Rural Areas<sup>19</sup>**

	Cause	Male	Female	Total
<b>RURAL</b>				
1	Cardiovascular diseases	18.2	15.1	16.8
2	COPD, asthma, other respiratory diseases	9.5	8.3	9.0
3	Diarrheal diseases	7.3	10.7	8.8
4	Perinatal conditions	6.9	6.7	6.8
5	Respiratory infections	6.0	7.6	6.7
6	Tuberculosis	7.3	4.7	6.1
7	Malignant and other neoplasms	5.1	5.6	5.2
8	Senility	4.1	6.3	5.1
9	Unintentional injuries: other	5.4	4.5	5.0
10	Symptoms signs and ill-defined conditions	4.7	5.1	4.9
<b>URBAN</b>				
1	Cardiovascular diseases	30.3	26.3	28.6
2	Malignant and other neoplasms	7.5	8.5	7.9
3	COPD, asthma, other respiratory diseases	8.1	6.7	7.5
4	Tuberculosis	5.9	4.5	5.3
5	Senility	3.4	7.4	5.1
6	Diarrheal diseases	3.9	6.1	4.8
7	Unintentional injuries: other	4.1	4.7	4.4

<sup>19</sup> Source: (Government of India, 2013b)

8	Symptoms signs and ill-defined conditions	4.0	4.6	4.3
9	Digestive diseases	5.0	2.5	3.9
10	Respiratory infections	3.0	4.5	3.7

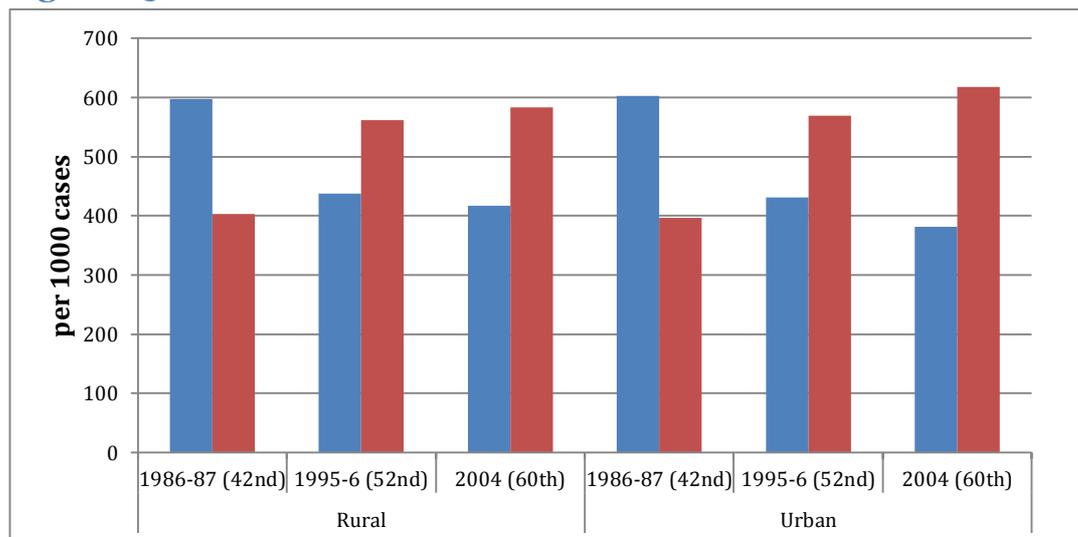
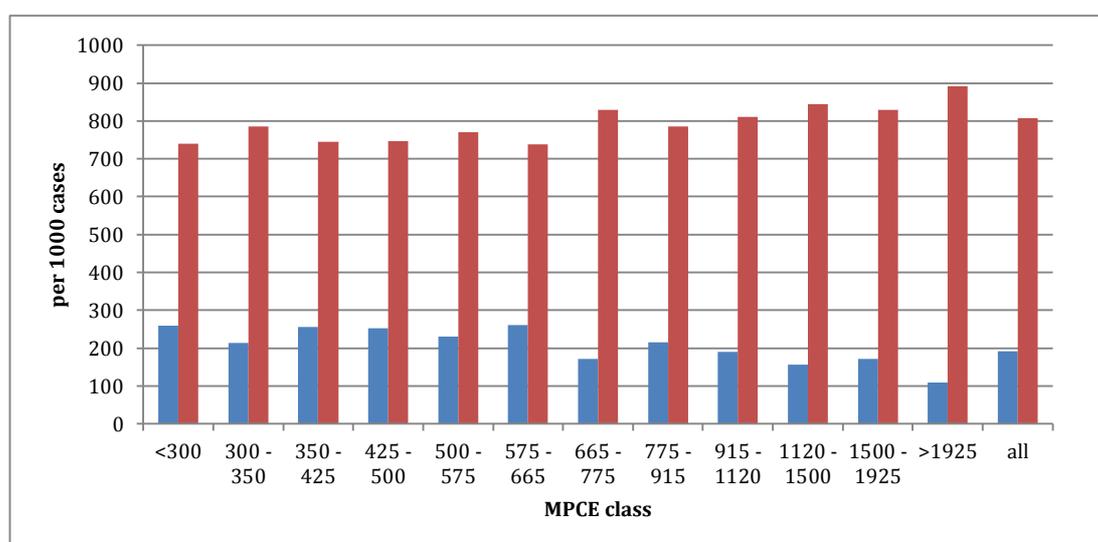
Another way to read this difference is in the incidence of ailments recorded in hospitals between rural and urban areas (See Annexure 1). In contrast to the other diseases, hypertension, kidney diseases and malaria are more prevalent in urban areas. Mosquito borne diseases such as malaria, in particular, have been on the rise in urban areas. In its Annual Report to the People on Health, the Ministry of Health and Family Welfare (2011) attributes an increase in dengue and chickungunya cases to rising urbanisation and poor systems of water and solid waste management<sup>20</sup>.

Within urban areas, studies indicate that the urban poor have worse health outcomes in comparison to the rest of the urban population. In an analysis of health indicators across eight states, Agarwal (2011) shows that the poorest quartile fares significantly worse on indicators of child health— under five infant mortality, immunisation rates and stunting—in comparison to the rest of the urban population. The same can be said for important maternal healthcare indicators. Poor sanitation is proven to have extremely adverse health effects, with the urban poor having less access to safe and clean water and sanitation services. As Section 5 argued, some studies estimate that 9 per cent of all deaths can be attributed to inadequate sanitation (WSP 2010) with the urban poor bearing the highest burden of this mortality and its related morbidity.

An in-depth study of eight cities as part of NFHS-3 (2009a) further shows that stunting is twice as prevalent among children in the poorest households in Chennai and Hyderabad. Poor men and women in urban areas are also disproportionately thin and have high rates of anemia. Both of these are significantly linked to nutrition, which will be discussed in the following section. These patterns may just be the tip of the iceberg—there is very little public data that focuses on the particular disease burdens of the urban poor. Most scholarship also remains confined to inter-city comparisons, with little information on broad urban trends, particularly in small and medium towns.

Where urban and rural differences are sharpest, however, is in the difference in care-seeking behavior. Across India, there is a movement away from public hospitals, with more people frequenting non-government hospitals. Figure 25 shows how this shift has been particularly pronounced in urban areas, arguing that the urban poor are more likely to visit a private healthcare institution than the rural poor across income classes (Figure 26, below).

<sup>20</sup> The report notes that the diseases need to be combatted in urban, peri-urban and rural areas. Urbanisation and poor systems of water and solid waste management, are, however presented as the causes.

**Figure 25 Source of Care: Rural vs Urban<sup>21</sup>****Figure 26 Source of Care within Urban MPCE Classes<sup>22</sup>**

These trends have major implications for both affordability and equity in healthcare options for the urban poor. Across the largest twenty states, treatment at private hospitals is three times as costly as public hospitals in urban areas, and twice as high in rural areas (See Annexure 1). For 2004–05, Balarajan et al (2011) estimated that about 8.4 million people in urban areas fell into poverty because of out-of-pocket (OOP) health related expenditures, without taking into consideration the financial strain of those who were already living below the poverty line. High OOP also acts as a deterrent against seeking health care in formal institutions. Out of total spending on healthcare expenses, household OOP expenditure is 62 per cent. Out of this, 38 per cent comes from urban households (Government of India, 2011).

