

Urban Poverty Reduction Strategies: Past, Present and Future

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Tara Ramanathan* and Paramita Datta Dey**

Abstract

This paper attempts to show the urgent need for a new and innovative strategy for urban poverty reduction. It reviews and analyzes the urban poverty situations of a few developing and developed countries as well as the Urban Poverty Reduction Strategies (UPRS) put forth in each country. Such an analysis of past strategies is crucial because major social change can occur only when there is a **willingness to recognize and learn** from past mistakes, so that they are not repeated.

In 2007, for the first time in history, the **world's urban population will exceed the rural population**. While urban growth can be seen as positive for the economy, it is actually a serious problem. As cities grow, their slum populations grow as well. The problem of urban slums has been faced at some point by almost all the major cities throughout the developing world.

While much work has been done regarding rural poverty, not nearly enough work has been focused on urban poverty alleviation. This has been a highly ignored area among most efforts despite the fact that slum dwellers have been contributing significantly to the economy of the city by being a source of affordable labor supply for production in both the formal and informal sectors of the economy. Efforts to improve the lives of the urban poor have not kept up with the rate of urbanization. Running the poor out of town-through evictions or discriminatory practices- has been proven to NOT be the answer.

According to Amartya Sen, poverty alleviation policies should expand people's opportunities to pursue their goals. While many initiatives towards alleviating poverty have been made, there has neither been a deep understanding of these initiatives nor a thorough evaluation of their impact on the target groups. In order to achieve such an understanding, organizers of a UPRS must **refrain from using loaded words** without defining them and make sure they **understand implications of such words** as: democracy, empowerment, participatory, pro- poor growth, etc.

So far governments have not made the significant amount of effort necessary to create solidarity between their work, the work of NGOs and other stakeholders putting forth UPRS. Northern Africa is the **only** region in the developing world where slum growth rates have declined significantly, mainly due to the efforts of individual governments to upgrade slums or prevent slum formation. According to the United Nations, until the other governments face this problem of urbanization with effective solutions, the **world slum population of 1 billion squatter dwellers will double in the next 3 decades**. In summary, the gap between the rich and poor will continue to increase until urban poverty reduction becomes a priority.

Keywords: Urban Poverty, Strategy, India

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Most of the information and findings contained in this paper have been taken and paraphrased from various published paper and reports. The author has cited as much of the sources as possible. Other findings are the author's own interpretations of the available publications.

I. Urban Poverty: An Inconvenient Truth

1. Global status of Urban Poverty

The immense inequality gap between the 'haves' and the 'have nots' is and has always been a reality around the world. Poverty is the state for a majority of the world's people and nations. In developing countries, where more than 1 person in 5 subsists on less than \$1 day, poverty kills, and in extreme cases people end their own lives to escape from poverty. "Half the world — nearly 3 billion people — lives on less than \$2 a day. 1 billion children live in poverty (1 in 2 children in the world). 640 million live without adequate shelter, 400 million have no access to safe water, and 270 million have no access to health services. **Less than 1% of what the world spent every year on weapons was needed to put every child into school by the year 2000 and yet it didn't happen¹.**" These are, without a doubt, some of the major causes of poverty in the world. However, there are deeper and more global causes of poverty that are not adequately discussed.

1.1 Poverty: A Global Priority?

Though we have all been aware of the widespread existence of poverty for a while, it still continues to persist in spite of all the efforts dedicated towards alleviating poverty. One of the root causes of this seemingly permanent inequality is the lack of a global concern for the poor. Since the existence of poverty does not directly affect a majority of us, we do not put much effort towards rescuing the poor. However, since poverty is a multi-dimensional problem, it requires the aid of more stakeholders than just NGOs or CBOs. In order to effectively and efficiently alleviate poverty, global stakeholders, including local and state governments, must keep poverty reduction as one of their top priorities. So far governments have not put forth the significant amount of effort necessary to create solidarity between their work, the work of NGOs and any other stakeholders putting forth Urban Poverty Reduction Strategies (UPRS). Thus, it will remain global trend for the gap between the rich and poor to rapidly widen until poverty reduction becomes a global priority.

Table 1¹ Examples of global priorities in spending in 1998

Global Priority	\$U.S. Billions
Cosmetics in the United States	8
Ice cream in Europe	11
Perfumes in Europe and the United States	12
Pet foods in Europe and the United States	17
Business entertainment in Japan	35
Cigarettes in Europe	50
Alcoholic drinks in Europe	105
Narcotics drugs in the world	400
Military spending in the world	780

¹ <http://www.globalissues.org/TradeRelated/Poverty.asp>

And compare that to what was estimated as *additional* costs to achieve universal access to basic social services in all developing countries:

Global Priority	\$U.S. Billions
Basic education for all	6
Water and sanitation for all	9
Reproductive health for all women	12
Basic health and nutrition	13

1.2 Global Poverty Status: Making Progress

Due to a fortunate shift of attention from perfume to poverty, global living standards have risen dramatically over the last decades. “The proportion of the developing world’s population living in extreme economic poverty -- defined as living on less than \$1 per day (\$1.08 in 1993 dollars, adjusted to account for differences in purchasing power across countries) -- has fallen from 28% in 1990 to 21% in 2001. Poverty also fell in South Asia over the past 20 years, and while the decline was not as rapid, almost 45 million fewer people were living in extreme poverty by 2001².”

1.3 Problem solved?

While there has been great progress in reducing poverty, the global picture masks large regional differences. Global trends in poverty reduction have been dominated by rapid growth in China and the East Asia and Pacific region. The performance in three other regions: Africa, Latin America, and South Asia; shows only moderate or no declines in the incidence of poverty, while the number of people in poverty in these regions has increased. “In Sub-Saharan Africa, an additional 74 million people joined the ranks of the poor reaching a total of 291 million in 1998. In Latin America the figure increased from 64 to 78 million and in South Asia a total of 522 million people live in poverty. Countries in Eastern Europe and Central Asia experienced an increase in both the incidence of poverty and the number of people living below the international poverty line. Here, the incidence rose from 2 % to 5 %, translating into 24 million people more in poverty³.”

1.4 Urban Poverty not being addressed

In addition, the before mentioned decrease in poverty rate ignores the detrimental impact that urbanization has had and will have on the poverty rate. In 2007, for the first time in history, the **world’s urban population will exceed the rural population**. The biggest cities are growing faster than smaller towns⁴. India’s mega-cities have the highest percentage of slum-dwellers in the country. This indicates that as big cities grow even larger, their slums will swell. By 2030 there will be 5 billion people living in cities. Cities of the developing world will make up 95% of urban expansion in the next two decades and by 2030, cities will be home to 80% of the world’s urban population (4 billion people). “Over half of the world’s urban population will be living in Asia (2.66 billion). More Africans will be living in cities than the total population of Europe (748 million). The fastest urban

² World Bank <http://www.worldbank.org>

³ World Bank http://www.worldbank.org/html/extdr/extme/G8_poverty2000.pdf

⁴ <http://www.indiatogether.org/2003/sep/pov-upairev.htm>

growth, spurred by migration from the countryside, will occur in small cities and towns of less than 1 million inhabitants.”⁴

1.5 Urbanization: A Positive change?

While urban growth can be seen as positive for the economy, it is actually a serious problem. As cities grow, their slum populations grow as well. Migration has played an important role in accelerated urban growth. Consequently, this results in transfer of rural poverty to urban areas. Rural migrants are attracted to the urban areas for economic reasons regardless of the fact that physical infrastructure in terms of housing, drinking water supply; drainage etc. is not so adequate in the cities. Cities have been the centers of economic growth. But planned urbanization has been ruined to an extent by the excessive demand for basic amenities resulting in deterioration in the physical environment. The quality of life has thus suffered due to continuing influx of migrants and, consequently, widening of the gap between demand and supply of essential services and other infrastructure in these areas. “Unchecked migration, especially, aggravates the housing problem resulting in an increase in the land prices. This forces the poor to settle for informal solutions resulting in mushrooming of slums and squatter settlements.”⁴

Availability of land for housing is another typical urban problem. Because the poor can only afford to live in places that nobody else wants, their homes are typically in areas that have no basic infrastructure, are at risk of flooding or exposed to contamination. Furthermore, many of the urban poor do not have a legal claim to the land where they live and are at constant threat of being evicted.

