CHAPTER - 6

URBAN POVERTY ALLEVIATION
Most of the poverty alleviation programmes initiated by governments have focused on tackling rural poverty, but urban poverty as it is prevalent today needs equal attention. The Class I cities and towns in India are growing faster than smaller urban areas and the highest percentage of slum dwellers is concentrated in the country's big cities and towns. It may be construed that the growth of slums corresponds to the growth of larger urban area. Though all the BPL population of urban areas do not live in slums, slums are important places to reach the urban poor. We do not have specific knowledge of the urban poor living outside slums. Our poverty alleviation programmes are, therefore, concentrated on urban slum population. It, therefore, follows that our main endeavour should be to upgrade slum-dwellers and provide training to them for skill upgradation and to provide placement for them. The growth of urban population is directly proportional to the economic output of urban areas since urban areas are not only centres of problems but also engines of growth. Urban growth and planned industrialisation have a well established relationship.¹
The urban poor in India was estimated to be 7.5 crores which comprises 38 per cent of the total urban population in 1988, which rose to 7.63 crores in 1993-94 which comprised 32 per cent of the total urban population. The fact that an estimated 27 per cent of the urban population lives below the poverty line is the cause of concern for the government. That is why the Urban Poverty Alleviation Initiatives of the Government have increased from year to year. The Government of India's Urban Poverty Alleviation Initiatives mainly consist of 1) Housing, 2) Welfare, and 3) Employment.

The Planning Commission allocated a separate section to urban poverty in IX Five-year plan (1997-2002) and thus an unprecedented focus was placed on urban poverty alleviation. The principal objective of the scheme was to enable the urban poor to gain and integrate with the mainstream economic activity. The SJSRY scheme introduced in 1997 enabled the urban poor women, till then confined to the four walls of the kitchen and caught in a debt trap, found themselves as members of an active self-help group and could lead a life with dignity and self respect earning livelihood by taking up self-employment ventures.

The urbanisation process is accompanied by a significant increase in the scale of poverty of urban population. The growing urban poverty in all towns and cities disproportionately affects women and children. The urban dwellers are often forced into a downward spiral of marginalisation, social and economic exclusion and unhealthy living environment. Thus, urbanisation of poverty has become a serious challenge facing the urban India today. Hence all the ULGs must address this issue in a realistic manner. Formerly, urban poverty had not been given the impetus it needed
on par with rural poverty. There is still the need for a deeper understanding of urban poverty. Urban poverty is wrongly believed to have been caused solely by largescale rural migration to urban areas in search of better livelihood options, though it is only one of the causes of urban poverty. Policy makers treat urban poverty as an essentially economic problem, a result of rural-urban migration. But in fact urban poverty includes destitute households, marginal income and minimal skills.

**Urban Poverty Alleviation Initiatives**

Even after more than six decades of Independence a large section of the Indian population continues to live a painful and miserable life under horrible conditions with extreme economic distress. The poverty Alleviation Initiatives and Programmes have not been able to solve the chronic problem of poverty and unemployment. It is, therefore, important to promote and encourage the setting up of self-employment ventures and micro enterprises. Micro entrepreneurship is an effective tool of eradicating urban poverty and unemployment. Despite steep reduction in the poverty ratio, abject poverty and rising unemployment of the educated youth have aggravated social abuses and crime in the country, more particularly in larger urban areas. Thus, a sense of insecurity to life has rent the air in many larger urban areas including the nation's capital. It is, therefore, imperative that the idle human capital be deployed in income-generating activities, which is the first step in the right direction to alleviate urban poverty in the country. Far more important is the eradication of poverty.

It is, therefore, a matter of serious concern to study the concept of poverty, its extent and magnitude and unemployment in
the country, so as to arrive at definite programmes for
implementation to alleviate poverty.

Poverty may be defined as a condition in which a person is
unable to access basic needs for a minimum living standard
required for his sustenance, and physical and mental development.
The urban poor live in extremely deprived conditions without safe
drinking water, sanitation, sewerage, drainage as well as proper
housing. They have no access to proper health care, nutrition,
schooling and non-formal education. According to a report of the
National Commission for Enterprises in the Unorganised Sector
(NCEUS) 25 per cent of Indians lived on less than Rs.20 per day
with most of them working in the unorganized sector with no job or
social security. The accelerated growth rate of 8.9 per cent could
not integrate the excluded into the mainstream of development.
The Monthly Per Capita Income of the urban poor was Rs.56.78 in
1973-76 which gradually increased to Rs.538.60 in 2004-05.

