

# Government Led Exclusion of Urban Poor Greater Contribution and Lesser Recipient

The report is jointly prepared by PRIA. The objective of the present study is to look into the contribution of informal settlement households to urban economy.

*Jaipur Status  
Report 2014*

## ACRONYMS

BSUP	Basic Service Urban Project
GDP	Gross Domestic Product
GSDP	Gross State Domestic Product
JDA	Jaipur Development Authority
JMC	Jaipur Municipal Corporation
MRTS	Mass Rapid Transit System
PHED	Public Health Engineering Department
PPP	Public Private Partnership
SAM	Social Accountability Matrix

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## I. INTRODCUTION

The phenomenon of increased urbanization in India is facing one of its foremost challenges in the form of disparity between redistribution of economic opportunity and growth. The centre of poverty is gradually shifting towards urban centres and this situation is further worsened by already high population densities, poor infrastructure and a general lack of effective housing policy and provisioning for the poor. The Census of India 2011 suggests that 66% of all statutory towns in India have slums, with 17.4% of total urban households currently residing. However, this estimate of slums takes into account certain criteria set by the Census for a settlement to be featured as a slum. A large proportion of households who are living in similar or poorer dwelling conditions than those living in slums have been omitted. This study encompasses all those settlements that comply with the definition of slums (as given by the Census of India) as well as those with similar or poorer dwelling conditions that those of slums as ‘Informal Settlements’, because these are primarily dwelling units where most of the urban poor live. Interventions should be targeted at all these informal settlements instead of only slums as defined by the Census, since the quality of life and infrastructure in these informal settlements are similar to those of slums. (PRIA, 2013)

## II. PURPOSE OF THE REPORT

The objective of the present study is **to look into the contribution of informal settlement households to urban economy**. The primary reason for looking at this particular question is to determine whether the informal settlement households, who normally form the poor strata of the urban population, do contribute to the urban economy to a significant extent or not. If they do contribute to urban economy, whether providing proper urban services to them should be treated as their legitimate right? For greater comprehension, this study attempts to discover the role of informal settlement population as a productive agent in urban economy, which is in contrast to the general notion that this section of population is “burden to the city.” (PRIA, 2013)

## III. METHODOLOGY

A primary survey of 50 top cities in India was conducted to achieve the study objective. The survey captured various socio-economic–demographic dimensions of urban informal settlements dwellers in these cities. A total of about 5350 households and about 24500 individuals were covered in the survey. The focus of the questionnaire was to capture information about income–expenditure, employment, nature of job, education, living conditions and the similar information to understand the economic component of their life as well as their standard of living. Subsequently, we construct a social accounting matrix (SAM) of India that includes urban informal sector as a component. SAM is the best possible tool that takes into account the inter-linkages among various economic agents within an economy. One of the advantages of that it can incorporate certain sections of households into a framework whereby the impact of that section on the economy in terms of contribution to income (GDP) as well as the multipliers can be computed, thus allowing precise quantification of the informal settlement population’s contribution to urban economy. In addition, the study also captures the perceptions of non-informal settlement households regarding the role of the target segment of population in a city life. This qualitative analysis provides an understanding of the shadow cost of non-existence of this section of population in the urban centres. (PRIA, 2013)

## IV. POSITIVE ROLE OF INFORMAL SETTLERS

On the contrary to the general notions, the study suggests that informal settlement dwellers play positive roles in urban economy as well as urban life apart from a few known adverse roles. Their contribution to urban GDP, and some of the “difficult to replace” nature of jobs they are engaged in, makes them an integral

productive economic agent of the urban economy. Based on the Census of India 2011 data, as well as primary survey data of informal settlements of 50 cities, the study also suggests that a large proportion of the households do not even have access to the basic facilities. As the services provided to this section of population are often considered as favour to the community rather than their basic right, the approach and attitude of the authorities needs to be re-examined. Certainly the informal settlement dwellers deserve the basic facilities that other urban dwellers enjoy as their right. This needs to be translated into policies by the policy makers and opinion leaders of the country. (PRIA, 2013)

## **V. URBAN POVERTY GETS ITS DUE RECOGNITION IN CENSUS 2011**

No uniform methodology existed to identify urban poverty and states have been using their own parameters to reach out for providing benefits. Census-2011 has attempted to enumerate socio-economy data also at household level such as quality of housing, water, electricity, literacy, access to education etc. Hashim Committee report (full citation) states that as per ninth plan document the features of urban poverty are: proliferation of slums, increasing casualization of labour, fast growth of informal sector, increasing stress on civic amenities, increasing education deprivation and health contingencies.

There is change in approach and indicators in the current census than the previous census. The census 2011 has released data for slum blocks in more details for the first time. In earlier Census, it was more at demography level limiting the study to blocks having 20,000 populations. In Census 2011 slum blocks have been identified based on living conditions irrespective of population size - poor quality of living based on combination of factors such as dilapidation, faulty arrangements and design of such buildings, narrowness or faulty arrangement of street, lack of ventilation, light, or sanitation facilities etc. (Planning Commission, 2012)

### **Status of Urban Slums at National Level (Census 2011)**

Out of 4041 towns in country slums have been reported from 63% of towns (1.08 lakh slum blocks in 2543 towns comprising 137.49 lakh households). 37072 slum blocks have been notified, 30846 have been recognized and 40,309 have been identified.