The problem of urban slums has been faced at some point by almost all the major cities throughout the developing world. In many Sub Saharan African cities, the slum population accounts for over 70% of the urban population. Slums in Southern Asia, Western Asia and Sub- Saharan Africa are growing as fast as the urban population. Northern Africa is the **only** region in the developing world where slum growth rates have declined significantly, mainly due to the efforts of individual governments to upgrade slums or prevent slum formation. However, until other governments face this problem of urbanization with effective solutions, the global slum population is set to grow at the rate of 27 million per year between 2000-2020⁴.

II. Urban Poverty Reduction Strategies: Developing Countries

Not NEARLY enough work has been done on urban poverty alleviation. This has been a highly ignored area among most efforts despite the fact that slum dwellers have been contributing significantly to the economy of the city by being a source of affordable labor supply for production in both the formal and informal sectors of the economy. According to the United Nations, the **world slum population of 1 billion squatter dwellers will double in the next 3 decades**. Thus, comprehensive information on the slums is essential for formulation of an effective and coordinated policy for their improvement and rehabilitation as they have not received due attention in urban planning and have remained an area of neglect. Efforts to improve the lives of the urban poor have not kept up with the rate of urbanization. Running the poor out of town-through evictions or discriminatory practices-is NOT the answer. A lot more action is required to improve the quality of life in slums.

Helping the poor to become more integrated into the fabric of urban society is the **only** long-lasting and sustainable solution to the growing urbanization of poverty. While this goal seems very out of reach, there is evidence of countries successfully reducing slum growth in the last 15 years by making considerable investments in improving slums. Some **low or middle- income countries**, including Brazil, Colombia, Philippines, Indonesia, South Africa and Sri Lanka, have managed to **prevent slum formation** by anticipating and planning for growing urban populations-by expanding economic and employment opportunities for the urban poor, by investing in low-cost, affordable housing for the most vulnerable groups and by instituting pro-poor reforms and policies that have had a positive impact on low-income people's access to services⁵. Thus, it is possible to prevent slum formation with the right policies and practices.

2.1 Colombo City: City of the Socially Excluded

Colombo is the main city and commercial capital of Sri Lanka. Within the city, the urban poor live in 1,614 under-served settlements, some of which are **degraded, low cost** housing formerly owned by commercial companies and other temporary shanties built on **marginalized lands**⁶. The urban poor are mostly employed in the informal sector. They face social exclusion and major problems in accessing basic services. Lack of land tenure security, low incomes, poor access to clean water and sanitation, health threats due to vector-borne disease and congested surroundings, and high numbers of female-headed households are just some of the numerous problems that they face. Their community organizations are weak or non-existent, making **dependency** on political decision makers the norm⁶.

2.1.1 Analysis of Poverty in Colombo City

With **51%** of its population living in **underserved settlements**, the **Colombo Municipal Council (CMC)** has been increasingly urged to develop strategies and systems of focusing on pro-poor service delivery to the urban poor. Its first step was the creation of a **poverty profile as criteria to assess poverty**. The Poverty Profile was prepared through a process of dialogue with the key stakeholders. The process was bottom-up and consultative at every crucial stage. In particular, members of under-served settlements were involved in developing criteria to assess poverty, carrying out the community survey, sharing primary information in the communities and developing and implementing demonstration projects. Most important of all, the CMC was able to identify that **10%** of the under-served settlements needed urgent, immediate attention and **40%** needed considerable improvements.

2.1.2 UPRS for Colombo City

The Colombo Municipality, having a vision of being a caring institution responsible for the well being of its citizens, is aiming to find a comprehensive and systematic strategy to address the urban poverty issue. Such a strategy would need to be **responsive** to community needs and **dedicated** to tackle the causes and consequences of poverty. The most important action is to make sure that each member of the Colombo community has a

⁵ World Bank

⁶ Urban Poverty is Increasing: Colombo City

<http://www.unescap.org/pdd/prs/ProjectActivities/Ongoing/Best%20practice/Contracts%20System.pdf>

say in decisions impacting their lives. The only way to accomplish this is to make sure that the urban poor and vulnerable groups are included into the formal institutional structures through a process of **recognition** and **integration**. Additionally, sustainable **partnerships** should be developed so that resources, responsibilities and risks are shared equally among the main stakeholders. In this way, the main goal should be genuine community **empowerment** where resources, functions and responsibilities are shared between the urban poor and Municipality.

2.1.3 What's been done?

The Government of Sri Lanka started to provide basic infrastructure in slums and shanty areas after the Enactment of the Ceiling on Housing Property (CHP) Law of 1973. Housing units in slums were mostly under private ownership, but there was no proper agency to look after the shanties in the public areas when the CHP Law came into effect. Within Colombo city, about 16,000 shanty units had spread over 750 locations in 1979⁶. Shanties are illegal makeshift structures built mostly on public lands where people do not have access to basic services.

In 1979, four alternative courses of action were considered as policy by the Government in order to improve the quality of existing housing stock in Colombo: permanent upgrading; temporary upgrading; relocation on site; or relocation elsewhere. According to the Municipal Ordinance, the Colombo Municipal Council (CMC) can provide basic services and infrastructure from its own budget for the use of ratepayers only. "Even though people in slums might have been living in Colombo City for a long period of time, it was not legally possible for the CMC to provide infrastructure to these areas as people there were not paying rates to the CMC⁶."

2.1.4 What went wrong

In many cases, the infrastructure had been built in the wrong locations. Therefore, the majority of the people in those communities did not use the amenities and were not interested in their operation and maintenance. As a result, most infrastructure built by private contractors remained unused and deteriorated quickly. During the construction stage, there was no arrangement to allow people to give their views on the design and the construction and there were delays in the commencement and completion of construction works by private contractors due to the complicated tender procedures necessary to hire them. People also complained that the cost of construction of infrastructure was high compared to their experience in building such infrastructures by themselves⁶.

2.2 Strategies to accomplish the UPRS for Colombo

- **Identify** the poor urban settlements that need to be upgraded and make an assessment of constraints and limitations for extending **basic amenities** such as water, sanitation, electricity, access to roads and others.
- Note the **entrepreneurial capacities** of the urban poor by preparing community resource profiles. Once the existing opportunities and constraints for **sustainable income** generating initiatives are found, an environment for promoting community enterprises must be created.
- An assessment of the land tenure status of all the urban poor settlements must be done in order to develop a system of **tenure rights** in respect of municipal properties.

- It is very important to identify the **key stakeholder groups** such as CBOs, NGOs, private sector and other groups who could contribute resources and share responsibilities of implementing the different programs of the strategy. In order to obtain the stakeholders' active participation and support in program implementation, awareness raising programs must be conducted so they understand why their help is needed⁶.

3. Indonesia's Urban Poor

Indonesia has adopted a liberal definition of poverty that could embody all the characteristics of poverty manifestations. The **poor** are indicated by basic needs **deprivation, unproductiveness, inaccessibility** to social and economic resources, **vulnerability** and **no freedom**⁷. Over the last 3 decades, the Government of Indonesia has undertaken many initiatives to reduce poverty through various policies and programs with the main objectives to provide basic needs such as food, education and health services, job opportunities, business credit to the poor and infrastructure assistance for urban slums. However, despite the many initiatives' success to reduce the number of poor, these programs failed to substantially solve the very basic problem of poverty. With the implementation of local autonomy in 2001, "poverty reduction was carried out in a decentralized system by continuously encouraging the active role of local governments and communities to ensure that poverty reduction is implemented through a comprehensive, integrated and sustainable framework."⁷

3.1 UPRS for Indonesia

- a. *Urban Poverty Program (P2KP)*⁷
 - Empower local communities to assist urban residents to overcome poverty.
 - Provided **funding for sustainable economic activities** demanded by the community groups themselves
 - **Strengthened the capability of local agencies** to assist poor communities
 - **Encouraged broader participation** in decision making about community matters and provide **equal opportunity** to men and women
- b. *PDM- DKE*⁷

Implemented in urban areas to address income generation by using the community- based approach, which **transferred funds directly to the communities** affected by the Economic Crisis.