<sup>21</sup> Source: NSSO 60<sup>th</sup> Round

<sup>22</sup> *ibid*

The diminishing usage of public healthcare facilities brings up significant equity concerns. In analysing 2004–05 NSSO data, Prinja et al (2013) find that the use of government hospitals in urban areas is more horizontally equitable, i.e. patients with the same conditions receive equal treatment. Private hospitals were found to be more inequitable in both rural and urban areas across states, with widely differing treatment regimes for similar illnesses.

Public healthcare initiatives in urban areas have been fewer and have received far less funding than rural areas. The National Rural Healthcare Mission (NRHM) was established eight years before the National Urban Healthcare Mission (NUHM), which remains only at a policy announcement stage. Many benefits in urban areas are delivered through rural programmes. The NRHM operates some specific programmes through the National Vector Borne Diseases Programme in urban areas such as the Urban Malaria Scheme in 131 towns, covering a population of 130.3 million as of 2011, and special interventions for dengue and chikungunya (Government of India, 2012–13). As indicated above, these are illnesses that are very prevalent in urban areas.

Even as it is rolled out, the NUHM will only be operational in towns with populations that are over 50,000. Smaller towns will come under the purview of the NRHM. Prior to the NRHM, smaller towns were severely under-serviced, and relied mostly on PHCs. In the early 2000s, however, only 4 per cent of all PHCs were located in urban areas, which roughly translates into 1 PHC per 1.5 lakh urban residents (Siddarth Agarwal & Sangar, 2005). The rationale for assigning responsibility of small towns that have been largely unreached by rural initiatives before thus remains questionable.

The difference in health initiatives, service delivery mechanisms, financial incentives and benefits work against the larger goals of universal healthcare stated in the twelfth plan, and the National Health Mission, under which fall both NRHM and NUHM. This vision will require a significant financial investment. The High Level Expert Group on Universal Health in India (Planning Commission, 2011b) recommends that public expenditure on health should increase from the present allotment of 1.2 per cent of the GDP to 2.5 per cent in 2017, and 3 per cent by 2022. In addition to increased budgetary allocations, universal healthcare in urban areas must contend with existing issues of poor and insufficient public healthcare options; a better understanding of affordability in urban areas; as well as the specific health issues faced in urban areas, especially for the urban poor.

### **5.3 Education**

The establishment of the Right to Education (RTE) implies that education is one of the few entitlements that have legal and constitutional protection across urban and rural India. The census of India shows a significant increase in literacy rates in urban areas for those over 7 years of age, driven in large part by the increase in female literacy. Another positive indicator is a decrease in the proportion of school-going children who are part of the ‘never enrolled’ category. It currently stands at 12 per cent for ages 5–29 in urban areas,

compared to 29 per cent in rural areas. A further disaggregation of the age groups shows smaller proportions in higher age brackets of those who have never been enrolled in school. A recent country report on SAARC Development Goals attributes this to rising enrolment rates over the past 20–30 years (Government of India, 2013a).

**Table 6 Literacy Rates for 7+ years<sup>23</sup>**

Demographic		Census Year	
		2001	2011
Rural	Male	70.7%	77.15%
	Female	46.13%	57.93%
	Persons	58.74%	67.77%
Urban	Male	86.27%	88.76%
	Female	72.86%	79.11%
	Persons	79.29%	84.11%
Total	Male	75.26%	80.89%
	Female	52.67%	64.64%
	Persons	64.84%	72.99%

Despite these strides, clear inequalities persist, particularly in urban areas. Across the board, those in the lowest MPCE classes have the worst literacy indicators. The poor are also less likely to attain higher levels of education (See Annexure 1). The disparity among MPCE classes is most pronounced for post Higher Secondary & Diplomas in urban areas. Much like the infrastructure for health, the private sector is a huge service provider in urban areas. The contrast to rural areas is even greater in this sector. Table 9<sup>24</sup> points out these trends. While the RTE was enacted two years after this NSSO round, these figures are still relevant, as building up public infrastructure and equalising these proportions are long-term transformations.

**Table 7 Rural and Urban Enrollment by Type of School**

Primary		
	Rural	Urban
Government	75.60%	35.10%
Local Body	5.80%	4.50%
Private Aided	3.90%	16.10%
Private Unaided	14.30%	43.00%
Middle		
	Rural	Urban
Government	72.90%	39.90%
Local Body	5.40%	4.30%
Private Aided	9.20%	21.80%
Private Unaided	12.10%	33.00%

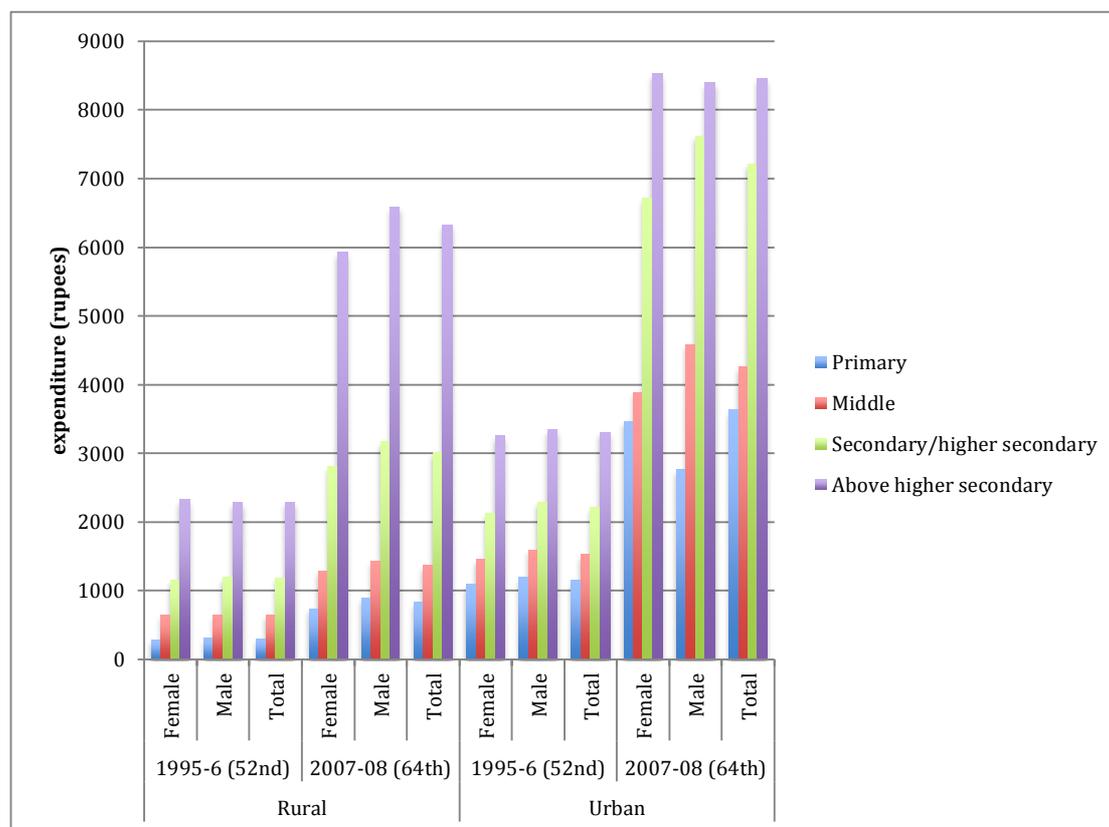
<sup>23</sup> Source: Census of India

<sup>24</sup> Source: NSSO 64<sup>th</sup> Round

Secondary and Higher Secondary		
	Rural	Urban
Government	62.40%	42.60%
Local Body	3.60%	2.60%
Private Aided	18.80%	27.00%
Private Unaided	14.50%	26.80%

It could be argued that more public sector intervention for education in urban areas is less pertinent, given that the private sector is already a large service provider. There are, however, questions of equity, particularly for the urban poor. The educational expenses of the urban poor, both as a proportion of total spending and in absolute values are higher than in rural households. According to our calculations, the poorest five RMPCE classes in rural areas spend an average of between Rs. 17.66–156.35, whereas the same classes in urban areas spend Rs. 38.29–338.25. In reference to total expenditure these amounts translate into 0.89 per cent–2.81 per cent in rural areas, and 1.32 per cent–4.47 per cent in urban areas (See Figure 26). Expenditure on education in urban areas has dramatically increased in the last twenty years (see Figure 27).