Table 6.1: Below Poverty Line Population Ratio

<table>
<thead>
<tr>
<th>Poverty Line Year</th>
<th>Monthly Per Capita Income (Urban)</th>
<th>BPL Population Ratio % (Urban)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973-1974</td>
<td>56.76</td>
<td>49.00</td>
</tr>
<tr>
<td>1977-1978</td>
<td>70.33</td>
<td>45.20</td>
</tr>
<tr>
<td>1983</td>
<td>115.65</td>
<td>40.80</td>
</tr>
<tr>
<td>1987-1988</td>
<td>162.16</td>
<td>38.20</td>
</tr>
<tr>
<td>1993-1994</td>
<td>281.35</td>
<td>32.40</td>
</tr>
<tr>
<td>1999-2000</td>
<td>454.11</td>
<td>23.6</td>
</tr>
<tr>
<td>2004-2005</td>
<td>538.60</td>
<td>25.70</td>
</tr>
</tbody>
</table>

Source: Planning Commission, 2008

The above figures reveal that even after five decades of
implementation of a number of Poverty Alleviation Programmes in
the country, India has the largest Below Poverty Level (BPL)
population living in horrible conditions, despite the steep decline of
Urban Poverty from 49 per cent in 1973-74 to 25.7 per cent in 2004-05. The number of poor people living in deplorable conditions is on the increase and the living conditions, particularly in slums, are awfully bad. The number of urban poor is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of persons Below Poverty Line in Millions</th>
<th>Percentage of BPL Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>60.0</td>
<td>49.0</td>
</tr>
<tr>
<td>1983</td>
<td>70.9</td>
<td>40.8</td>
</tr>
<tr>
<td>1993</td>
<td>76.3</td>
<td>32.3</td>
</tr>
<tr>
<td>2004</td>
<td>80.8</td>
<td>25.7</td>
</tr>
</tbody>
</table>

Source: Planning Commission, 2008

Rising unemployment is another serious concern. A large number of talented and able urban youth are without jobs. Despite fast development of Indian economy since the period of Economic Liberalisation, it has not generated sustainable employment.

**SJSRY and Poverty Alleviation**

The Government of India launched the Swarna Jayanti Shahari Rozgar Yojana (Golden Jubilee Urban Employment Scheme) with the principal objective of providing gainful employment to the less educated unemployed urban youth through setting up self-employment ventures, individual as well as group activities, since micro-entrepreneurship is a significant tool to solve the problems of urban unemployment and poverty. Micro-enterprises play a crucial role in economic development and poverty alleviation. Job creation is of paramount importance in national poverty reduction strategies. Micro entrepreneurs significantly contribute to poverty alleviation and productive employment generation and skill development. The SJSRY enables
the setting up of individual self employment ventures as well as collective entrepreneurship, i.e., group economic activities. It is the government's policy initiative to alleviate poverty and generate employment through empowering the unemployed urban youth through the setting up of micro enterprises, which are considered as engines of growth in urban area and trigger off the development process.

However, the self-employment ventures and micro enterprises promoted under the SJSRY intended to be an effective mechanism of urban poverty alleviation and eradication of unemployment among the less educated have yielded mixed results. The scheme has been highly successful in certain urban areas while it has not been successful in promoting sustainable self-employment ventures and micro enterprises in other urban areas as indicated by their dismal performance. The success of the scheme was 52 per cent in 2001-02, 63 per cent in 2002-03 and 56 per cent in 2003-04. The reasons for their poor performance in certain urban areas are:

1) Reluctance of banks to sanction and release loans to applicants due to non-feasibility of the trade/economic activity chosen and poor recovery of loans;

2) Reluctance of the beneficiaries to avail themselves of loan at a high rate of interest (12.14 per cent per annum) since the high cost of credit affects the profitability and sustainability of micro-enterprises.