 - **Generated wider spread of employment and income** amongst those hardest hit by the crisis and improved the socio- economic infrastructure to strengthen local economics across the entire country.

3.1.1 Objectives⁷

- **Direct funding allocation** to local governments based on levels of unemployment and poverty in the communities.
- Get local community organizations to plan, implement and manage the projects, with **support from local governments**.
- **Rehabilitation** of infrastructure and development of small and medium scale private sector activities.

⁷ Innovative Approaches to Poverty Reduction: Experiences of India and Indonesia.

3.1.2 Implementation

- **Funds are disbursed in the nearest banks** or other financial institutions and accessed directly by the community groups.
- Project enlists the **support of a wide range** of local management consultants and facilitators to speed up project implementation
- **Facilitators** are provided at the **village levels** to assist project beneficiaries in **planning and management**.

3.1.3 Sustainability⁷

- Generation of jobs and stimulation of economic activity are aimed at **enhancing short- term purchasing power** of beneficiaries and, at the same time, help establish necessary conditions for long- term economic recovery and development
- Program attempts to provide a link between the crisis and recovery periods to **enhance sustainability of local efforts**.

3.1.4 Criticisms

While many new initiatives on poverty reduction have been undertaken, relatively limited efforts have been done in identifying and obtaining a deep understanding of those initiatives in terms of defining and measuring poverty, selecting the approach and the target groups and evaluating its impact. Though participation of the poor is one of the main targets of the PAP, without improved capacity it is difficult to see communities participate in the programs.

3.2 UPRS for Indonesia- Balikpapan

Balikpapan has the lowest poverty rate in Indonesia, only 10% of its population is below the poverty line, however, they still have an innovative poverty program that requires the 90% well-off population to support the 10% poor population.

The vision of the city is to establish itself as an industrial, trade, service and tourism center in the context of a 'moral' city. City's goals are to improve their human resources and provide accessible services that are environmentally friendly⁷.

3.2.1 Policies for Poverty Alleviation⁷

- The program should not create dependency on aid
- The program should improve the social and economic structure of the poor
- The poor should be treated as subjects rather than objects
- Program should involve all parties including the well- off population

3.2.2 Special Poverty Alleviation Programs

a. *The 'Nine carry One' Program⁷*

- Means that **every nine better- off people should support one poor person** through mainly donations
- Municipal government issues a **social security ID card for the poor**, which entitles them to obtain health, education and other subsidies.
- The **system is managed at the district levels** to ensure that assistance reaches the target groups.

- The **card is meant to empower the poor** by building their self- esteem rather than their dependency on charity.

3.2.3. Lessons Learned

a. *Engagement*

- Success of poverty alleviation depends on the **active engagement** of relative stakeholders and the local community.
- **Building awareness** of the seriousness of the problem of poverty is necessary in order to engage the local community and make everyone aware that tackling the problem of poverty was an effort that should be shared.

b. *Funding*

- When the majority of the city population is from the middle to upper-middle income bracket, it is possible to **gain support and finance** from the public to support any poverty alleviation program
- In cases where poverty is a major problem, it is necessary to gain support of **NGOs and donor agencies**

c. *Changing Paradigms*

- **Building awareness of local stakeholders** to participate in poverty alleviation programs depended on the willingness of the government to change their ways of thinking and approaching the problem of poverty.
- For example, Balikpapan did not readily accept the standards/criteria set up by the government in defining the poor. Instead, they **employed a local university** to conduct another study on poverty and **combined the results** with the government standards for their program⁸.

d. *Comprehensiveness*

- While economic empowerment was the main focus to alleviate poverty, the **programs were implemented comprehensively** with other programs such as health, food, support, infrastructure and house upgrading and education.

4. Phnom Penh's Urban Poor

Over the last 10 years, rapid growth has taken place around Phnom Penh. This city suffered much neglect during the 2 decades of civil war and continues to deal with several urban problems such as overcrowding, poor infrastructure and weak institutions. In the last 2 decades, Phnom Penh has experienced unexpected in- migration of the poor with no means of livelihood in the rural areas. A survey conducted in 187 areas of Phnom Penh in 1994 estimated that **urban poor** communities make up **15% of the city's population of 1.1 million**. The urban poor are a growing lower class composed of cycle-drivers, garbage pickers, street children and sex workers. Less than 50% of the children attended school, only 36% of the households had a sanitary toilet, 38% had poor access to water supply and 68% had no solid waste collection service⁹.

⁸ Innovative Approaches to Poverty Reduction: Experiences of India and Indonesia.

⁹ Urban Poverty Reduction Strategy for Phnom Penh. UNDP/UNCHS. Municipality of Phnom Penh

The **Participatory Poverty Assessment (PPA)** prepared by the Asian Development Bank (ADB) for Cambodia recognized the urban poor as being among the **most vulnerable groups** in the country as they are constantly exposed to violence, criminals, drug abuse and HIV/AIDS in addition to the habitual threats of insecure livelihoods and a degraded environment. Poverty, social changes and weak laws have resulted in the large-scale exploitation of women who make up 53% of the labor force and 25% of the household heads in the aftermath of the civil war⁹.

4.1 The Municipality to the rescue?

The Royal Government of Cambodia and the Municipality of Phnom Penh lacked the financial and human resources to provide a minimum of basic services to most of its citizens. The poor were clearly most affected by this situation. Most basic services and goods needed by the urban poor (water, education, health care and security) were only available in the market at a price they could not afford. Thus, these goods are unattainable for the poor either because they are unaffordable, their quality is below standard or they are purchased with borrowed money⁹.

4.2 What's been done?

In 1998, the Phnom Penh Urban Poor Communities and Municipality Development Project organized a Strategic Planning Workshop with participation by many urban stakeholders, including the urban poor. This workshop succeeded in coming up with a base for a **UPRS** that would cover **3 broad areas**: access to basic services, income generation and improved local governance.

1. **Income generation**: education, vocational/business skills, business credit, saving habits, home economics, industrial employment, marketing information
2. **Improved local governance**: community organization and leadership, community development councils, low-income land and housing policies, simplified procedures for government services, elimination of corruption, security of tenure⁹

This Project also concluded that the urban poor have a large potential for individual and community-based self-improvement if:

- **Strategic support** is provided in terms of education, training, credit, security and technical advice
- Legal, procedural, financial and practical **barriers** to self-improvement by the urban poor are removed
- **Partnerships** are developed between urban poor communities and other urban actors (government, NGOs, private sector) based on mutual respect
- **Decisions** on policies and programs affecting the urban poor are made at the lowest possible level of government and in close consultation with those affected by policies⁹

4.3 The UPRS for Phnom Penh: Objectives

- a. *Adequate living conditions for the urban poor*
 - **Pro-poor** government policies on land, low-income housing, physical infrastructure, social infrastructure, income and employment generating activities

- **Programs** and projects by the municipality and NGOs that support the development of land, housing, physical infrastructure and social infrastructure by and for the urban poor.
- **Government regulations** and procedures that **support** rather than obstruct the development of land, housing, physical infrastructure and social infrastructure by and for the urban poor
- Community construction contracts, low-income housing finance, housing advisory services, technical training programs for infrastructure and housing construction, training programs for small-scale contractors⁹

b. Adequate economic opportunities

- Vibrant urban economy with **employment opportunities** in the formal and informal sector and information about these opportunities for skilled urban poor women and men
- **Vocational and entrepreneurial skills** for urban poor men and women and widely known training and apprenticeship programs
- **Government regulations** and procedures that support rather than obstruct the development of employment and income- generating activities by and for the urban poor
- **Micro- credit funds** for micro-enterprises in the formal and informal sector and widely available information about the funds
- **Market information** on the demand for and supply of goods and services for micro enterprises in the formal and informal sector
- **Physical urban space** for micro-enterprises operated by the urban poor⁹

c. Improved local governance

- Formal or informal **community organizations** formed on a voluntary basis and without discrimination
- Democratically formed, government-recognized, effective and accountable **community development council** representing the urban poor community and with trained community leaders
- **Special interest groups** of urban poor families or persons to represent their particular interests
- A **network** for the dissemination of information relevant for community organizations, community development councils, urban poor special interest groups and individual urban poor families and persons
- **Recognition** by the different urban actors of the complementary roles, responsibilities and contributions of the urban actors
- **Institutionalized collaboration** between community development councils, NGOs, municipality for the improvement of living conditions of urban poor communities.⁹

d. An effectively and efficiently operating municipality

- **Adoption** of a policy of decentralization of decision- making to the lowest possible level
- **Financial autonomy** and adequate financial resources through local taxes, fees and charges for the Municipality
- **Formulation, adoption and enforcement** of urban plans for the development of the city of Phnom Penh that can serve as a framework for the improvement of the living conditions of the urban poor