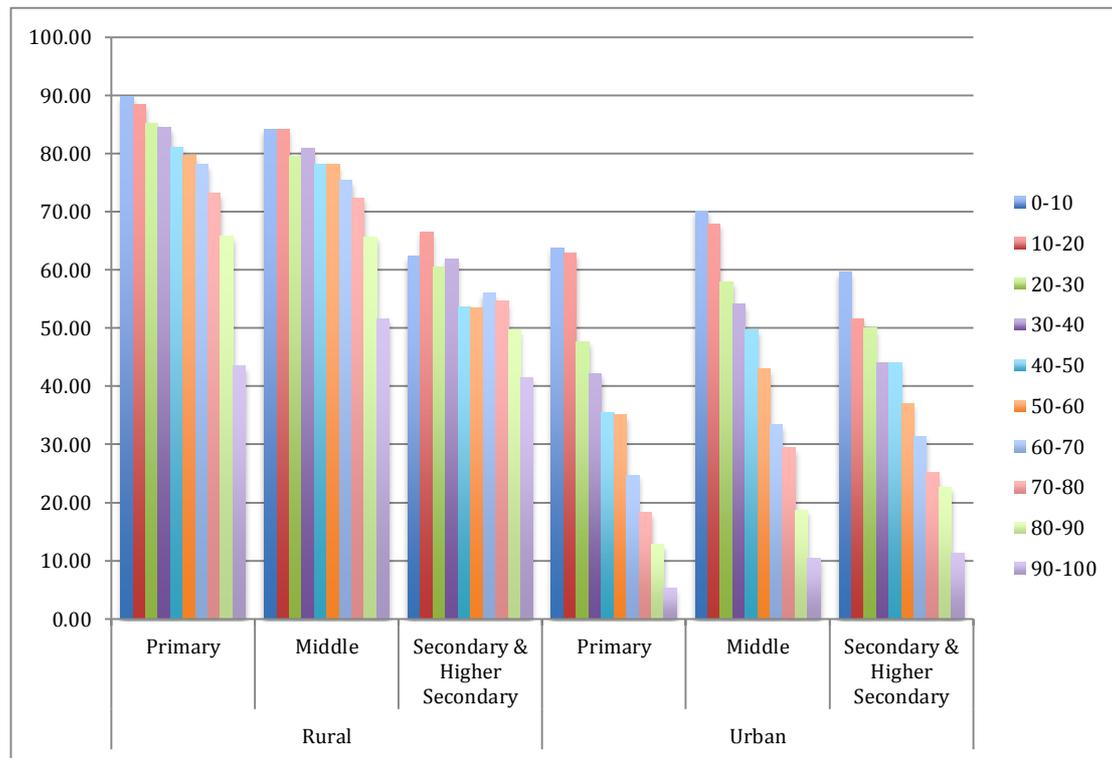
**Figure 27 Average Annual Expenditure per student of age 5–29 years by type and level of education<sup>25</sup>**



Free education for families in urban areas is much less prevalent than in rural areas (see Figure 28). It is unclear whether this trend is a function of choice or availability, but it is clear that the poor in urban areas are less likely to get/use free education, particularly at the primary school level.

<sup>25</sup> Source: NSSO 64<sup>th</sup> Round

**Figure 28 Percentage distribution of currently attending students aged 5–29 years getting free education<sup>26</sup>**



## 5.4 Food Security

Unlike health and education, food has featured quite prominently in the calculus of poverty measurement and the identification of the poor. Since the 1970s, the poverty line has been estimated on the basis of the expenditure required to procure a minimum calorie intake, which was 2400 kilocalories/day for rural areas and 2100 kilocalories/day in urban areas (P. Sen, 2005a).

Food security in urban India can be looked at in terms of access and quality. Access depends on the available sources and quantity of food, as well as the means one has to procure it. When considering sources of consumption, the NSS only does a detailed disaggregated study for rural areas. This is based on the assumption that unlike rural areas that show a noticeable share of home-grown food, the market is likely to be the singular source in urban areas<sup>27</sup>. It warrants more careful consideration, particularly if sources of food might vary across city size class.

Nonetheless, taking the assumption that the market is more likely to be the source of food in urban areas, affordability is a crucial factor. Employment conditions and income have thus been incorporated in analyses on food

<sup>26</sup> Source: NSSO 64<sup>th</sup> Round

<sup>27</sup> As reported in the 68<sup>th</sup> round of the NSS (p. 3), “The tabulation of households by source of consumption has been done for the rural sector only, in view of the fact that for the urban population, sources of consumption other than purchase play a very minor role.” Similarly, the 66<sup>th</sup> round also records home-grown stock only for rural areas.

security<sup>28</sup>, once again highlighting the importance of a multi-dimensional perspective towards poverty measurement and analysis.

As seen in Figure 29, the first five rural RMPCE classes spend about 5–7 per cent more on food as a share of their total expenditure. In absolute terms, the first seven classes spend approximately 400/- more a month on average for food than the same classes in rural areas. In urban areas, food constitutes over 40 per cent of total monthly expenditure with a significant drop to about 22.34 per cent only the 10th class.

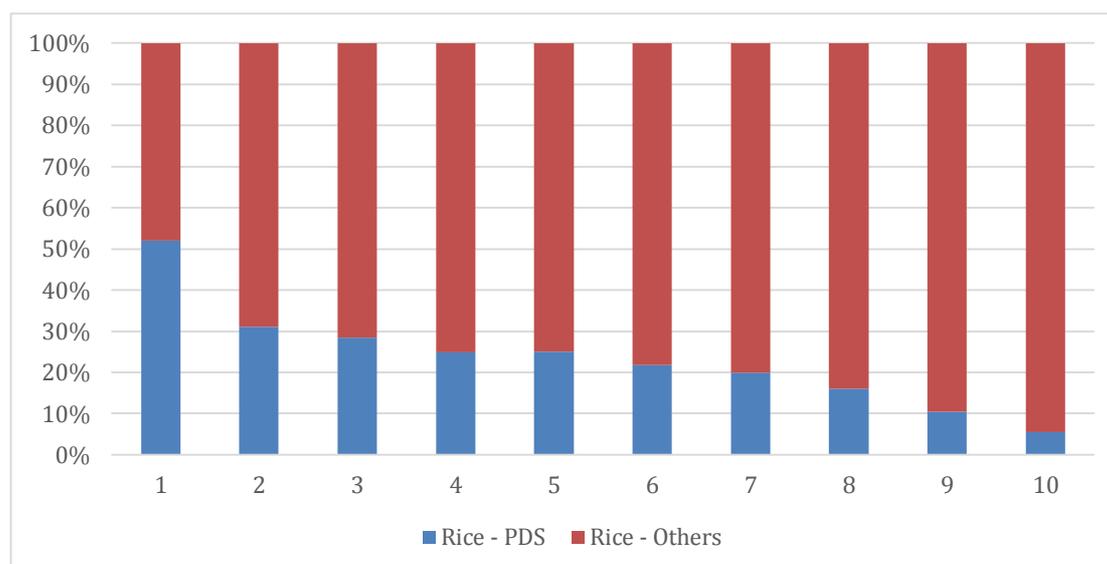
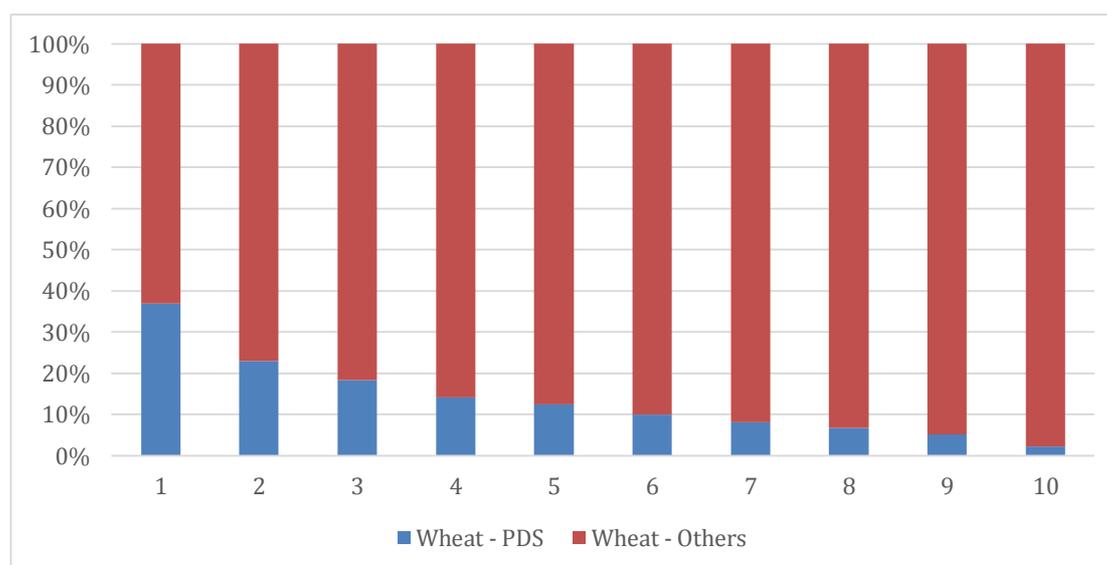
While consumption expenditure provides some information on the expense, scale and types of food, it has been criticised on many fronts. Citing **Sukhatme's study on energy norms, Srinivasan** (2007) argues that the calorie norms do not adequately account for individual differences in metabolism. There are genetic and health considerations that explain variance in metabolic outcomes that are not captured in calorie norms. Consumption itself says very little about nutrition (Angus Deaton & Dreze, 2009), and consumption expenditure much less so. Nutritional indicators illustrate rates of deprivation that are much higher than the HCR.