3) Beneficiaries' inadequate comprehension of the advantages of the scheme meant for their benefit. The Community Development Societies could not play any effective role in strengthening the social empowerment of the poor beneficiaries;
4) Inadequate micro-entrepreneurship and lack of required skill and skill development programme;

5) The ceiling of project cost to Rs.50,000/- for individual self employment unit is too small an amount to make the venture self sustainable;

6) Prescription of 9th standard as the educational qualification under the SJSRY is a barrier to self-employment programme and the setting up of micro-enterprises;

7) Lack of market support for the goods produced by the micro-enterprises.3

Therefore certain reforms such as the following should be brought about to make the scheme sustainable.4

- Banks should release loans to the target groups for the Government approved projects with Government guarantee;
- The State Government should stand as surety for the recovery of loans from the beneficiaries;
- The State Government should ensure the selection of the right beneficiaries, approval of viable projects and timely recovery of loans;
- Provision should be made for the rescheduling of loans in case of default;
- Cheaper credit facilities should be provided by sanctioning loans from a specially created Revolving Fund on a sharing basis between the centre and the states;
- A micro entrepreneurship consultancy and development centre should be set up to assist the target beneficiaries in the selection of projects, project
formulation, use of low cost technology, production of quality goods and provision of marketing assistance;

- A reasonable enhancement may be made of the unit cost from Rs.50,000/- to Rs.5.00 lakhs as per the nature of the unit, cost of materials etc.

- Bankers and project officers should be well trained to act as guides and advisers to counsel the beneficiaries for making the right choice of viable micro-enterprises from the point of view of marketability and quality assurance;

- Government departments should purchase the products produced or supplied by the SJSRY beneficiaries and Self Help Groups as is done in Kerala;

- Local trades should be encouraged so that the beneficiaries would produce goods having local demand which helps them avoid searching for markets elsewhere;

- District level training centres have to be established to train the beneficiaries for skill upgradation.

Certain measures will have to be taken to overcome the chronic problems of acute urban poverty. The spectacular progress achieved in many sectors in the country over the past five decades has not benefited the poor. Sonorous slogans like "growth with equity" and "growth with social justice" have not yielded practical results.

**Social and Economic Empowerment of the Urban Poor**

The best solution to tackle urban poverty is through achieving a higher growth rate of the economy, which can have a tremendous impact on the quality of life of the poor, particularly
the urban poor, who are the most underprivileged section of the society.

It is in this direction that the Government has launched the poverty elimination programme by 'empowering the poor' through setting up self-employment ventures, group economic activities for eradicating urban poverty. Empowerment is defined as strengthening the capacities and upgrading the skills of the underprivileged sections to enable them to achieve a set objective.

Table 6.3: Urban Poverty Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Poverty Ratio percentage</th>
<th>No. of unemployed youth (in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973-74</td>
<td>55</td>
<td>--</td>
</tr>
<tr>
<td>1993-94</td>
<td>--</td>
<td>9.00</td>
</tr>
<tr>
<td>2004-05</td>
<td>22.27</td>
<td>131.00</td>
</tr>
</tbody>
</table>

Source: MEPMA, Hyderabad, 2008

The above table covering three decades shows that despite steep decline in the poverty ratio, the number of unemployed or jobless urban youth has increased from year to year. The urban poor are deprived of the minimum basic needs like access to safe drinking water, sanitation and sewerage. They live in shanties in most horrible conditions in overcrowded slums and with inadequate social services relating to health care, nutrition, pre-school and non-formal education. The majority of the urban poor work in the unorganized sector without job security or social security. This trend shows that the accelerated growth rate could not integrate the excluded section in the mainstream of development. It is, therefore, imperative for the state to intervene in the matter to improve the living conditions of the poor through the empowerment of the urban poor in order to contain the rising unemployment trends in urban areas. Empowerment of the urban
poor enables them to earn adequate means of livelihood and thus lead a life of quality with dignity and self-confidence obtaining necessary facilities for their full development.

Socio-economic empowerment is an essential pre-requisite for human development and is an effective instrument for tackling poverty and to achieve sustainable development. Economic empowerment is the harbinger of social empowerment: the one cannot exist without the other. Social empowerment cannot, however, be achieved without first achieving economic empowerment. Economic empowerment is an essential factor for alleviating poverty and unemployment. It can be achieved through providing credit facilities by banks for building and supporting the entrepreneurial skill of the urban poor, improving their management capabilities, training for capacity building and providing access to modern technology.

There are however certain constraints to achieving the economic empowerment of the poor.

1) Banks do not easily come forward to sanction loans to the poor for fear of non-recovery with the result they are forced to get loans at exorbitant rates of interest from private money lenders;

2) The Self Help Groups of urban poor women very often lack the required competence to choose the appropriate line of economic activity suited to their native abilities;

3) There is a lack of guidance and advice from the local administrative machinery to enable the urban poor women in the establishment of micro enterprises;
4) There is no marketing support for the micro enterprises;

5) There is no Rehabilitation package for sick micro enterprises with the result that the closure of the enterprises leads their entrepreneurs to bankruptcy;

6) There are no facilities for establishing micro enterprises in cases where the Banks come forward to sanction loan, besides lack of training in the production of quality products and marketing skills.