- **Create units** within the Municipality to implement the urban poverty strategy
- **Adequate human resources** capable of implementing the UPRS effectively and efficiently by formulating specific policies, programs and projects
- **Adequate human resources** to participate in, guide, supervise and regulate the implementation of physical improvement projects, and to monitor and report on urban poverty trends in its geographical area
- **Management information service** with the capacity to monitor trends in urban poverty, to assess the performance of municipal staff and departments in urban poverty reduction and the evaluation of urban poverty reduction programs and projects⁹.

4.4.1 Adequate living conditions

A strategy to develop adequate living conditions for urban poor communities in Phnom Penh should include the following policies:

4.4.2 Security of Tenure

Many urban poor families are forced to regularly pay protection money because of the fear of eviction. Thus, providing secure tenure is the most important component in improving the living conditions of the urban poor. Secure tenure can range from full land ownership to a temporary use right. However, secure tenure, in any form, will take away the fear of the families that they can be displaced at any moment and will, therefore, be an incentive for them to make small or large investments in the improvement of their houses.

4.4.3 Neighborhood improvement

The lack of basic infrastructure (water supply, drainage, sanitation) in urban poor communities immediately affects the living conditions of the residents. The community and municipality must work together to build basic infrastructure through community construction contracts. If some funding is available, the community can carry out the construction work needed.

4.4.4 Housing improvement

If secure tenure is provided and basic infrastructure can be built, it is left to the families to improve or re-build their own homes. They are capable of doing this independently but can also hire a small contractor to do it for them. Some families may need technical help regarding the construction of their new house; this can be provided by an NGO or by architecture students. In addition, many families need a small housing loan from a housing fund to finance the construction or improvement. Urban communities should be encouraged to start saving for housing improvement before the housing loan is granted⁹.

4.4.5 Necessary Relocation

In some cases, urban poor communities will not be able to stay and build homes where they are because their land is needed for other purposes or the settlement does not have any room for improvement. Relocation can create many problems for the urban poor such as loss of assets and income. Thus, if an urban poor community must be relocated, the community should have the chance to find a new plot of land, and since this is not always possible, the Municipality should set aside land for the relocation of urban poor

communities. As a result, the Municipality needs to have a land policy and a plan for the city that identifies land for housing the urban poor.

4.5 Conclusions drawn

The Municipality should **create conditions** in which other groups can work best. It should formulate plans for the development of the city and the management of urban land so that on-site improvement and relocation of urban poor communities become part of a **broader and longer-term plan**⁹. It should promote the urban economy so that employment is created for the urban poor. It should create conditions for factories of multinational companies and for micro-enterprises of the urban poor to prosper for the benefit of the city population. In order to plan, the Municipality should monitor social, economic and physical trends and conditions in the city. Very important is for the Municipality to have **qualified staff** to undertake these new tasks and it needs **funds** to pay such staff, run its offices and make new investments. In summary, the Municipality needs **greater financial autonomy**⁹.

III. Urban Poverty, a problem in Developed Countries as well

5. Spain: Sound economy=No urban poverty?

Spain has a population of about 40,000,000 inhabitants. In spite of its sound economy and wealth, urban poverty is still a serious problem. Spain has undergone increasing levels of urbanization over the past quarter century, resulting in ¾ of the population living in urban areas. From the 60s on, Spanish cities were the target for workers with lower qualification. This situation attracted people from rural areas who migrated to cities in search of better opportunities. The rural migrants were families with little education and skills. This urbanization process increased rapidly since the introduction of the democratic constitutional monarchy system in 1978. The trend of urban growth has continued to the present time. 1999 data indicates that 77% of the total population of 39.4 million was living in urban slums¹⁰.

5.1 Social Exclusion

Poverty in Spain is perceived as a variable part of the wider concept of social exclusion. Social exclusion is a concept that refers to a wider more complex problem, more related to marginality. Socially excluded people have no access to employment and other social, educational, cultural and political possibilities and chances. Despite Spain's rapid economic development since the new constitution of 1978, social exclusion still prevails. Thus, although Spain is classified as a high-income country with a gross national per capita annual income of US \$14,000, social exclusion exists in the form of the marginalization of various sectors of the population¹⁰. However, this factor of social exclusion is not taken into consideration when calculating the poverty line. The poverty line in Spain is based on the income needed to satisfy basic 'minimum' needs and is measured in economic terms by a household's income per year- 50% below the average income¹⁰.

¹⁰ Country Report: Spain

Hhttp://www.wmin.ac.uk/builtenv/maxlock/CityPoverty/LHA/AnnexG_%20fin16.05.02.pdf

Although poverty in economic terms has decreased in Spain, social exclusion is reported to have increased during the past 20 years. As a result, a significant sector of the population is marginalized outside the formal economy. The regions having communities of socially excluded people also have the **highest levels of relative poverty** suffering degradation through lack of job opportunities, inadequate housing, unstable employment and inadequate education and training, all of which create non-motivating social environments¹⁰.

5.2 Taking Action

However, there have been projects in Spain that tackled socially excluded groups. For example, the Housing Program for Social Integration in Navarra targeted a large portion of single parent and immigrant workers. Another project was a Program for Relocating Indigent Population in Valladolid that targeted Gypsy communities. These Spanish practices relating to social exclusion attempt to help disadvantaged groups to gain access to basic shelter, infrastructure and services.

5.2.1 Major Housing Programs since 1978¹⁰

1. **The Official Protection Housing Program:** These plans were addressed to families with low income. They were simplified to make more accessible programs for families with incomes that should not exceed 2/5 times the minimum average income. Special loans at reasonable interest rates were launched to implement this program.
2. **1981-83:** This plan consisted of a housing program of 571,000 housing units addressed to lower and middle-income families. Both the private and the public sectors promoted this program. As part of this program, special loans with more flexible mortgage periods were launched.
3. **1983-87:** The transfer of power was promoted from the central government to autonomous communities; thus, shelter provision became responsibility of the regions. Also the promotion of rehabilitation and conservation of historical areas was introduced. Although most of these programs promoted the construction of substantial numbers of housing units, they were not sufficient for accommodating the poorest sectors of the society.

5.2.2 Government Actions¹⁰

National Government has also played a strong role with its financial support in relation to housing and poverty reduction programs. Between 1994 and 1999, NGO programs have received national government financial support of 13.7 million US \$.

Government Policies and actions aimed at fighting social exclusion are:

1. **State Plan** against social exclusion and revitalization of disadvantaged neighborhoods.
2. Drafting of an **Integrated Action Plan** against marginalization (locally based and managed, by agreement between central and regional governments)
3. **Active employment policy** (involving local governments and relevant social actors such as trade unions, businesses, residents associations and other citizens' organizations)
4. Drafting of a **General Minimum Income** standard
5. Drafting of a **Code of Ethics** between the political parties to implement their programs
6. Drafting of a **Welcome Charter** for the Immigration population

Main Conclusion: The distribution of responsibilities among National, Regional and Local Government, including NGOs in implementing these policies has been essential to ensure successful results to fight social exclusion.