The share of PDS grains as a source of food has risen significantly across the country. While urban per capita rice consumption in has slightly declined from 4.71kg in 2005–05 to 4.49kg in 2011–12, per capita PDS rice consumption in urban areas has increased by 66 per cent (National Sample Survey Organisation (NSSO), 2014). In the same time period, for wheat, whereas the average urban per capita consumption of wheat has decreased by 0.35kg, the proportion of PDS grains within total consumption has more than doubled.

Figures 29 and 30 show that the share of both rice and wheat consumed is much higher in lower RMPCE classes. These proportion indicate that the PDS is a significant source of essential grains for the poor.

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<sup>28</sup> See ("Report on the State of Food Insecurity in Urban India," 2010)

**Figure 29 Share of PDS in rice consumption by RMPCE<sup>29</sup>****Figure 30 Share of PDS in wheat consumption by RMPCE<sup>30</sup>**

The PDS is crucial to understanding current public practices of food security. The public distribution of food in Indian cities can be traced back to 1939. It was first introduced by the British in Bombay as a rationing system in war and later spread to six other cities. Subsequent wars and famines provided a rationale for a universal Public Distribution System in the 1970s. Subsidised food was available to anyone with a ration card, which was issued on the basis of a viable proof of residence in rural and urban areas. States varied in the terms and extent of food provision (Swaminathan, 2003).

The Targeted Public Distribution System (TPDS) replaced the PDS in 1997, with the goal of tightening public expenditure on food subsidies. As the name

<sup>29</sup> Computed from NSSO, 68<sup>th</sup> round. See earlier methodological note on RMPCE calculations

<sup>30</sup> *ibid*

suggests, it is a targeted programme, which became available to a select group of people, determined through the BPL census. The ration card that allows access to subsidised food and fuel through the TPDS is the BPL card. Those with BPL cards received food and fuel at rates that were far more subsidised than those with Above the Poverty Line (APL) cards. In 2001, another card – the Antyodaya card—**was given to the “poorest of the poor” at even cheaper** prices than that afforded to BPL cardholders (ibid). Since 1997, food subsidies have thus become more selective, and have varied levels of eligibility with attendant implications on how food is priced. Although not the first, or last targeted programme for BPL families, the TPDS is ostensibly the most visible and long-standing one, and has come under much scrutiny and criticism.

Much of it has to do with type 1 and type 2 errors, which means that those whom the programme intended to reach were excluded, and others received unintended benefits of inclusion, respectively. For the poor, who source a significant portion of basic grains from the PDS, and with food expenditure being approximately half of their total expenditure, exclusion has grave consequences. In a targeted programme, errors of unwanted inclusion, also limit the opportunities for intended beneficiaries to acquire grains since allocations are limited. Proponents of a universal food rights are more concerned with errors of exclusion, with the question of food security being approached from a rights-based perspective (Dreze & Khera, 2010). The cost of type 1 errors, however, are more difficult to quantify than type 1 errors in targeted service delivery (Swaminathan, 2003).

The inefficiencies of targeting, specifically type 1 and type 2 errors, as well as leakages have spurred several critics to propose Cash Transfers (CTs) as an alternative to the current PDS. Kapur, Mukhopadhyay, and Subramaniam (2008) blame a lack of accountability and weakness at the level of local governance for the problems in TPDS. They argue that if the money spent on the PDS was directly transferred to households, this would amount to a monthly transfer of 500/-, which would allow families to buy the same quantity of grains (35 kg) at prevailing market prices.

With over half of the grains apportioned for the TPDS not reaching poor households, Svedberg (2012) argues that an electronic cash transfer scheme would improve targeting and reduce wastage. More of the funds allocated for the scheme would reach the poor. With less leakages, Svedberg estimates that coverage could be extended to two-thirds of the population. He also argues that in the context of a universal premise of the PDS prior to 1997, poor households acquired a very small proportion of the total grains that were sold in fair price shops. The universal PDS model prior to 1997 was thus also prone to large-scale errors of exclusion.

Drawing from examples in Latin America, Bastagli (2011) shows that while conditional cash transfers have succeeded in reaching poor households that were formerly excluded, if the transfer amounts are small, they are unlikely to make lasting changes to poverty. They do not significantly narrow the poverty gap, although results vary from country to country. Conditional CTs are also largely dependent on the terms and practices of targeting that are employed. Narayanan (2011) backs the importance of knowing the context in which CTs

have been successful. She highlights that several examples of successful CT schemes are usually offered alongside in-kind solutions as well.

While methods of service delivery can significantly influence the efficiency and effectiveness of a service delivery mechanism, the real question is deeper. CTs and the PDS are only service delivery mechanisms. They can both be conditional or unconditional, targeted or universal (ibid). We must revisit the fundamental debate on whether the underlying thrust for service delivery is one that continues to lean on targeting or one that expands to a more universal approach. The recent food security act has widened the net but has deepened the targeted approach of the public distribution system. At 50 per cent, the urban allowance is still much less than the rural allowance, and not much higher than the incidence of mal-nutrition suggested in NFHS-3. Questions of appropriate delivery mechanisms are indeed critical to the debate, but they are successive considerations.

## 6. Key Approaches to Address Urban Poverty and Inequality

### 6.1 New Empirics for Evidence-based Policy

A significant barrier to understanding and intervening in the locations discussed in this paper is that of inadequate measurement. We have analyzed the measurement of urban poverty itself in detail here. Poverty lines in India have been criticised on various fronts. The first is the inadequacy and the redundancy of using a food calorie norm to measure poverty. Calories are not wholly representative of consumption patterns, in fact it has been observed that the number of calories being consumed has fallen in spite of the increase in consumption expenditure (World Bank, 2011). This is because of a change in eating habits that is not reflected in the poverty line. The poverty line does not take into account the increased monetisation of various goods and transactions (Mitlin and Satterthwaite, 2013). Prices also vary within states and among different types of settlements in a state (World Bank, 2011). This is not taken into consideration.

One other serious drawback of the poverty line, which is drawn from NSS consumption survey estimates, is its divergence from the NAS PFCE (Private Final Consumption Expenditure) estimates. The NAS estimates in recent years are almost double the NSS MPCE (monthly per capita consumption expenditure) (World Bank, 2011). The main reason for this is the underreporting of consumption levels to a large extent by wealthier classes of people and to a small extent by the poorer classes. Ray points out one of the biggest drawbacks of the poverty line—*“Poverty lines are always approximations to a threshold that is truly fuzzy, more because the effects of sustained deprivation are often felt at a later point in time... (Poverty lines) are pointers to a deeper, less quantifiable concept.”* The consumption surveys do not capture services provided through the huge amounts of public expenditure, the poverty lines derived from these surveys do not take into account these services that are consumed by citizens (Planning Commission, 2014).