Poverty Alleviation initiatives in Andhra Pradesh

One of the important reasons for the accelerating rural-urban migration and unprecedented growth of urban population is the search for employment by the migrants. Provision of employment or creating income-generating schemes is, therefore, one of the key issues the stakeholders of urban development have to address. Andhra Pradesh, like some other states in the country, has witnessed a sustainable urban growth. While the urban population was 54 lakhs (17.42 per cent to total population) in the State in 1951 it went up to 205 lakhs in the year 2001, an increase of over 400 per cent. It is likely to grow further at an accelerated pace. Now that 27.08 per cent of the State's population live in urban areas, urban poverty is a matter of serious concern to the government to address. The incidence of urban poverty is more in urban areas than rural areas. It is estimated that 50 per cent of the poor families in Andhra Pradesh live in urban areas. This phenomenal figure is likely to increase further with each passing year owing to the accelerating rural-urban migration. This has placed on the shoulders of the government the responsibility to explore opportunities to eliminate poverty and vulnerability in a sustainable manner and improve the quality of life of the urban
poor. The Government of Andhra Pradesh has introduced several income-generating schemes.

In order to address this serious issue of urban poverty, the Government of Andhra Pradesh has conceived and adopted a path-breaking mission-mode approach called “Indira Kranthi Padham” to enable improved quality of life for all urban poor families by accessing services from various organizations through their own strong self-reliant and self-organized institutions. This necessitates the promotion, strengthening and nurturing of self-sustainable institutions of the poor and through them addressing all poverty-related issues like access to credit, economic freedom, health, disability and vulnerability. In order to give a fillip to the income-generating activities and to address other poverty-related issues, the Government established the Mission for Elimination of Poverty in Municipal Areas (MEPMA) on September 1, 2007 which is the first of its kind in the country, to implement Indira Kranti Padham (Urban), an urban poverty elimination programme in all the 15 Municipal Corporations and 109 Municipalities in the state.

The SJSRY has seven components—Urban Self Employment Programme, Training in Self-employment Programme, Development of Women & Children in Urban Areas, Thrift & Credit societies, Urban Wage Employment Programme, Community Structures and Infrastructure. The scheme is implemented through self help groups (SHG) formed with urban poor women in a three-tier system: Neighbourhood Group (NHG), Neighbourhood Community (NHC) and Community Development Society (CDS). There was no separate organization or machinery to implement the scheme and to provide support to the SHGs. The scheme was implemented in all urban areas by the Urban Local Governments. The need for establishing a separate organization to implement the entire
poverty alleviation programme was keenly felt over the years. Realising this need, the Government of Andhra Pradesh has established a separate official wing in the Department of Municipal Administration & Urban Development called "Mission for Elimination of Poverty in Municipal Area" which implements Indira Kranthi Padham-Urban. The scheme envisages 1) Building organizations of the poor; 2) Formation and strengthening of Self-Help Groups and Federation; 3) Bank Linkage; 4) Total Financial Inclusion; 5) Placement linked skill development training programme; 6) Skill development training programme through National Academy of Construction; 7) Advising vulnerability; 8) Development of Social Capital.

1. Building Organisations of the Poor

The strategy adopted for achieving this objective is by building organizations of the poor, empowering the poor by their capacity enhancement, establishing support mechanisms, participatory monitoring and evaluation systems, creating highly trained social capital at grass-roots level to address all poverty issues like health, education, livelihood, vulnerability etc, facilitating interface between bankers and Community Based Organisations (CBOs) of the poor, promoting livelihood opportunities though skill upgradation-cum-placement assurance with market tie-up, readmission of school dropouts in the schools, improvement of infrastructure in slums, housing for the urban poor, covering all urban poor under social security measures etc.

2. Formation and strengthening of self-help groups

The urban poor women are formed into Self-Help Groups. The Self Help concept enables the creation of platform for the women to organise themselves, ventilate their felt needs, build
capacities, and thus increase their strength. The group concept provides a platform for enhanced spirit of collectivity, institutionalized mechanism for social advance and economic improvement as well as for sharing knowledge and increase self-confidence. Since all the members of the group are united by like-mindedness in identifying their problems and a common approach in addressing their needs, group activity yields excellent results.

There are about 1,04,622 self-help groups in all the urban areas of Andhra Pradesh covering 13.00 lakh families which account for 72 per cent of the total poor households in the state. A target of 1.50 Lakh groups is expected to be formed in the coming two years covering 17.00 lakhs urban poor families.

