



Analysis of Urban Poverty Alleviation Trends (UPAIs) till JNNURM

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Abstract: *The paper attempts to analyze the Urban Poverty Alleviation Initiatives since independence, and some of the trends of the implemented reforms. Causes and manifestations of urban poverty move in a cyclical pattern one form of deprivation giving rise to another. Further, neo-liberal policies of the national and state governments have worsened the situation for the urban poor. India is not an exception to this trend. Though, government statistics projects improved the performance of states in addressing problems of the urban poor; ground realities are different. Urban Poverty Alleviation Initiatives by the government have not addressed the issues of the urban poor. Poor planning, designing and delays in implementation have not improved the situation. Early policy regimes in the initial decades of independence accommodated the urban poor in the city. However, the neo-liberal urban policy regimes are pushing the urban poor to the peripheries and making their survival still more difficult. Urban planning has long been centralized in India. The JNNURM is not an exception. Like the previous urban reform strategies, it was also a top-down strategy, almost denying any significant role for States and ULBs.*

Key Words: *Urban Poverty, Empowerment, Community participation and Alleviation of poverty.*

Urban Experts classify the Urban Poverty Programmes of the central government mainly into three waves, Housing, Welfare, and Credit and Employment. Starting with the Community Development Programme and Twenty Point Programme till the Housing for All by 2022, the schemes include three waves. Ramesh Ramanathan in his book *Urban Poverty Alleviation in India*, (Vol. I), analyses all three waves and points out some common drawbacks in almost all the programmes. In the first wave, the schemes attempted to construct or repair houses for industrial workers and slum residents by advancing credit at subsidized rates. Next, slum clearance and improvement

were emphasized. In the Second Wave, the emphasis was on providing physical or social infrastructure; and schemes for improving nutrition and employment generation were popular. In this wave, the programmes were multisectoral, providing health, education and training. The Environment Improvement of Urban Slums (EIUS) was a big leap forward. More focus on minimum needs and basic needs began. The 74th Constitutional Amendment Act mandated decentralized government, allowing urban local bodies and communities themselves, to become more involved in urban poverty alleviation. The third wave consists of Credit and Employment Schemes like the differential rate of interest schemes,



national and state level schemes for income generation, skill training or access to capital for the urban poor to start their micro-enterprises. The same book highlights some of the drawbacks of the Urban Poverty Alleviation Initiatives at the pre-design, design and implementation level.

In most of the urban reforms it is believed that the poor live only in slums, the official poverty alleviation reforms were to address housing and other needs of slum-dwellers. The Subsidized Industrial Housing Schemes (SIHS) was started in 1952. It provided subsidies on house construction costs to industrial workers, with the cooperation of their employers, who were also encouraged to build townships and construct houses for their workers. Since the majority of the urban poor could not be covered by the SIHS, a separate housing scheme was started for Economically Weaker Sections (EWS) in the same year and the Low Income Group Housing Scheme (LIGHS) was started in 1954.¹

In 1956, the government introduced the Slum Areas Improvement and Clearance (SAIC) programme in six major cities. The Urban 20-point Programme (20PP) started a trend of merging housing schemes with other schemes like education, sanitation and water supply in larger programmes. Nehru Rozgar Yojana Scheme for Employment through Housing and Shelter Upgradation (NRY-SHASU, 1989), Prime Minister's Integrated Urban Poverty Eradication Programme (PMI-UPEP, 1995), National Slum Development Programme (NSDP, 1996), Valmiki Ambedkar Malin Basti

Awaz Yojana (VAMBAY,2001), followed the trend of housing component.

The first welfare programme for the urban poor started in 1958, The Urban Community Development (UCD) Programme, which was similar to the community Extension Block Scheme being implemented in the rural areas. This was the first programme to be targeted towards children, women and young people in the urban areas. It was a comprehensive programme that included immunization, preschool classes for children, income generation activities for women, typing, and auto rickshaw driving and training for youth. The Environmental Improvement of Urban Slums (EIUS) programme started in 1972 and focused on improving physical infrastructure and improving living conditions. This programme legitimised squatter settlement, even if they were on public land. A large number of programmes related to urban poverty were later subsumed into the Minimum Needs Programme (MNP). At the behest of the National Commission on Urbanization, some principles of MNP were added to the Urban Basic Services (UBS) programme; which was later re-launched as Urban Basic Services for the Poor (UBSP). The schemes related to subsidized loans for self-employment and vocational training began after 1980. Nehru Rozgar Yojana (NRY), Urban Basic Services for the Poor (UBSP, 1990), Prime Minister's Rozgar Yojana (PMRY, 1993), Prime Minister's Integrated Urban Poverty Eradication Programme (PMI-UPEP,1995), National Slum Development Programme (NSDP,1996) and Swarna Jayanti Shahari Rozgar Yojana (SJSRY, 1997) and the Self-Employment Programme for the Urban Poor (SEPUP) was launched in 1986. With all these programmes, there was a

¹ Supriti, Sharon M Barnhardt, Ramesh Ramanathan, Urban Poverty Alleviation in India, (Ramanathan Foundation 2002), Volume II, Bangalore, 2002, pp24-59



renewed focus on self-employment and micro-enterprises through arranging credit on easy terms from the banking sector. The schemes focused on the housing, credit and welfare needs of the urban poor. Despite all these efforts, the Urban Poverty Alleviation Initiatives suffer from the following drawbacks:²

1. Urban Poverty Alleviation Initiatives (UPIs) do not have an empowerment approach;
2. Among all the programmes, housing programmes enjoy the highest priority;
3. Improving old schemes was the most neglected aspect; the economics of urban poverty is not understood;
4. Eradicating urban poverty is a lower priority than eliminating rural poverty.
5. Community participation is being increasingly emphasized but later neglected;
6. The Programmes lack innovation;
7. Training is not broad enough to prepare beneficiaries for self-employment;
8. Programme design is beginning to include NGOs, but their role can be more robust;
9. Land use patterns are overlooked.
10. Allocated budgets are not spent; Results fall far short of expectations;
11. Information about the schemes is limited; planning and budgeting are faulty;
12. Implementing agencies do not strictly follow guidelines;
13. The focus on quantitative performance targets is too strong; releasing new or renamed schemes reduces continuity.