Using a multi-dimensional poverty measure allows us to move away from a simplistic consumption or calorie-based understanding of urban poverty. However, going further, this is still a static measure and not adequate for us to really understand vulnerability to poverty or movements in and out of poverty. Much progress remains to be made on measuring other variables relevant for urban poverty at the city scale such as health, migration, work, wages, fluctuations in income, expenditure on housing, and risks stemming from natural or other disasters. For instance, an in-depth study of 8 cities as part of NFHS-3 (GoI, 2009) further shows that stunting is twice as prevalent among children in the poorest households in Chennai and Hyderabad. Poor men and women in urban areas are also disproportionately thin and have high rates of anemia. Both of these are significantly linked to nutrition. This was a novel study, however, and there is very little public data that focuses on the particular disease burdens of the urban poor. Most scholarship also remains confined to intercity comparisons, with little information on broad urban trends, particularly in small and medium towns.

Currently, consumption expenditure is measured by the National Sample Survey Organisation in five-year intervals, and the samples are not large enough to draw inferences about cities other than the large metropolitan cities which are treated separately. A measurement frame is required to monitor, track, and better understand the movements of these variables in cities. For instance, not enough is known about whether people move in and out of poverty frequently, the nature of work for cyclical migrants as well as people that split work across rural and urban areas.

In addition, there is not enough data on the identification of the urban poor, even though there has been much work on measuring poverty. The Hashim Committee was the first one to carry out identification of the urban poor and to understand the characteristics of urban poverty at the national level. Most identification procedures are carried out at the state level for different schemes. There are no in depth surveys of urban amenities, behaviour patterns, nutrition levels, related to the identification of the poor and actual delivery of benefits or services.

Metrics need to be informed by the multiple ways in which urban poverty is particular and shaped by its location. How might one capture the role of space, or illegality, in a metric that attempts to measure poverty? To illustrate, how would one measure the frequency of moving due to eviction or other economic compulsions, and how might this be integrated into an aggregate measure of vulnerability? How could one capture vulnerability due to space, such as exposure to climate induced risks or risks from natural disasters?

Another dimension that is inadequately captured in existing data measurement and frameworks is embedded social and political inequality that might prevent reductions in economic inequality, or allow for increases in capabilities without necessary increases in income. Methodological innovations in a context of social inequality are equally important, such as the study of well-being of dalit communities in rural Uttar Pradesh (Kapur et al., (2010), which showed a decrease in social inequality far exceeding that predicted by consumption variables.

Finally, while gender disaggregation of data has improved in the recent past, significantly more needs to be done to see intra-household distributions in resource allocation and the pathways that influence this allocation. Restricting gender data to ‘female-headed households,’ as is often done in large public datasets, does not adequately address the gender dimensions of urban poverty.

## 6.2 Re-framing Urban Residence

One of the key arguments of this report has been to argue that spatial illegality that defines urban residence for a significant set of urban residents presents a key barrier to addressing urban poverty. It does so through impacting access to basic services (Section 5), rendering housing vulnerable to eviction and resettlement (Section 5), as well as creating de jure and de facto exclusions from social security and welfare entitlements (Section 6). Given the significant presence of illegality in Indian cities, how do we engage with this issue?

A key approach to addressing urban poverty, therefore, must be to shift to a more universal definition of ‘residence that allows urban residents to access infrastructure, housing and social security entitlements. Elsewhere, one of the authors of this report has proposed precisely such an approach based on the Intent to Reside (Bhan, Goswami, & Revi, 2014). We briefly summarise this approach here as a key element in an integrated and effective approach to addressing multi-dimensional urban poverty.

The Intent to Reside approach (ITR Approach) argues for embracing universal entitlements through evidence of an *intention* to reside in the city that includes residents at an early stage of this residence. The ITR approach is, in a sense, the antithesis to the cut-off date. Rather than asking residents to prove that they deserve to be included as urban residents by surviving for years in the city, it includes them from the very beginning. It attempts at being more mindful of errors of exclusion within a context of universalisation and in real situations where operationalisation and implementation of services are themselves premised on conditions and modes of residence.

The ITR Approach has constitutional, legal and policy precedents. The approach takes from Supreme Court judicial history, constitutional interpretations as well as policy frameworks like the National Population Register as well as the emergent framework of the UID, to suggest that residents that can provide one of an expansive set of proofs of identification that show a presence in the city for a period of six months. This can be read as **what the Supreme Court has called the ‘proof of an intent to reside’ that acts**, in our proposed approach, as an initial criterion for eligibility for access to urban social security, basic environmental services and infrastructure, as well as housing.

Operationalising an inclusive notion of ‘residence’ is an indispensable part of making the income-poor urban residents equal citizens and possible preventing the inter-generational reproduction of their impoverishment. In the short run, it is an attempt to overcome unwieldy requirements of

minimum cut off dates and current policy exclusions on providing such services. It is an acknowledgement of the difficulties faced by implementing agencies, reflected in jurisdictional issues and claims over residence, but offers a much lower floor to operationalise these provisions, based on the Constitutional framework of guaranteed fundamental rights. In the long run, it may well be that the ITR approach takes the long road towards affirming a broader set of rights to housing, social security and basic services in the long run in a framework where they all reinforce one another in letter and spirit.

### 6.3 Universal access to basic services

The ITR approach will act most effectively within our next proposition—the universalisation of access to basic services for all urban residents. Slow but steady progress has been made in this direction. Improvements in access to and the quality of basic environmental services are both critical ends to introducing poverty, reducing vulnerability in housing, and significantly improving human development outcomes.

How can we build an entitlement framework that not just enables but mandates and requires the universal provision of access to environmental services in urban areas? There are two considerations within this. The first is to establish priority of resource allocation to expand existing infrastructure to areas with greater need. The second is to remove *de facto* barriers to accessing infrastructure, in particular, spatial illegality.

We argued above that housing illegality marks a majority of urban residents in Indian cities and that one of the critical implications of this illegality is in the role it plays in preventing access to basic environmental services (Section 5). Indeed, the deep divisions in access to these services in Indian cities often follow a geography of illegality. Until even a decade ago, municipalities and utilities were, in fact, prohibited to provide services to either ‘slums’ or the **many variants of “unauthorised colonies.”**

A critical foundation for an entitlement framework, therefore, must be to remove the barrier that illegality presents to universal access to basic environmental services. This is a complicated proposition—insecurity of tenure and the threat of eviction looms large over the same settlements that suffer the strongest deficiencies in access to basic services. Yet some policy frameworks in India have begun to recognise that denial of basic services is untenable despite illegality especially if it impacts a significant proportion of urban residents. It has, in other words, begun to speak of basic services as entitlements of all urban residents.

The Jawaharlal **Nehru Urban Renewal Mission (JNNURM)**, India’s largest urban programme, frames its policies on the Basic Services to the Urban Poor (BSUP) as following. **The BSUP seeks** “to ensure universal and equitable access to basic services for all urban dwellers, *including slum residents who may be living in non-notified, irregular or illegal settlements*, by connecting these areas to municipal services, i.e., water supply, toilets, waste water disposal, solid waste disposal, roads, power, etc.” (Ministry of Urban Development, undated: 5–6) This process, ideally, the Ministry argues, should

work through granting of tenure and titles. In other words, ‘slums’ must be given some form of legal tenure and then services can follow. However, critically, ‘since the process of granting land tenure will take time, notification can help to include currently excluded/non-notified settlements for provision of services.’

Yet, in spite of such an inclusive formulation, what remains of concern is that it acknowledges the distinction between what could be termed legitimate access to services for notified slums and its counter—namely illegitimate access for non-notified ones—even as it encourages more widespread and easier notification. Rather than arguing that all urban residents, *regardless of the legal tenure of their settlement*, should have access to water and basic environmental services as a right and entitlement, the BSUP nevertheless **imagines and ensures a degree of ‘built-in legitimacy’ by underlining a process** by which slums are first ‘notified’ by the appropriate governmental authority after which they become eligible for services. What this leaves unsaid, therefore, is that until such ‘notification,’ large numbers of residents remain in non-notified JJ Clusters. The Census 2011 data is a timely reminder of the fact that the category of ‘identified’ slums that have no notification or recognition by a public authority are 37 per cent of all slums in the country, and are the largest of the three categories of slums (Registrar General, 2011b)

This gap will hopefully, reduce over time. Yet there is no way of knowing how long this time frame is. Further, if JNNURM, (a mission with a fixed time frame tied to a particular elected Government), ceases to function, then no legal and binding principle has been put in place that ensures that this **framework to provide services despite spatial illegality or BSUP’s commitment** to expanding notification en route to some kind of tenure, will last beyond the scheme or into another **Government’s** political priorities.