3. Bank Linkage

The urban poor are caught in the clutches of private money-lenders who lend money to them at an exorbitant rate of interest ranging from 5 per cent to 20 per cent per month based on the urgency and need. Commercial Banks meet hardly 0.8 per cent of the credit needs of the urban poor and therefore the bulk of their needs is met by private money lenders. This situation makes the life of the urban poor most horrible, so that some even in despair resort to suicide, unable to repay the debt. The Andhra Pradesh Urban Services for the Poor project which was implemented in 42 class I towns in the state during 2000-07, with its sustained efforts, could access 10 to 15 per cent of the credit needs of the urban poor in the 42 project towns at affordable rate of interest. It could so far provide bank linkage to 71,000 self help groups to the tune of Rs.340.97 crores. This reduced the interest burden from Rs.1644/- to Rs.137/- per annum per family. Efforts are in progress to link another 80,000 self help groups with an amount of
Rs.400.00 crores in the coming one year. While this bank linkage could reduce the debt burden of the urban poor, it has also enabled each poor family to save up to Rs.5,000/- per year.

In order to reduce the interest burden and to bring the poor out of the clutches of money-lenders, the Government of Andhra Pradesh has introduced "Pavala Vaddi" Scheme (25 paise interest). In this scheme loan is sanctioned to the SHGs at an interest of 3 per cent. Banks used to give loans to the self-help groups at 9 to 12 per cent interest per annum on regular repayment of loan instalments. The Government will reimburse the interest over and above 3 per cent. The scheme inculcates the habit of regular repayment of loan instalments. It also increases the habit of accessing the credit by poor. The scheme would help the poor to free themselves from the grip of the moneylenders and establish their livelihoods. The scheme would make the repayment of loan easier, and encouraging, thus making the programme sustainable. So far 21,000 self-help groups in urban areas have availed themselves of loan to the tune of Rs.4.50 crores under the novel "Pavala Vaddi" scheme. The scheme has enabled a link with banks and the urban poor can access loan on a perpetual basis; the rate of recovery of loan is enhanced, thus encouraging banks to float more loans to the urban poor and enabling the self-help groups to access more credit from banks that were earlier reluctant to sanction loans to the urban poor.

4. Total Financial Inclusion

This programme aims at clearing the debt of the urban poor women by providing bank linkage and enabling them to take up income generating activities to repay the loans to the bank. The incidence of their indebtedness to private money-lenders is found
to be Rs.25,000/- to Rs.40,000/- per person at an exorbitant rate of interest ranging from 36 to 60 per cent per annum depending on the circumstances in which the loan is taken.

The scheme has been so far implemented in 29 poor settlements in 25 towns of Andhra Pradesh. The process involves the identification of poor settlements, assessing their debt burden and the amount required for livelihood activities, sensitising the municipal staff involved in implementing the scheme and the bankers to the modalities of the scheme, capacity building of the group members and monitoring the recovery of loan through community based recovery mechanism. The state government envisages implementing total financial inclusion with debt swapping with each bank covering at least one poor settlement in all the urban local bodies over a period of two years. It is expected that each family under the scheme saves Rs.25, 000/- per year and that its dependence on money-lenders would be reduced to zero.

5. **Skill Development Training Programme through National Academy of Construction**

Skill development through training is essential to enable the urban unemployed youth to eke out livelihood through setting up of self employment ventures taking advantage of the self-employment schemes introduced/implemented by the Government. In order to create better livelihood through skill development the Government has been offering the youth of the BPL Category a unique opportunity to train the eligible beneficiaries in various trades of construction activity as per their native abilities duly assuring placement to all the trained beneficiaries. The National Academy of Construction offers training which meets the demands of world-class construction standards in skill, workmanship and productivity.
It is estimated that construction industry has potential for Rs.10 lakh skilled workers. While the NAC trained about 2110 beneficiaries so far, placement was given to 1053 trained beneficiaries. It is contemplated to provide placement linked training to about 10,000 construction workers living in urban areas during the next one year.

The training programme could provide employment to highly skilled construction workers who have been positioned in urban areas, whose individual monthly income ranges from Rs.1,500/- to Rs.3,000/-.

6. Empowerment of physically challenged people in urban Areas

Gradual reduction of vulnerability of the urban poor, by empowering the physically challenged persons through forming them into Self-Help Groups, building their capacities, providing bank linkages and service providers, community based rehabilitation and promotion of sustainable livelihoods, is an important objective of the income generating schemes.