5.3 Success

Many events helped the Spanish Habitat process to succeed:

1. **The Spanish new political context:** supported by a new constitution, allowed the formation of a constitutional monarchy and a decentralized government system of regions and local governments
2. **The people involved in the process** through a powerful Habitat Committee, which was created with the support of other government and non-government institutions
3. **The role of the Habitat Committee** was completely strategic as it supported the process all along by helping NGOs and municipal local governments to participate in the best practice competition¹⁰

The achievements of the Habitat program are a result of the competent marketing and communication campaign performed by the Committee, the University and the Ministry of Development. This efficient and comprehensive communication approach has involved all local governments greater than 10,000 inhabitants¹⁰.

From 1995 on, Spain experienced an **immense boom** in supporting international development as a result of **increasing public sector** and **civil society interest** in relation to this aspect. When Spain became a member of the EEC, it commenced development aid and cooperation programs in relation to Spanish speaking countries in South America and North Africa as well as implementing aid programs in Central and Eastern European countries¹⁰.

5.4 Reasons for mass success

An important reason relating to the success of the Spanish Habitat experience stem from the creation of a competent **National Habitat Committee**, which **coordinated** and gave **support** to the association of municipalities and NGOs as well as helping in writing the successive national reports. To achieve this Habitat program, competent **marketing** and **communication campaigns** were carried out. This efficient and comprehensive communication approach has **involved all local governments** greater than 10,000 inhabitants¹⁰. This integration is believed to be the best way to address and eradicate poverty and social exclusion.

5.5 Main Lessons Learned

1. **Use existing resources** and optimize the benefits for all people affected by the specific actions
2. Encourage a **global and integral vision** on existing resources by encouraging the resolution of survival problems first and ecological issues next.
3. Deal with social exclusion as a more **inclusive concept** than poverty
4. Include issues of **sustainability** in relation to social exclusion
5. Connect and relate the goal to **local governments and neighborhood groups** since they are the only ones who can best choose the most needed practices.

6. South Korea: An Economic Miracle?

The economic growth of South Korea has been referred to as an 'economic miracle.' In 1960, the annual per capita GNP in South Korea was US\$ 69. By 1995, this figure increased to US \$ 10,079. Despite this, the Korean housing situation has experienced serious problems. Given the great shortage of housing, owner-occupation has declined, rented tenure has become more common and overcrowding has become endemic. An important phenomenon to emerge has been the **increasing polarization** in the housing conditions of the better off and of those of the worse off. In 1997, Korean growth began to wane and an international Monetary Fund bailout became necessary. The impact on the economy of the crisis was severe, with the **urban poor suffering more than any group**¹¹. The economic contraction has affected the lives of the poor in many areas and, while there are many difficult issues to deal with, the most devastating problem has been the lack of shelter for the poor.

6.1 Responses to Housing Dilemma

One of the main reasons for the housing poverty problems in South Korea has been the "**inadequacy** of the institutions and institutional framework for the development and management of human settlements." The term '**governance**' refers to the relationship not only between governments and state agencies but also between government and communities and social groups, and means more than just government or management¹¹.

In this context, **effective decentralization**, the efficient management of limited resources, popular participation and the development of productive partnerships between the city and the state, civil society, grassroots communities and the private sector have emerged as essential tools in the fight waged by cities against housing poverty. Moreover, **good urban governance** is a prerequisite for sustainable development and the reduction of urban poverty¹¹.

Three factors have helped **urban governance** in Korea emerge as a key issue in the discussion of policies for human settlements: democratization, decentralization and the role of NGOs.

1. Democratization

The 1980s were a period of important **transformation** in the pursuit of a democratic political system, as well as in social development. In order to create a more democratic rule of law and administrative system, various amendments and radical policy changes were instigated. These **social and political reform policies** provided the foundation for the new civic government that took office in 1993. The democratic process was the result of **interaction between the state, political circles and civil society**, and political democratization was brought about through the efforts of a grassroots civil society movement¹¹.

a. Result

One important consequence of this period was the **strengthening** of a 'political culture' in Korea, a culture that reinforces a close relationship between political

¹¹ South Korea Poverty Report: [Hhttp://eau.sagepub.com/cgi/reprint/16/1/139.pdf](http://eau.sagepub.com/cgi/reprint/16/1/139.pdf)

leaders and governmental institutions on the one hand; and on the other, major social and economic groups. Thus, democratic governments are more likely to operate in response to public opinion and are less likely to take arbitrary and self-serving decisions than non-democratic governments.

2. Decentralization

It was not until the late 1980s that a **large debate** began in Korea on the issue of the balance of power and the distribution of functions between central and local governments. In 1999, the **Presidential Commission on Devolution Promotion for Local Authorities** was established in order to **transfer powers** to certain agencies of the central government. While these agencies have some autonomy in day-to-day management, ultimately the government controls them¹¹.

The Presidential Commission on Government Innovation, also established in 1999, deals with the following issues:

1. **Reducing** the workforce and slimming down central and local government structure, with state-owned enterprises and other quasi-governmental institutions focusing on the core competencies of public functions.
2. **Implementing** privatization programs for state-owned enterprises and their subsidiaries, significantly increasing efficiency and performance
3. **Introducing** competition and performance-oriented compensation into the public sector through such program as the Open Career System¹¹

6.1.1 NGOs Take Charge

“Towards the end of the 80s, sweeping change was made in Korea and democracy was enhanced as a result. This brought about an **explosive growth in non-governmental and non-profit civil movements**. Most existing NGOs or civil societies emerged in the aftermath of the democratic movement of 1987. Housing movements in Korea can be categorized as movements of either residents or intellectuals. Intellectuals’ movements are usually composed of religious organizations and NGOs with the Citizens’ Coalition for Economic Justice (CCEJ) standing out as a prominent example¹¹.”

6.1.2 The CCEJ¹¹

The CCEJ believed that deep- rooted **economic injustices** cannot be resolved by government alone, but, ultimately, **must be addressed through organized citizens’ groups**. CCEJ believes that the fruits of economic development should be shared by all common people and not just by a small group of ‘haves.’ It has proposed a new methodology of gradual, but thorough, reform on the economic system. In recognition of the need for continuous, cooperative efforts by civil society to bring about the reform of urban policies and systems, the CCEJ Urban Reform Center was established to deal comprehensively with urban problems. This urban reform movement strives to transform Korean cities into good, healthy places, based on a sustainable, environmentally friendly lifestyle.

6.1.3 Governing agendas in housing¹¹

Pro- growth agendas focus on the importance of encouraging business development for a city’s economic well-being and housing production. “In late 1980s, the government

formulated a **5-year housing supply plan** with the objective of constructing 2 million dwellings between 1988 and 1992.” The government tried to address the housing problems of different income groups by employing different subsidy and finance packages, and the 2 million dwellings construction plan proved to be a success in terms of achieving mass housing production in a relatively short span of time.

“In urban areas, **housing renewal projects**, achieved through the demolition of sub-standard housing, were one of the crucial measures used to achieve mass housing construction and high-density development. A new style of redevelopment project, a so-called **joint project**, has been introduced, based on a spirit of partnership between homeowners and construction companies.” This project to build high-rise flats and to share the profits was initiated on the basis of voluntary agreements between homeowners and construction companies selected by representatives of homeowners’ associations. In a **joint redevelopment project**, the city government designates an urban redevelopment area and grants approval for all the plans; large construction companies provide the finance and carry out the construction; and an association of homeowners takes responsibility for the project.

6.2 Criticisms of Urban Renewal Projects

Although urban renewal projects, particularly joint redevelopment projects, have contributed to the supply of fairly good quality mass housing, there has been increasing criticism by some urban planners, the mass media and scores of residents concerning the **collapse of community** and the **high-density development**¹¹. “If these high-density apartment construction projects fail to provide sufficient infrastructure and public services, they actually **end up making the human living environment worse**.