There are stronger formulations. The National Urban Sanitation Policy (NUSP) is much more explicit:

“Every urban dweller should be provided with minimum levels of sanitation, *irrespective of the legal status* of the land in which he/she is dwelling, possession of identity proof or status of migration. However, the provision of basic services would not entitle the dweller to any legal right to the land on which he/she is **residing**” (Annexure I, p. 13; *Italics added*).

The Rajiv Awaas Yojana, the Ministry of Housing and Urban Poverty **Alleviation’s flagship shelter programme, is similarly explicit. Aimed at those** who are forced to live in extra-formal spaces and in denial of right to services and amenities available to those with legal title to city spaces,’ it makes it clear that the programme will ‘bring all existing slums, *notified or non-notified*’ into its fold. In principle, then, RAY becomes the first and closest policy articulation to a Right to Shelter that we have (Ministry of Housing and Urban Poverty Alleviation, undated: 2).

Yet these are programmes, policies and missions. Entitlement frameworks must be located more firmly to survive different governments and their policy frames. The principle of universal access, therefore, must be enshrined within

acts that define the constitution, aims and scope of work of urban authorities responsible for delivering environmental services: municipalities, public utilities and local governments. Certainly, as policies embrace universal access, it strengthens claims for constitutional, legislative and legal inclusion and confirmation of such access. As the acts, rules and procedures for municipalities, planning authorities, para-statal such as slum development boards and housing boards, and, critically, public utilities, alter, an entitlement regime for this aspect of adequate housing builds itself even in the absence of a larger right to adequate housing.

#### **6.4 Employment centered growth**

We argued in this essay that neither of the two dominant approaches of poverty reduction—trickle-down effects of economic growth accompanied by trickle-down or redistributive transfers—sufficient to achieve a paradigm that genuinely improves lives for the urban poor while simultaneously maintaining economic growth. What could bridge the gaps within these two approaches is a focus on work and livelihoods as an explicit strategy for poverty reduction in urban areas.

Such an approach implies specific policies and schemes that are targeted towards generating growth and improving productivity in the labour intensive sectors of the Indian urban economy. While the most rapid growth in the past two decades has been in the services sector, a focus on manufacturing is important for expanding employment for a large number of workers with low education or skill levels. The approach paper to the Twelfth Plan (Planning Commission, 2011a) as well as the new National Manufacturing Policy of 2011 are also focused on this goal and identify the following as employment intensive industries: textiles and garments, leather and footwear, gems and jewelry, and food processing industries.

However, these also happen to be industries with a high degree of informalisation and casual work. Therefore, specific interventions will be required to address the quality of work, work conditions, remuneration, as well as social security entitlements for workers in these sectors. These aspects are fleshed out in more detail in the next sub-section. In addition, particular attention will have to be paid to trends of female participation in these sectors, and efforts need to be focused on putting safeguards in place to address concerns about unequal wages, workplace safety, and decent conditions of work. Integration with decent housing and shelter will also play a key role in being able to sustain worker productivity and translate gains from work into real improvements in human development.

The policy response to the challenge of employment in urban areas has been varied: the NCEUS response has focused on social security particularly for unorganised sector workers, the proposed NULM focuses on skills training for wage employment, training for self-employment, and financial inclusion through self-help group formation. ‘The Twelfth Plan, in its approach to industrial policy, refers to the establishment of National Investment and Manufacturing Zones (NIMZs) where the provision of infrastructure, the

streamlining of environmental clearances and the relaxation of labour laws would provide a fillip to manufacturing growth. If this policy succeeds in its objectives, this will provide an alternative direction to urbanisation, with industry locating in enclaves while existing cities become services based economies. Given the dismal past experience with SEZs, it remains to be seen whether the NIMZ policy will succeed and have its desired impact. A more balanced approach would be to adopt differentiated strategies for existing manufacturing hubs, for different size classes of cities, and for different regions.’ (Anand, Koduganti and Revi 2014).

What are the potential risks to enabling manufacturing growth in cities? The availability of land and water is an increasing concern, as are environmental issues, particularly in the case of polluting industries. These aspects will be dealt with in greater detail by the forthcoming IIHS-RF papers on water supply and sanitation, land, and sustainability.

Finally, policies need to be designed to address informality in the services sector, which currently accounts for the largest proportion of urban employment (Anand, Koduganti, and Revi 2014). ‘While we use the formulation of formal and informal work in this analysis, most importantly, we argue that we need to move away from this simplistic distinction and gain a more nuanced understanding of the ways in which the formal and informal economy are linked and of the ways in which the urban poor make a living and improve their well-being (Guha-Khasnobis, Kanbur, & Ostrom, 2007).’—from Anand, Koduganti and Revi (2014).

## 6.5 Imagining Urban Citizens

Citizens are made not only at the national level through constitutions and elections. Recently, theorists have argued for a new scale for the determination of citizenship: the city. Arguing that, ‘formal membership in the nation-state is increasingly neither a necessary nor a sufficient condition for substantive citizenship,’ Holston and Appadurai suggest instead that it is **cities that are “especially privileged sites for considering the current renegotiations of citizenship”** (Holston & Appadurai, 1999). Indeed, the idea of an urban citizen **has been bolstered by Lefebvre’s idea of the Right to the City** and many arguments have been made since, for considering citizenship in a denationalised way. Holston and Appadurai additionally argue that in postcolonial societies, a new generation that **creates ‘urban cultures distinct from colonial memories and nationalist fictions on which independence and subsequent rule were founded’ (Holston and Appadurai, 1999), thus arguing** for a deeper understanding of possibilities of urban citizenship in India.

What kind of citizens are the urban poor? It can be argued that the poor in **urban India have always been viewed as ‘different’ from the rest of the city. If anything has changed, it is the perception of the roles played by this ‘different’ citizen** and the extent to which their rights or claims are recognised as legitimate. If the urban poor in post-independence India were originally perceived to be ‘humble’, ‘vulnerable’, migrant workers providing legitimate services and benefiting from an independent India’s **development ideals, the**

**urban poor of more recent decades have been labeled ‘a nuisance’** (Ghertner, 2008), their presence equated with pollution (Baviskar, 2011) and their homes reduced to ‘slums’, devoid of history or structure while characterised by poverty, filth and fragility (Bhan, 2009a). Leela Fernandes talks about the **‘politics of forgetting’ where the portrayal of a rising, dominant middle class is** drawn at the expense of specific marginalised groups being rendered invisible in the national political culture (Fernandes, 2004). As the spaces of the poor are themselves re-imagined, the poor can be erased as citizens within them.

Being unable to imagine the poor as equal citizens, workers, city builders and fellow residents deeply impacts the rights and entitlements they are seen to **deserve. India’s history of poverty interventions has been largely rural, but the** fact that no urban version of NREGA exists reminds us that the poor are still imagined rurally. Being poor in our cities is like, in other words, being matter out of place. Being unable to culturally, affectively and socially feel part of the city is just as important a barrier to a dignified urban life as is the absence of employment, infrastructure or housing.

While ideas of belonging and citizenship may seem intangible from the lens of policy, they are fundamental to it. Not only does the difference between the ‘encroacher’ and the ‘worker’ shape the normative and ethical landscape of policy making them politically more or less feasible, the implementation of these policies is often critically shaped by the perception of both the recipient as well as the state. ‘Improper citizens,’ as Chatterjee once described the poor, who are not seen as worthy of the right to have rights face either de jure or de facto exclusions from policy. The stark divisions between rural and urban social security outlined above are not, in other words, simply operational, institutional and economic, the politics that underlies both their presence and absence is also shaped strongly by ideas of entitlements and rights that imagine rural and urban residents entirely differently. Until the poor urban resident is going to be seen as ‘matter out of place’ (Douglas, 1966) technical responses to reducing urban poverty and rising incomes will always remain incomplete answers to what is irreducibly also a political and socio-cultural question.

Moving forward, therefore, policy interventions will have to be mindful to create the political and cultural space for them to be successful, particularly when they address the poor. There is no silver bullet for creating inclusive urban cultures but the language, intentions and priorities of the state—read through both its discourse as well as its resource allocations—are undoubtedly a key part of shaping such a culture.