The Government of Andhra Pradesh during the last one year organised 15,407 disabled persons into 2258 Self Help Groups and provided bank linkage to 423 groups with an outlay of Rs.97.00 lakhs. The scheme also enabled to conduct surgical corrections to 354 persons with post-polio. Aids and appliances etc were supplied to 1476 persons with disabilities from corporate service providers free of cost. Medical Board Certificates and other concessions and privileges were issued to 27,451 disabled persons in 18 urban areas.
It is proposed to form another 4000 groups in the next two years and link all eligible groups with Banks; to provide medical aid and rehabilitation needs. Its impact is that the disabled and vulnerable would become able and empowered.

7. Education for the Urban Poor

Major educational institutions in India meant for the poor have not concentrated much on urban areas. Even the Sarva Siksha Abhiyan (SSA) has excluded the urban poor. Neither the SSA has clear strategy for the urban schools, particularly for the slum children nor does the JNNURM have education as a necessary component in its urban renewal mission. The urban poor do not have access to education of good quality, relevant to their needs due to the following problems:

- The large-scale rural-urban migration and cross migration within cities create problems for children who migrate along with their parents and are not factored into planning.
- Their admission to schools is generally blocked by lack of identity proof, birth certificate, transfer certificate etc.
- The specific problems of child-workers, street children and children in famine are not factored into schematic patterns.
- The schools are either dysfunctional or poorly functioning.
- Most of the urban poor attend local non-fee charging schools which are ill-equipped and are without qualified teachers.
Local urban administration has not given education the importance it needs.

The Mission for Elimination of Poverty in Municipal Areas also encourages the following Social Development activities:

1. Livelihood programme—providing of infrastructure such as Lighting, Furniture, Stipend etc. to centres.
2. Skill development training.
3. Payment of interest subsidy under “Pavala Vaddi” (Rs.0.25 interest).
4. Payment of subsidy under the USEP, DWCUA.
5. Anganwadi centres
7. Construction of Community Resource Centres.
8. Purchase of tool kits.
10. Providing marketing facilities to SHGs.
11. Institution building of the SHGs.
12. Capacity building of the SHGs.
13. Preparation of plans of slum development.
14. Procurement of the IEC material of Social Development.
15. Social security pensions to the aged widows, the disabled.
16. Providing water supply in slums.
17. Organisation of crutch, play schools, schools.
18. Organisation of widow homes, orphanages.
19. Conducting meetings of the SHGs and CBOs.
20. Providing assistance to the disabled, S.C., S.T.
22. Incentives for family planning.
23. Providing facilities for family planning.
24. Conducting house to house survey in slums.
27. Providing infrastructure for the CRCs and the CBOs and social development wing.
28. Setting up Seva Kendras (service centres).
29. Payment of revolving fund, CEF.
30. Travelling cost of the SHG members.
31. Insurance subsidy.
32. Infrastructure support for income generation and other groups activities.
33. A & O E expenses of the ULBs.
34. Training to staff on social development activities.
35. Literacy programmes.
37. Establishment of the UPA cell.
38. Any other activity with permission of the MEPMA in the interest of poor.

The increasing urban poverty is one of the challenges before the urban managers to tackle in a sustainable manner. While some of the programmes aimed at poverty alleviation have yielded efficacy, the urban poverty alleviation programmes are to be given further impetus to make the programme more sustainable.

It has been the Government's endeavour to eradicate poverty as an ethical, political, social and economic imperative. The Government of India has been implementing various poverty alleviation programmes to reduce the incidence of poverty during the last two/three decades. There has been considerable progress
made in the implementation of these programmes as could be seen through the remarkable progress made in its socio-economic indicators.

The reason for delay in total elimination of urban poverty is the fact that the economic development in the state is not benefiting all the urban poor and the poverty elimination programmes are not giving the expected results in reducing the gap between the rich and the poor. Provision of adequate civic services like access to safe drinking water, medical facilities and education can reduce the magnitude of poverty of the unprivileged and the underprivileged sections of the urban areas. Strong economic development along with good governance and implementation of income generating activities will provide opportunities to minimise, if not totally eliminate, poverty in the state. One of the Millennium Development Goals is to eradicate extreme poverty and hunger by 2015 and the Government of India is committed to achieve it by the targeted date. Hence great emphasis is to be laid on effective implementation of the poverty reduction programmes with commitment and dedication, duly fixing targets to be achieved for each financial year.