Millions of poor people, or squatters, have been evicted over the past two decades in Korea. In Seoul, **720,000 squatters were evicted**, often violently, between 1985 and 1988. Most evictions concern renters who refuse to move out of the areas where they live. It has been observed that joint redevelopment projects typically involve serious **human rights violations**, as poor **tenants are forcibly removed from their homes**.” In many redevelopment project areas, groups of thugs, sometimes right under the eyes of police officials, are brought in to demolish houses and force people out. Renters, who usually make up 60% of the population in redevelopment areas, are excluded by law from a share in any benefits. The economic reason for the evictions is that these projects are **meant to make a profit for the developers** rather than improve the quality of life of low-income tenants¹¹.

6.2.1 Responses to Critiques¹¹

One **significant change** that took place during the 1980s and early 1990s was the increasing influence on government actions of national and international laws concerned with peoples’ right to housing. Since the early 1990s, renters evicted from urban redevelopment areas have been offered **two alternatives**; either receive compensation for moving expenses, usually three months’ living expenses, or receive the right to move into government rental housing following construction on the project site.

Only **renters excluded from compensation** (because they have been residents for less than three months) or those demanding on-site temporary housing have suffered forcible eviction. Compromises are reached with about 10–20 per cent of all renters. While the first alternative may seem attractive, given the steep rises in rents in the Seoul area, the

compensation offered is insufficient for tenants hoping to relocate near the redevelopment site, and thus most have to move outside of the city.

The **second alternative** allows residency in the same neighborhood but there is scant provision for interim housing for the four years until the project is completed. The result has been the destruction of communities. The Seoul metropolitan government has drawn up some plans to provide support for redevelopment projects initiated by communities, however, when dealing with low-income housing redevelopment, the government is faced with serious financial difficulties.

6.2.2 Getting the Community Involved

Community involvement agendas focus on perceived issues of social or redistribute justice and on the **role of NGOs and community-based organizations (CBOs)**. As mentioned earlier, the majority of housing renewal projects in Korea are exploited as a means of making a profit rather than as an opportunity to improve community dynamics. As such, little consideration is given to the issues of community service, social welfare or to the advent of a total urban system. In Korea, religious organizations, **CBOs and NGOs are at the forefront of citizens' housing movements**¹¹. Some NGOs and religious organizations have tried to establish **anti-eviction campaigns** and to lobby for governmental policies favorable to the urban poor. NGOs have emerged as **critical intermediary institutions** supporting citizens' organizations' efforts to obtain access to resources and to negotiate with local government and other state institutions. NGOs have helped form community organizations within the areas in which they are active and have responded to the needs of existing citizen groups.

6.2.3 The Government's Role¹¹

The Korean government has played a large and increasing role in almost all aspects of housing production and consumption. A **social housing program** (permanent public rental dwellings) was launched at the end of the 1980s. These efforts reflect not only the acute housing shortages in urban areas but also the government's introduction of a welfare measure for low-income groups. In the late 1980s, **comprehensive housing development planning** was instituted to determine the extent to which national resources should be allocated to public housing development for the poor.

In 1993, the new government announced a **new five-year economic plan** in which, within the context of deregulation, greater emphasis was placed on the role of the private sector. "The **social housing system was abolished** in early 1993 and, when compared to the previous five-year housing construction plan (1988–92), financial support for new programs for the poor continued to decline. Meanwhile, the government implemented a phased **lifting of price controls** on new housing in all regions, beginning in 1995, with the exception of the capital region."

6.3 Still Much More Action Needed

In Korea, **existing housing policies** have, in effect, **not achieved their purpose**. While the major objective was to increase home ownership, housing construction policy has focused on middle-income households rather than on the most needy. One important element in any future policy debate is the question of how large the **public sector's role**

should be, as well as the question of who should produce and who should receive such housing.

6.3.1 How to bring about success

To make the enabling process successful, the following measures need to be implemented:

1. The **role played by communities** regarding planning and management must be increased; in order to increase efficiency, citizens should be given more control over what happens.
2. The **active participation of NGOs and CBOs** at all levels will ensure legality of tenure, avoid discrimination and lead to more access to low-income housing by poor residents.
3. There must be a **willingness to recognize and learn** from past mistakes, so that they are not repeated. Poor residents are not looking to blame anybody for the conditions in which they live; they are only looking to improve them.
4. **Linkages between neighboring residents** must be maximized. The planners, residents and NGOs must work together to promote community empowerment and regeneration.
5. Finally, the **experience and knowledge learned** during each stage must be passed on through the efforts of staff members and communities. The active participation of public, private and non-governmental partners should take place at all levels, to ensure legal security of tenure, protection from discrimination and equal access to adequate, affordable housing for all.

IV. India's Situation

7. India's Poverty Status

"The **inadequacy of effectiveness of poverty reduction** interventions in India is a critical concern." According to Bank figures (World Development Indicators 2000), India has around 433 million people living on less than US \$1 a day, twice the number of poor in Sub-Saharan Africa, and 36% of the total number of poor in the world. Poverty remains an enormous problem. **Eradication of poverty** is high on the development agenda of most countries; furthermore, some of them, like India, have recognized the ground reality to change the focus to poverty alleviation. Although the proportion of people below the poverty line had been declining, the trends in poverty reduction have recently worsened. Population growth is also adding to the absolute number of poor. South Asia, one of the poorest sub regions in the world, now has more than half a billion poor people, of whom 450 million are in India¹²

7.1 What has been done?

India's Poverty Alleviation Programmes (PAPs) are run by the Government of India, the state Governments, and the District and local authorities. The total amount spent on PAPs is 6-7% of total budgetary expenditure and less than 1% of GDP. Food subsidy programs make about 55% of total PAP spending. The largest programs in this category is the Public Distribution System (PDS), which provides subsidized cereals and cooking medium to the poor and since 1997 is targeted to the very poor and renamed as Targeted

¹² World Bank

PDS (TPDS)¹². However, due to the still increasing rate of poverty, it is evident that not nearly enough money or time has been spent on **urban poverty alleviation**.

7.1.1 Changing the Policies

In response to the growing poverty incidences in India, the "**Ministry of Urban Development** prepared a draft policy that was discussed at the Urban Development and Housing Minister's Conference." The earlier housing policy of 1988 aimed at providing 'adequate' shelter to all, as compared to this policy that aimed at providing 'access' to shelter for all. It recognized the **shortfall in the government's efforts** to provide housing and therefore, invited the private sector to actively participate in facilitating access to housing through various fiscal and other incentives. The new policy treated housing on par with infrastructure. It introduced a **National Shelter Fund** (set up for housing the urban poor) and a **Risk Fund** (to cover risks in financing the rural and urban poor). It also recognized the needs of single and working women with regard to housing¹².

Another shift in policy was "**recognition of the poor outside of slums or squatter colonies** to include pavement dwellers, street children and other homeless people. This shift was facilitated by the fact that people who were above the poverty line and had the financial ability to buy many public amenities occupied several slums, especially in metros. The **government began to recognize** the plight of footpath dwellers and other homeless people, but acknowledged its own **limitations** in housing this population." Initially housing schemes aimed at providing only one- room tenements to slum dwellers and the poor, but gradually the schemes included simpler shelters.

Table 7.1¹³ Urban Slum Settlement Populations in India

Sl. No	Type of settlement Approx.	Population in lakh (2000)
1	J.J. Clusters	20.72
2	Slum Designated Areas	26.64
3	Unauthorized Colonies	7.40
4	Resettlement Colonies	17.76
5	Rural Villages	7.40
6	Regularised-Unauthorized Colonies	17.76
7	Urban Villages	8.88
8	Planned Colonies	33.08

7.2 The Five Year Plans¹⁴

Since India's independence, the approach to poverty alleviation has taken shape through the 5- year plans. The first four 5 year plans (1951-1973) were based on economic development, equity and justice.

7.2.1 The 5th Plan¹⁴

The fifth 5 year plan (1974-79) finally addressed poverty removal as a principal objective. It did not create any special strategy for poverty removal but rather aimed to reduce its incidence through the economic growth processes and programs such as the Minimum Needs Program and public distribution of essential goods.