## **6.6 Integrating Urban Development and Basic Services**

Planning and investment in public infrastructure and services in urban areas has followed a path that is distinct from those in rural areas. Urban development has lagged rural investments for public infrastructure—a chapter on ‘urban development’ appeared in only the Fifth Five-Year Plan. Basic services in urban areas have been a more regular part of planning documents

since the 1980s, yet progress towards them have been slow and arguably shaped by assumptions of what urban poverty looks like.

Within urban areas, a second divide is particular—between investments in what the JNNURM calls ‘Urban Infrastructure and Governance (UIG)’ and those separated as ‘Basic Services for the Urban Poor (BSUP)’ This division is then enshrined in two separate Ministries, a point that we will return to later. Particularly over the last decade, infrastructure projects have been allotted far more funding than projects for basic services in urban areas. The difference between funding within the two main programmes itself has been noted by several scholars. For example, Kundu and Samanta describe a ‘bias against pro-poor allocations’ with ‘pro-poor’ funding amounting to Rs52 per capita in BSUP versus Rs113 per capita of allocations in UIG (D. Kundu & Samanta, 2011). The approach paper to urban issues in the twelfth plan cites the first area of intervention as ‘investment in new urban infrastructure assets and maintenance of assets’ (p. 109). Attention to the ‘basic needs of the urban poor’ featured as the fifth item out of six on this priority list.

In some ways, one can read this as a two-tiered mode of urban development. The first tier concerns the need to invest in ‘collective’ infrastructure and services, which is clearly a part of the approach adopted in the JNNURM. KC Sivaramakrishnan cites these figures as proof that the first and main goal of JNNURM is to commission development for urban infrastructure (Sivaramakrishnan, 2011). Public expenditure in these approved areas is expected to not only foster conditions to advance growth (in these ‘engines of growth’), but to also make cities attractive sites for further private investment. Central government intervention for projects of this scale was also warranted because cities are unable to command this kind of capital investment through current tax structures (Mukhopadhyay, 2006). Moreover, the required physical inputs and assets that support water supply, transport and mobility, sanitation, solid waste management and heritage to name a few, are intended to render significant positive externalities.

The second tier then has bifurcated basic services for the urban poor. Yet even here there is a challenge. BSUP and IHSDP have primarily acted as housing interventions. Other admissible components such as sanitation, solid waste management, and even street lighting are very closely linked to shelter-related amenities and expenditure on them is limited within projects. There are no separate measures to include the transport and mobility requirements of the poor, which implies that the UIG sub-mission is assumed to address these needs.

In concentrating on the housing needs of the poor rather than other forms of deprivations, slums have become the locus of infrastructure interventions in BSUP and IHSDP. While there are clear connections between slums and the likelihood of inadequate public service delivery, evidenced even in this report, the framing is symptomatic of an overarching tendency to loosely conflate, and even exchange poverty and slums. As argued in an earlier section, through such approaches, poverty outside of slums is rendered invisible to an even greater extent. Service requirements within slums are also collectivised unlike rural interventions that address the same needs, implying often that

infrastructural needs are not calculated on a per capita basis but rather as collective requirements for sites. As the next section argues, several residents within these cities are excluded from these calculations. Rural programmes for housing, sanitation and water target individual households. The same services for the poor in urban areas target slums as communal spaces of poverty which are collectively addressed by trying to provide the right hardware: a means of upgrading the slum or providing low cost housing; without having to engage the household per se.

Further the patterns of intra-city and inter-city disparities echo findings on overall poverty made in Section 2— resources are being targeted at already urbanised and better off regions rather than those where not just income, but infrastructural and housing poverty is concentrated, and where the impact of exclusions from access are far more severe. Policy approaches to urban poverty, therefore, and central missions need to re-think both their geographic foci, the priority of resource allocation as well as the geography of their interventions in order to more effectively address the particular spatial distribution of urban poverty in contemporary India.

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## Annexure I

**Table 1: Rural and Urban Health Indicators<sup>31</sup>**

Indicator	NFHS - 3	Urban	Rural
<b>Maternity Care (births in the last 3 years)</b>			
Mothers who had at least 3 ante-natal visits for their last birth (%)	50.7	73.8	42.8
Mothers who consumed IFA for 90 days or more when they were pregnant with their last child (%)	22.3	34.5	18.1
Births assisted by doctor/nurse/LHV/ANM/other health personnel (%)	48.8	75.3	39.9
Institutional births (%)	40.8	69.4	31.1
Mothers who received postnatal care from a doctor/nurse/LHV/ANM/other health personnel within 2 days of delivery of their last birth (%)	36.8	60.8	28.5
<b>Child Immunisation and Vitamin A Supplements</b>			
Children 12-23 months fully immunised	43.5	57.6	38.6
Children 12-23 months who have received BCG (%)	78.1	86.9	75.1
Children 12-23 months who have received 3 doses of polio vaccine (%)	78.2	83.1	76.5
Children 12-23 months who have received 3 doses of DPT vaccine (%)	55.3	69.1	50.4
Children 12-23 months who have received measles vaccine (%)	58.8	71.8	54.2
Children 12-35 months who have received a vitamin A dose in the last 6 months (%)	24.9	26.8	24.2
<b>Treatment of childhood diseases (children under 3 years)</b>			
Children with diarrhoea in the last 2 weeks who received ORS (%)	26.2	32.7	24
Children with diarrhoea in the last 2 weeks taken to a health care facility (%)	61.5	65.4	60.2
Children with acute respiratory infection or fever in the last two weeks taken to a health facility (%)	70.5	80.1	67.5
<b>Nutritional Status of Ever Married Adults (age 15-49)</b>			
Women whose BMI is below normal (%)	33	19.8	36.8
Men whose BMI is below normal (%)	28.1	17.5	33.1
Women who are overweight or obese (%)	14.8	28.9	8.6
Men who are overweight or obese (%)	12.1	22.2	7.3
<b>Anemia among children and adults</b>			
Children age 6-35 months who are anemic (%)	78.9	72.2	80.9
Ever-married women age 15-49 who are anemic (%)	56.2	51.5	58.2
Pregnant women age 15-49 who are anemic (%)	57.9	54.6	59
Ever-married men age (15-49) who are anemic (%)	24.3	17.2	27.7

<sup>31</sup> Source: (International Institute for Population Sciences & Macro International, 2007)

**Table 2: Incidence of ailments recorded in hospitals (Rural and Urban)<sup>32</sup>**

Per 1000 distribution of persons hospitalised by ailment		
Type of Ailment	Rural	Urban
Diarrhea/Dysentary	76	62
Gastritis	48	39
Hepatitis/Jaundice	15	22
Heart disease	43	80
Hypertension	28	32
Respiratory (inc. ear/nose throat)	35	30
Tuberculosis	30	17
Bronchial asthma	34	30
Disorders of joints and bones	25	26
Diseases of kidney/urinary system	37	49
Gynaecological disorders	52	50
Neurological disorders	32	32
Psychiatric disorders	10	6
Cataract	29	24
Diabetes mellitus	18	24
Malaria	32	63
Fever of unknown origin	79	67
Locomotor disability	13	9
Accidents/injuries/burns/etc.,	101	88
Cancer and other tumours	28	32
Other diagnosed ailments	164	166
other undiagnosed ailments	19	15
any ailment	1000	1000

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<sup>32</sup> Source: NSSO, 60<sup>th</sup> Round

**Table 3: State-wise average expenditure on hospitalisation by type of care provider (Rural)<sup>33</sup>**

	Medical expenditure by source of treatment			Other Expenditure	Total Expenditure	Loss of household income
	Government	Private	All			
Andhra Pradesh	2176	6794	5574	663	6237	805
Assam	3154	8179	4195	502	4697	1025
Bihar	4998	6949	6655	758	7413	1008
Chhattisgarh	4038	6086	5003	430	5433	711
Gujarat	2253	6789	5408	449	5857	442
Haryana	11665	7147	8006	541	8548	654
Himachal Pradesh	6035	14652	7984	883	8867	1893
Jammu & Kashmir	4463	10145	4967	698	5666	1377
Jharkand	2961	6214	4799	539	5338	1357
Karnataka	2610	7918	5800	471	6271	530
Kerala	2174	4565	3717	342	4059	431
Madhya Pradesh	3238	6185	4486	522	5008	836
Maharashtra	2243	7094	5709	451	6160	535
Orissa	3096	7713	4089	537	4625	582
Punjab	9774	13044	12132	623	12755	589
Rajasthan	5464	9540	7453	840	8294	846
Tamil Nadu	637	8360	5238	537	5775	369
Uttaranchal	5166	12544	9486	1245	10731	1224
Uttar Pradesh	7648	9169	8765	652	9417	920
West Bengal	2464	10339	4149	433	4582	386
<b>India</b>	<b>3238</b>	<b>7408</b>	<b>5695</b>	<b>530</b>	<b>6225</b>	<b>636</b>