The implementation of poverty elimination programmes during the last two decades had given satisfactory results in certain urban areas while they yielded no substantive results in other urban areas.

The reasons for the impressive success rate in certain urban areas are:

- Identification of local trades for which there is demand, duly scanning the local market.
• Identification of genuine beneficiaries for each economic activity.
• Formation of groups with like-minded members who have commitment and dedication to the chosen trade.
• Training the members for skill upgradation in the chosen trade for better performance of the members of the group.

Reasons for failure of the scheme in certain urban areas are:
• Inadequate comprehension of the objective of the scheme.
• Lack of skill in the members of the group in the economic activity chosen.
• Lack of unity of purpose among the members of the group.
• Lack of local market for the goods produced or the economic activity chosen.

Poverty Elimination in APUSP Project towns of A.P.

The Andhra Pradesh Urban Services for the Poor (APUSP) project referred to earlier was implemented in 42 class I towns of Andhra Pradesh which was an innovative partnership programme between the Government of Andhra Pradesh and the Government of United Kingdom. In order to eliminate poverty in the project towns certain innovative measures were taken up.

Strengthening of Civil Society

If poverty and vulnerability are to be eliminated, the Civil Society should be strengthened and its role in decision-making be increased so that it plays a decisive role in achieving the objectives set forth for the project. The Civil Society was strengthened
through certain measures by including the B.P.L. women in Self Help Groups so that they would become entitled to the benefits under poverty alleviation programmes.

**Formation of Self Help Groups**

There are 7.99 lakhs women in all the 42 project towns out of whom 4.60 lakh women have been organised into 34,685 SHGs covering 57 per cent of the BPL House holds. A special drive has been taken up in all the project towns to strengthen the SHGs. The drive includes:

- Strengthening of the existing SHGs
- Formation of New SHGs
- Livelihood Promotions through Self Help Groups
- Increased access to bank finances.

Under the urban poverty elimination programmes Community Structures are established which would have decision-making power in the implementation of the welfare programmes like self-employment generation through skill upgradation and are under implementation through the Self Help Groups.

**Financial Assistance**

Banks have financially assisted 6397 SHGs through Bank linkages with an amount of Rs.23.00 crores. The per capita availability of loan is Rs.3000/- and repayment is nearly 100 percent. (The figures pertain to 2005-06)

**UPADHI**

This is an Urban Programme for Advancement of House-hold Income. The State Government formulated this innovative scheme
with a vision to focus and provide livelihood to the poorest of the poor in slum areas. This is a placement linked training. The age group covered under the scheme are unemployed urban youth between 18-35 years. The uniqueness of the scheme is provision of 100 per cent placement after completion of training.

The scheme is implemented by assessing the livelihood opportunities and employment potential through market scan. After making an assessment of the available livelihood opportunities in the town or city candidates are selected under the scheme through road shows, who would be trained in their respective trades or lines of activity for 3-4 months which includes skill upgradation and after successful completion of training they would be given placement or placement support. The APUSP in collaboration with Dr. Reddy’s Foundation (DRF) and American Indian Foundation (AIF) has taken up this programme in convergence with all on-going livelihood programmes.

Target

The goal of UPADHI is to identify and make available the potential livelihood options for the youth living below the poverty line (BPL) in the age group of 18-35 in the project towns and train them in skills according to the market requirements, thereby working towards achieving the goals of self-employment and poverty reduction; and to provide young adults from the economically weaker and disadvantaged sections an opportunity to assimilate into the competitive job market and to help them acquire the required livelihoods and social skills in an environment of learning and mentoring that is responsive to the individual’s emotional and development needs. It is contemplated to provide
placement linked training to at least 1, 00,000 youth in the coming two years.

**Achievement**

The programme was first initiated in 16 project towns and was later extended to the remaining project towns. So far a total number of 32950 candidates have been trained and placement is shown to 21958 unemployed youth. The average per capita earnings range from Rs. 1,500/- to Rs 7,000/- per month. The programme has been a remarkable success in poverty elimination. The impact of the scheme was that a large pool of employable youth was created in tune with the new economy sectors and so far a wealth of Rs.30 crore was generated against an investment of Rs.6 crore on account of monthly earnings of the trained youth.