¹³ delhiplanning.nic.in/Economic%20Survey/Ecosur2001-02/PDF/chapter14.PDF

¹⁴ <http://planningcommission.nic.in/plans/planrel/fiveyr/welcome.html>

7.2.2 What went wrong?

The 5th plan did **not make a distinction between rural and urban poverty**. This is potentially a major reason why it was not able to make many significant changes with regards to the urban poor. Poverty changes from place to place and across time. Urban and rural areas in a given country require different measures to determine poverty levels. For example, **food staples tend to be more expensive in urban areas**. So the urban monetary poverty line should be higher than the rural poverty line. This is why it is so important to understand and note the difference between urban and rural areas¹⁵.

7.2.3 The 6th Plan

The 6th Plan **recognized the limits of the 'income growth'** approach to poverty alleviation. It placed 'poverty reduction' on high priority and emphasized identification and measurement of poverty issues, development of realistic targets and creation of specific programs to meet targets. An integrated approach in terms of interventions for sustainability was made through the **Integrated Rural Development Program**, which laid the foundation for a direct attack on urban poverty by establishing the centrally sponsored program, **Environmental Improvement of Urban Slums (EIUS)** for slum improvement and up gradation. EIUS worked towards moving 6 million urban poor above the poverty line through provision of extra consumption benefits, access to better and more equitable distribution of health, education, sanitation and water in addition to slum improvement and environmental improvement programs¹⁴.

7.2.4 The 7th Plan

The 7th Five-Year Plan (1985-90) made the first conscious attempt to **directly address urban poverty**. It explicitly noted the growing incidence of poverty in the urban areas and the rapid growth of slums caused by persistent rural-urban migration and overcrowding in relatively unskilled and low paid jobs in the informal sector. The Plan proposed **multi-pronged strategies** for provision of employment opportunities, raising earnings of low-paid jobs, and improving access of urban poor to basic services such as education, health care, sanitation and safe drinking water¹⁴.

7.2.5 The 8th Plan

The 8th Plan involved expansion of **employment opportunities** and increased productivity and income levels of both the unemployed and under employed. It worked to achieve **sustainable employment** by integrating existing employment programs with sectoral development programs. Existing special employment programs were enhanced upon to initiative short- term employment for unemployed and under employed in rural areas. This induced a **reduction in the dependence** on the administration for development¹⁴.

7.2.6 The 9th Plan

The 9th Plan identified the **importance of basic services** in poverty alleviation and placed major emphasis on basic services (safe drinking water, primary health facilities, universal

¹⁵ World Bank

primary education, nutrition to school children, shelter for the poor, road connectivity for all villages and habitations, and the Public Distribution System). This Plan utilized the **help of PRIs, voluntary organizations and community based Self Help Groups** in the process of poverty eradication and economic growth¹⁴.

7.2.7 Criticisms

While all of these **5 year plans** entailed a wide range of experiments, from macro level to micro level, regional development to settlement development, a combination of re-distributive policy and individual income development and access to infrastructure, they were still **lacking some key components**¹⁴. First of all, the approaches **lacked consistency** and secondly, there was **no direction for sustainability** in the program outputs. In addition, the claim the approaches had of being integrated ended up being a combination of disjointed components of accepted anti-poverty programs and even worse, they were monitored only in terms of numerical target achievements. Thus, despite a decline in the poverty rates, there was no account of the poor population in and around the poverty lines.

7.3 Environmental Improvement of Urban Slums (EIUS)

Started in the early 1980s and initially funded by the Government of India, the aim of the Program was to **improve the living conditions** of the slum dwellers, with a provision of basic facilities such as water supply together with drinking water taps, proper drainage system, community bathrooms and latrines, widening and adequate cleaning and maintenance of roads and street lights. The **Government of India** provided special **monetary support** of Rs. 525 per slum resident in a city with population of more than 3,00,000 people. During the early phases of this programs, nearly 9.4 million slum dwellers benefited from the programs and another 9.8 million during 1985-90, as per official estimates¹⁶.

7.3.1 A Step in the Right Direction

The Environmental Improvement of Urban Slums (EIUS) program started in 1972 to provide physical infrastructure and improve living conditions. EIUS **marked a change in the attitude of policy makers towards the slum population**. It made a token recognition of slum dwellers as active players in the urban economy. **Recognition of their own space in slums** was a big leap forward for the slum dwellers. Earlier, migrants to the cities and slum dwellers had been seen as people who were encroaching on the space of established citizens. This program **legitimized squatter settlements**, even if they were on public land, by providing them with infrastructure facilities¹⁶.

7.3.2 Still Not Enough

The Scheme did **not generate the active interest** of the **slum community** since it did not involve them in the process of identifying specific works programs to be undertaken. As a result, the community did not have an ownership approach to the infrastructure created through the Scheme and expected the municipal authorities to maintain them. However, the municipal authorities had granted *de facto* security of tenure, which gave

¹⁶ Innovative Approaches to Poverty Reduction: Experiences of India and Indonesia.

rise to the sense of ownership to the residents since provision of services by the municipal government is perceived as an act of recognition of the poor. A large percentage of slum dwellers upgraded their shelter as a result of **improved access to services** and **reduced fear of eviction**. However, due to the absence of a properly designed monitoring system, there is **no account of the nature of benefits** received by the slum dwellers¹⁶.

7.4 Urban Basic Services for Poor (UBSP)

Launched in 1986, the UBSP is one of the **best-designed programs** of the Government of India and has covered over 10 million urban poor in 296 cities in 25 states and 6 Union Territories. Basic social services are provided such as, non-formal education, health care, nutritional supplements, and activities are also undertaken for promoting communal harmony, national integration and civic consciousness¹⁶.

7.4.1 A Multi-Sector Success

“UBSP’s **target** was 14 lakh poor urban households or 70 lakh beneficiaries in 500 towns by 1996. The Indian government claims that UBSP **integrates many other policies** and **paradigms** of the **government** like the 74th Constitutional Amendment Act, National Plan of Action for Children, Convention of the Rights of the Child, Universalizing primary education, UN Social Development Summit. The initiation of the Urban Basic Services and 20 point program in 1986 marketed a **change in the perception of urban poverty**.” From being viewed as a single sector problem of housing, urban poverty began to be perceived as a **multi- sector problem**¹⁶.

7.5 Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

The SJSRY was launched during the Ninth Plan. The key objective was to provide **employment opportunities** to the urban poor and the jobless by encouraging them to set up self-employment ventures or by providing different possibilities of wage employment. “The funding pattern is based on 75:25 ratios between the Government of India and the State Governments. ¹⁶A unique characteristic of SJSRY is that it was to be based on community empowerment and in this respect the Programs was different from the others.”

7.5.1 Urban Self Employment Programs (USEP)¹⁶

The USEP component of SJSRY is implemented in all urban towns with particular stress on urban poor clusters, with the objective to support the urban poor in **starting self-employment enterprises**. The USEP also offered assistance to the urban poor women in a group of at least 10 to set up their self-employment ventures by selecting an economic activity according to their skills, training, and the local market conditions and demand. The objective is not only to generate income but also to make the women independent.

7.6 An Innovative Strategy to the Rescue

This **innovative Indian poverty alleviation strategy** is based on the principle that to address poverty effectively, the strategy has to be responsive, inclusive and dynamic, taking into perspective the emerging new dimensions of poverty in a functionally integrated manner.

7.6.1 Integrated Urban Housing Strategy- Experiences of a secondary town, Alwar

The strategy that was developed for this project by Society for Development Studies (SDS) seeks to provide an **alternative route** to poverty reduction that breaks the tentacles of dependency, builds the capacity of the community through access to information and replaces targets with sustainable impact. An indicator of the success of this approach is **non-dependency of the community** on public agencies or NGOs for managing their own affairs.

a. Objectives

The objective was to **reduce urban poverty** in a sustainable fashion through the routes of income and housing, the two MOST important voids in the lives of the poor. The uniqueness of the project is that **both income upgrading and housing improvement** were achieved with the same groups of households; which is not usually the case¹⁶.

b. Reason for success

This brings out the inadequacy of most strategies, which only provide secure tenure and access to housing credit for the poor, without being accompanied by income enhancement strategies. This strategy demonstrates the major importance of **generating a substantially higher income level** in a sustainable manner if the project objective of housing up gradation is to be achieved.