² Ibid

An analysis of the trends in government programmes reveals that there are significant changes at the macro level. From the Community Development Programme, these programmes have received only a small allocation in the Central budgets. For the first time, the Fifth Five Year Plan introduced a major scheme, namely the Environmental Improvement of Urban Slums (EIUS) in 1970 to improve the living conditions of the people in slums. This was later transferred to the state governments in 1974. After 1980, the trend of large-scale Urban Poverty Alleviation Programmes began. During the Seventh Plan, Urban Basic Service (UBS) was launched in collaboration with UNICEF. Later, UBSP was launched along with NRY. In 1995, PMIUPEP was launched. The Ninth Plan took the lead and launched SJSRY. In the Eleventh Plan period, JNNURM was started.

A shift from income/employment generation programmes to shelter up gradation and provision of amenities suggests that rather than treating poverty as a problem of deficiency, the basic needs of the poor such as health, education, water supply, employment opportunities and shelter are treated as important components; though not implemented effectively. In the 1970s and 1980s, the central government took the lead in financing the services programmes, but in the 1990s, the degree of financial burden was shifted to state and local governments to a large extent; which hindered the effective implementation of these programmes.

- Eight and Ninth Five five-year plans emphasized the importance of private capital institutional finance and resource mobilization through concerned public agencies; which



- later became difficult to implement.
- The subsidy amount coming from the central government is reduced in almost all recent programmes. The state governments have preferred closing of the programmes because of the discontinuation of financial support from the central government.
 - Some of the states have opted for institutional finance for the projects at high rates of interest, instead of budgetary allocations. This has impacted in terms of a lack of a pro-poor bias in the implementation of the programmes.
 - The weak financial position of the state governments and local bodies has affected the implementation of the programmes on time.
 - International Funding agencies and national funding agencies are insisting on a full cost recovery by increasing charges. Many local bodies are not able to comply with this conditionality.
 - The present trend in UPAI involving many institutional and private actors has led to the dictating of the terms by implementing agencies which undermines the basic objectives of the programmes and also excludes the urban poor groups.
 - Even the number of programmes is very low as compared to the 1980s. Most of the basic services programmes have benefitted the general public and not specifically the urban poor.
 - The existing institutions for providing these amenities lack sensitivity towards the poor, particularly the urban poor.

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

As a big push for urban reforms, the central government announced a flagship

programme, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). This Mission has been one of the significant initiatives of the Government of India, aimed at Urban Renewal, by meeting the infrastructural needs of the cities and improving the quality of life of the urban poor through a collective of projects and governance reforms. The second Sub-Mission for Basic Services to Urban Poor (BSUP) of the JNNURM was administered by the Ministry of Housing and Poverty Alleviation. The thrust of this sub-mission was on the integrated development of slums and providing basic services to the urban poor. Another component of this sub-mission was the Integrated Housing and Slum Development Programme (IHSDP).³

Impact of the reforms of JNNURM

The duration of the mission was initially seven years. The BSUP Mission began in 2006 and its term ended in 2013. Initially, it was extended for two years. To facilitate the completion of the ongoing projects, it was further extended till 31st March 2017. On completion of the Mission period, it was expected that ULBs and para-statal agencies would show expected outcomes. JNNURM envisaged a well-established and interlinked institutional arrangement to address key aspects such as policy appraisals, sanction proposals, operational oversight and monitoring and advisory support. JNNURM's Basic Services to the Urban Poor (BSUP) Mission has failed to address the phenomenon of Urban Poverty, due to shortcomings in design, insufficient attention to security of tenure, lack of

³ Government of India, Ministry of Housing and Poverty Alleviation, "JNNURM, an overview", accessed on March 2010.



adequate and qualitative basic services and lack of community participation. The planning and designing of the programme was very poor. It has been prepared without understanding the ground realities of slum life and urban poverty. The Mission suffered from a lack of an integrated approach. Issues like land, health, education and employment are handled JNNURM's Basic Services to the Urban Poor (BSUP) Mission did not succeed in addressing the phenomenon of Urban Poverty, due to shortcomings in design, insufficient attention to security of tenure, lack of adequate and qualitative basic services and lack of community participation. The planning and designing of the programme was very poor. It has been prepared without understanding the ground realities of slum life and urban poverty The BSUP Sub-Mission lacked an inclusive strategy and did not have a pro-poor approach. The expected outcomes were thus not achieved, as there was no scope for reallocation of resources or increased access to resources to the urban poor. Instead of helping the urban poor, the scheme benefitted the real estate mafia, civil contractors and profit-making ventures.⁴

Urban planning has long been centralized in India. The JNNURM is not an exception. Like the previous urban reform strategies, it was also a top-down strategy, almost denying any significant role for States and ULBs. The Mission's design ignored the need for capacity building of the ULBs. The project brought in a huge amount of money without any capacity building of urban local bodies about the effective utilization of funds.

⁴ Ibid

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