- The Government of Andhra Pradesh decided to extend the programme to all the towns in Andhra Pradesh. Fifty-eight N.G.Os have come forward to implement the programme in various towns.
- The fast growth of urban areas necessitates several supporting services which provide adequate employment opportunities to the urban poor in the unorganised sector. The contribution of the informal sector to the overall economy is estimated to be around 30 per cent of the total income generated. The programmes aimed at elimination of poverty through income generation should make a scan of the urban services needed and the candidates with native abilities in a particular trade or service for which there is demand should be trained in the particular trade or line of activity so that placement after training will be
an easy process and thus poverty elimination programmes will be a tremendous success.

 Poverty Eradication Activities in Kerala

Kudumbashree (Prosperity of the family) is a poverty eradication project launched under the Kerala State Poverty Eradication Mission with the principal objective of "eradicating absolute poverty in ten years through concerted community action under the leadership of local self governments, by facilitating organization of the poor combining self help with demand-led convenience of available services and resources to tackle the multiple dimensions and manifestations of poverty, holistically". Kudumbashree is a state level nodal agency to implement the three centrally sponsored programmes viz., National Slum Development Programme (NSDP), Swarna Jayanti Shahari Rozgar Yojana (SJSRY) and Integrated Development of Small Medium Towns (IDSMT). Though the Kudumbashree programme is a synonym for the Development of Women and Children in Urban Areas (DWCUA) under the SJSRY, the guidelines issued for implementation of the SJSRY are slightly modified to suit the local conditions and for better performance to cover more and more eligible beneficiaries in its expanding fold. For example, the BPL family is identified based on Nine (9) indicators and if four or more indicators are positive, the family qualifies for the benefit under the scheme. The Kudumbashree programme was first launched in Alappuzhi Municipality, and won laurels from the U.N. in 1995. It has been later extended to all other local bodies (rural as well as urban).

Kudumbashree Scheme

In order to implement the programme with effective convergence, a three tier Community Based Organisation (CBO) is
formed which is akin to the Neighbourhood Group (NHG), Area Development Society (ADS) (which in other areas is same as Neighbourhood Committee and Community Development Society (CDS) under the SJSRY scheme. The Neighbourhood Group undertakes various functional activities through five volunteers.

1. President - presides over the weekly meetings and imparts necessary leadership and guidelines to the group members.

2. Secretary - records the programmes of the meetings, provide Motivation and team building.

3. Community Health Volunteer - looks after various health-related aspects of the group members including children, women and the aged. Convergence of various programmes is carried out under the leadership of the CHV.

4. Income Generating Activity Volunteer - looks after the activities connected with thrift Mobilisation, training imparted by NABARD for increasing their Capability, maintenance of account books and registers.

5. Infrastructure Volunteer - tackles infrastructure backwardness of the group with the help of various ongoing Government programmes. She will liaison with the local bodies and acts as a catalyst for local development.

Activities of Kudumbashree

Besides women's empowerment through poverty eradication programmes, Kudumbashree aims at:
• Providing bank linkage for at least 20 per cent of the NHGs per annum.
• Construction of houses to all the homeless within 5 years.
• Providing safe drinking water within 300 metres of their residence in five years.
• Providing toilet facilities to all the houses in five years.
• Setting up of micro-linkage in each NHG and establishment of marketing network throughout the state, and
• Formation and implementation of special programmes necessary for the progress of the SC/CT and other backward classes.

The functioning of the self-employment units established in Kerala is found most impressive and their example should be emulated in other states.

Other Activities of Kudumbashree

AASHRAYA

The scheme provides rehabilitation to destitute families through construction of houses. Cochin International Airport Limited (CIAL) has donated Ac.0.75 cents land for this programme. The programme is under active implantation.

Health Insurance

Kerala is ahead of the other States in the country in Health Insurance Programme.
Reasons for high success Rate in Kerala

Though Kudumbashree activities aiming at eradication of poverty are not different from SJSRY (USEP and DWCYA) activities, the reasons for the higher success rate in eradication of poverty through income-generating activities in Kerala are:

1. Modification of the SJSRY guidelines to suit local conditions. The guidelines for implementing the SJSRY are not hard and fast rules but only guidelines, which can be modified to suit the requirements of local unemployed BPL youth.

2. Clear understanding of the objectives of the programme and implementing them accordingly.

3. Establishment of group enterprises of men also (which is not found in the SJSRY) instead of individual enterprises.

4. Choosing the line economic of activities relevant to the native abilities of the beneficiaries.

5. Total absence of political interference in the entire process right from selection of the beneficiary till grounding of the units.
References

1. B.Bhushan, Promoting Socio-Ecόnomic Empowerment of the Poor for Grass Root Development, Planning Commission, New Delhi, 2008, p.6