7.6.2 National Slum Dwellers' Federation and Mahila Milan, Mumbai

The National Slum Dwellers' Foundation aimed to find workable solutions for housing of the pavement dweller community in Mumbai. The approach entailed **women pavement dwellers** being brought together as a group to develop a lobby for negotiating with local and state governments over a wide range of issues that affected them. The strategy sought to empower women to find their own solutions through negotiations with service and support providers¹⁶.

a. Objectives

Capacity building in key operational areas that concerned the development and empowerment of the women was a key component. Public meetings were arranged to discuss critical issues such as **demolitions and evictions**, and to work out strategies to deal with them. The next step was to develop **alternative shelters**, which was a challenge due to the unavailability of land. While vacant stretches of land were identified in the development plan of the city, they were not officially available to the poor¹⁶.

b. Steps Taken

One woman was chosen from every 15 houses and together, they formed Area Committees. They conducted regular meetings with the members of the 15 houses and acted as a link of communication among them, with the group and the rest of the community. This proved to be a powerful tool to mobilize people as the women got a sense of accomplishment and boost in their confidence. The **women attended training programs**, which involved analyzing their own lifestyles and their means and resources to arrive at a relevant dwelling and settlement design. "During the programs, they developed prototype dwellings with professional help. As a result, the women were ready to build **full- scale model dwellings**. They learnt about building

materials, were trained in construction techniques, started saving money for their future homes and have been negotiating with the state authorities for land- the most valuable and scarce urban resource¹⁶.”

c. Outcomes

This program has resulted in the **organization of women pavement dwellers** of Bombay and the articulation of their shelter needs. It has demonstrated that pavement dwellers have the capacity to not only save to provide for their housing but also to provide tangible inputs into the design and construction of their homes. Now there are 600 families living on the pavements in Central Mumbai who have been encouraged to save. Over the years they have managed to put aside Rs. 1,600,000, which they use whenever they need small loans to overcome a crisis. About 1,800 individuals have been given loans for various productive purposes by using external lines of credit, and each family has saved about Rs. 5000 towards their future housing¹⁶.

V. Recommendations

According to Amartya Sen, poverty alleviation policies should be expanding people's opportunities to pursue their goals. Many initiatives towards alleviating poverty have been made, however there is not a deep enough understanding of these initiatives in terms of defining and measuring poverty, selecting the approach and target group and evaluating its impact.

8. UPRS for India must take the following recommended steps:

1. The inadequacy of most poverty reduction strategies is that they only provide secure tenure and access to housing credit for the poor without addressing any form of sustainable income enhancement strategies. Urban poverty is a multi-sector problem and thus, it needs to be viewed and treated as a multi-sector problem. UPAs need to consist of a **combination of sustainable income and employment generation** in addition to provision of **access to basic amenities and guaranteed tenure security**.¹⁷
2. Urban poverty reduction strategies require the **collaboration of many different groups in the city**: the Municipality, urban poor communities, private sector and NGOs. The urban poor can build their own houses and basic infrastructure, with some external assistance. Many goods and services needed by the urban poor are available in the formal and informal private sector in the market, but they are expensive. Many NGOs have the expertise and commitment to assist urban poor communities to help improve themselves. The role of the **Municipality is to create conditions that make it easier for the other groups to make their contributions**¹⁷.
Thus, each group should do what it does best without making the urban poor dependent upon their help. Any **UPRS should help the Municipality, urban poor communities, NGOs and the private sector to work together better and more effectively to reduce urban poverty**.
3. It is crucial that UPAs are dedicated to mobilizing the poor towards achieving **self-sufficiency** rather than helping the poor to the extent that they become dependent on the program. Programs should be designed so that after a given amount of

¹⁷ India Together

- time, the target group will be in control of their own lives and will not be in need of the program any longer.
4. Programs need to **recognize slum dwellers as active players in the urban economy**. This will entail discontinuation of seeing slum dwellers as ‘encroachers’ and instead, acknowledging them as rightfully owning the space in slums by providing them with infrastructure facilities.
 5. Any **decisions made** by the alleviation program must be done **in consultation with the slum community** before implementation. It is common for many leaders of UPAs to impose their values or beliefs of what is the ‘best’ for the poor without asking the poor what they think they need or if they even want help in the first place.
 6. **Empowerment is a term used very frequently and liberally** by a majority of UPAs without being thoroughly defined and understood. Empowering poor communities does not simply mean giving them opportunities that will falsely make them ‘feel’ as if they are subjects of change when they are actually recipients of aid becoming ‘objects of charity’. The most important aspect of **empowerment is to enable communities to be in control of their own lives**. However, this cannot be accomplished if the UPA first of all, creates a dependency of the poor upon aid and if it second of all, does not involve the participation of the poor in major decisions affecting them.
 7. UPAs are identical across the country since it is misunderstood that the urban condition is the same everywhere. However, there are several differences in climactic conditions, culture, resources, goods and services. Thus, each target **urban area** must be **thoroughly studied** and **analyzed** before any programs are implemented. An effective strategy to urban poverty is closely linked to having a **good urbanization strategy**.
 8. UPAs must be dedicated to **achieving sustainable development**. According to Carney, sustainable poverty elimination will be achieved only if external support focuses on what matters to people, understands the difference between groups of people and works with them in a way that is congruent with their current livelihood strategies, social environment and ability to adapt.
 8. **Assessing the impacts** and **monitoring project results** are necessary to understand if the programs reach intended beneficiaries, if resources are being spent efficiently, or if the program or project can be better designed to achieve the intended outcomes. Monitoring and evaluation provide **direct feedback** for policy makers and practitioners to design better and more efficient projects to yield better results. At the design and implementation stages, **beneficiaries need to be included** in monitoring the results whenever possible¹⁸.
 9. Organizers of a UPRS must **refrain from using loaded words** without defining them and make sure they **understand implications of such words** as: democracy, empowerment, participatory, pro- poor growth, etc. It is common for stakeholders to commit themselves to ‘empowering’ the poor and creating ‘participatory’ policies. However, since policy implementers do not define these words, they are very **unaware of how much work such goals will require** and all the problems remain unsolved. Here is an **alternative plan**:
 - a. First, **lay out all the variables** that require consideration in the UPRS such as: empowerment, democracy, decentralization, participatory governing, capacity building, etc

¹⁸ World Bank.org

- b. Then, **define and decide** how much work each of these goals will take and whether such goals are even realistic given resources and time constraints
- c. **Choose all realistic goals** and decide how plans can be implemented to put each goal into action.

8.1 A New Paradigm Needed

The adoption of a new and innovative strategy to urban poverty is imperative. Such a strategy would require **integration of multiple stakeholders** to have a sustainable impact on the poor. The reason for this is that urban centers have multiple stakeholders. While the government has been making all decisions since the country's Independence, **citizens are the permanent stakeholders** and the most affected by the quality of these decisions. In Democracies throughout the world, the trend is shifting towards **partnership with the community in the decision-making process**, in recognition of the centrality of the citizen. Thus, a **multi-stakeholder approach** entails a collaboration of urban poor communities, NGOs, Municipalities and the private/public sector. Of course, such a goal requires **changing the mindsets of the three primary types of stakeholders**: the government, the experts and the citizens themselves, and establishing institutional arrangements for such partnerships to succeed. This will enable addressing the key causative factors of urban poverty including income poverty, health and education poverty, personal and tenure insecurity, and disempowerment. Most importantly, **countries need to get on a path of sustainable, pro-poor growth that provides opportunities for all, a voice in decision-making and protection from shocks.**

8.2 Looking at the non-income dimensions of poverty

Work on non-income dimensions of poverty -- defining indicators where needed, gathering data, assessing trends -- is presented in the [World Development Report \(WDR\) 2000/01: Attacking Poverty](#) . This work includes assembling comparable and high-quality social indicators for education, health, access to services and infrastructure. It also includes developing new indicators to track other dimensions -- for example risk, vulnerability, social exclusion, access to social capital -- as well as ways to compare a multi-dimensional conception of poverty, when it may not make sense to aggregate the various dimensions into one index.¹⁸

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