<sup>33</sup> ibid

**Table 4: State-wise average expenditure on hospitalisation by type of care provider (Urban)<sup>34</sup>**

	Medical expenditure by source of treatment			Other Expenditure	Total Expenditure	Loss of household income
	Government	Private	All			
Andhra Pradesh	1450	13036	9197	887	10085	1650
Assam	2696	20048	10467	991	11459	1714
Bihar	30822	11807	14674	1033	15708	1566
Chhattisgarh	4244	4359	4317	337	4655	227
Delhi	3847	14065	10568	338	10906	504
Gujarat	4358	9448	8303	485	8788	649
Haryana	20372	11148	13626	618	14244	828
Himachal Pradesh	5590	23447	7649	651	8300	1607
Jammu & Kashmir	4383	17822	6122	810	6931	1574
Jharkand	3716	8434	7375	602	7977	3971
Karnataka	1660	9837	7552	438	7990	790
Kerala	2600	6179	4954	247	5201	578
Madhya Pradesh	2602	8661	5772	1004	6775	968
Maharashtra	3297	11618	9776	338	10114	668
Orissa	4906	11020	6660	634	7294	713
Punjab	10323	19035	16728	807	17535	728
Rajasthan	5590	10559	7483	528	8012	692
Tamil Nadu	1666	15680	10747	559	11306	367
Uttaranchal	4083	19861	14952	513	15438	450
Uttar Pradesh	5144	10351	8907	342	9250	536
West Bengal	4312	16025	8715	510	9224	529
<b>India</b>	<b>3877</b>	<b>11553</b>	<b>8851</b>	<b>516</b>	<b>9367</b>	<b>745</b>

<sup>34</sup> ibid

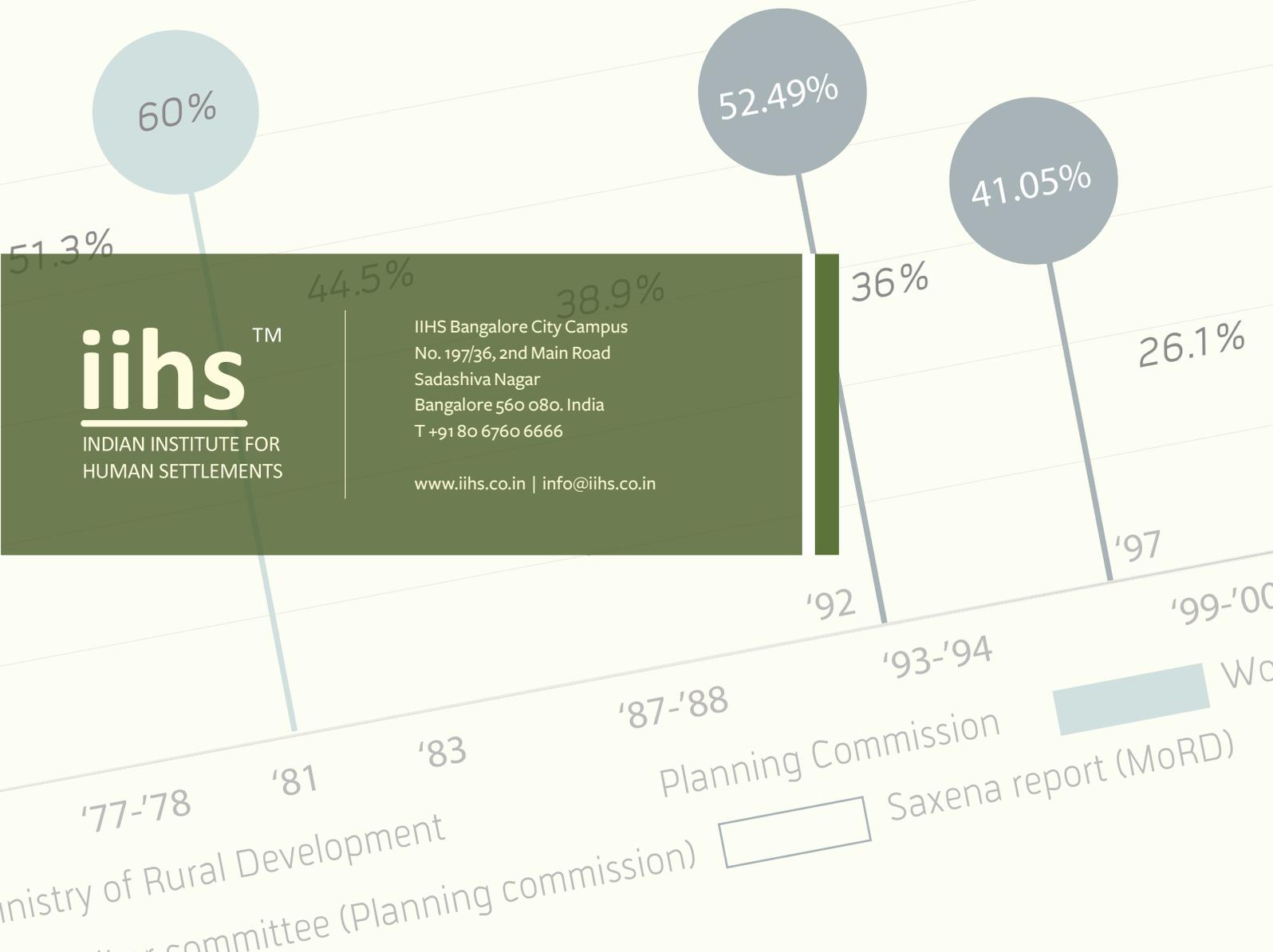
**Table 5: Percentage distribution of persons of MPCE decile classes by completed level of education (2007-08) All-India<sup>35</sup>**

RURAL								
MPCE	Not literate	literate but below primary	primary	middle	secondary	Higher Secondary	post Higher Secondary & diploma	
0-10	51.2	23.8	14.1	6.8	2.7	1.1	0.4	
10-20	48.7	22.3	15.3	8.5	3.2	1.4	0.6	
20-30	45.9	22.3	16.7	9.3	3.7	1.5	0.7	
30-40	43.9	21.8	16.3	10.5	4.8	1.9	0.8	
40-50	42.1	20.7	17.2	11.2	5.5	2.2	1.1	
50-60	40.3	20.2	17.4	11.8	6.3	2.6	1.4	
60-70	37.8	19.4	17.7	13.5	6.9	3	1.7	
70-80	35.6	18.3	17.7	14.2	8.2	3.5	2.5	
80-90	32.1	16.4	17.3	15.1	10.1	5.5	3.4	
90-100	22.8	13.1	15.7	16.9	14.1	8.3	8.9	
URBAN								
MPCE	Not literate	literate but below primary	primary	middle	secondary	Higher Secondary	post Higher Secondary & diploma	
0-10	41.7	21.5	16.4	11.2	5.6	2.3	1.5	
10-20	36.7	20.3	18.2	12.2	7.3	3.2	2.1	
20-30	30.9	19	17.6	14.1	9.9	5	3.5	
30-40	27.6	17.9	17.6	16	10.8	5.3	4.7	
40-50	24	16.8	17.7	16.5	12.3	6.5	6.2	
50-60	20.5	15.3	16.9	16.8	13.9	8.1	8.5	
60-70	16.6	14	15.8	16.5	15.6	10	11.5	
70-80	13.2	11.6	13.1	15.2	17.6	12.2	17.1	
80-90	10.5	10.4	10.9	14	16.5	14.1	23.5	
90-100	6.9	6.9	7.5	8.2	14.6	13.9	41.8	

<sup>35</sup> Source: NSSO 64<sup>th</sup> Round

# RY OF POVERTY COU

There have been many estimates of the number of poor in this country. The most widely cited is that of 51.3% in 1977-78, as estimated by the Planning Commission. The Planning Commission's approach to counting the poor is based on the 'who' approach, which identifies the poor to know "who" the poor are. Other approaches to count the poor have produced a



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