17.4% of 789 lakh household in country are slum households. Andhra Pradesh tops the list with 35.7%, Kerala has least slum households as percentage of total households with 1.5%.

## **VII. RAJASTHAN DEMOGRAPHIC PROFILE**

Rajasthan is the largest state of India in terms of area and 8<sup>th</sup> in terms of population which stands about 6.85 crores, achieving decadal growth of 21%. The population density is 201 per sqkm, lower when compared to national average of 382. The state is known for being low on the sex ratio as it stands 928:1000. On the other hand the literacy rate of Rajasthan is 67%, lagging behind national average of 74%. The gap in female literacy rate is wider, recorded at 52%, when compared to national average of 65%. Rajasthan is primarily rural with 75% of its population living in rural areas. On economic terms the GSDP is estimated at Rs 4.8 lakh crores for the year 2012-13. The agriculture sector contributes to 21% of GDP and industry contributes around 32%. Service sector contributes around 47%. This gives us account of capita income of Rajasthan for the year 2012-13 to Rs 5055 per month. (Planning Department, 2012-13)

## VIII. STATUS OF SLUMS IN RAJASTHAN CENSUS-2011

According to the State Level Slum Household data at Rajasthan there are 3, 83,134 **households** identified as slums. Out of which 56.5% are considered good, 40% livable and rest under dilapidated condition. The availability of various amenities like water, electricity, sanitation, cooking gas, banking services, communication are well captured in the census. With regards to availability of water majority i.e 69% have **water source** in their homes, 20% have water source in nearby area and rest 11% of the household have to travel far

off. Almost 76% of household have access to **treated water** and rest use all other sources. Majority i.e. 89% of households have **electricity**. Majority i.e. 71% have **latrine facility** within their homes out of which 30% of them have piped sewer system. 1,00,609 households openly defecate and 8,219 households use public latrines. Also 52% have **LPG** and 35% use firewood and rest use other sources such as **coal, cowdung cake, kerosene**. Nearly 48% of households use **banking services** and 63% have Television. 1.8% have computer with internet. 66% of the houses have **mobile phones**. (Census, 2011)

### Slums Facts: Rajasthan

- 3, 83,134 households identified as slums
- 69% have water source in their homes
- 76% of household have access to treated water
- 89% of households have electricity
- 71% have latrine facility within their homes
- 52% have LPG
- 48% of households use banking services
- 63% have Television
- 66% of the houses have mobile phones

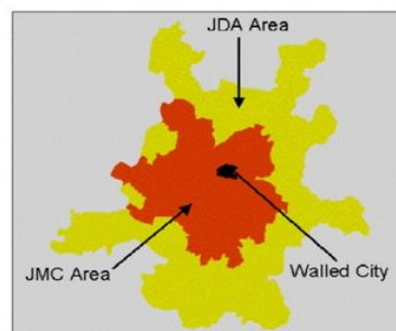
## IX. JAIPUR DISTRICT

### *Backdrop*

Jaipur is known as one of the first planned cities of India. Its features of beautiful Architecture, planned growth and cosmopolitan character have endowed it with uniqueness in India's urban setting. Until the eighteenth century, Amber served as the capital and was ruled by the Kachwaha clan of the Rajputs. However, due to its inaccessible tract on the Aravalli hills, it was unable to meet the demands of a growing population. Sawai Jai Singh in 1727 decided to move his capital to the plains, 11 km south of Amber. Jaipur City was not only planned but its execution was also coordinated by Sawai Jai Singh II, in such a manner that a substantial part of the city developed up within seven years of its foundation. His reign was probably the most glorious phase in the growth of the city. The municipality was reorganized in 1926 and a new municipal act was prepared in 1929. Post independence, planned development of the city was taken up after the city became the capital of Rajasthan. Jaipur being capital of Rajasthan is the focus of the socio-economic and political life of State. Jaipur District has witnessed fast growth both physical and demographic (Population Foundation of India , 2014)

### *Population and other demographic*

Jaipur district has population of 66.26 lakh with sex ratio of 910 which is below national average of 940. The population density is 595 per sq km with 48% people living in rural areas. The decadal growth of population in Jaipur district is around 26%. In urban areas of Jaipur district, the growth is 34%.



Jaipur city has population of about 31 lakhs. The city has a skewed population density. From 1951 to 2011 Jaipur city population grew by five times. City area maintained by JMC is around 467 sq KM, out of which 6.7 sq KM is in walled city. While the population density of Jaipur city is 8054 per sqkm, density of walled city area is more than 58000 per sq KM. The city witnessed 32% population growth during the decade. Sex ratio of city is 898. The key indicators as per census 2011 are as follows:

#### **Population and other demographics of Jaipur District**

- Jaipur District has **11.46 lakh households**. Out of 11.46 lakhs households 7.29 lakh households are considered good for living. 3.88 lakh households are considered in livable condition and 28,725 houses are considered dilapidated.
- Out of 11.46 lakh households **55% have water source** in their home itself. Out of rest 45% households, 30% have water source near their house and 15% of the households have to travel far.
- **51% of households get treated tap water** and rest are a combination of untreated water, well, river, canal, lake etc.
- **86% of the households get electricity.**
- **60% of households have latrine facility** within their home out of which 60% have piped sewer system. More than 4.47lakhs households openly defecate and 4391 households use public latrine.
- **68% of the households avail banking facilities**
- **67% of the households have televisions.** 6.7% of the houses have computers with internet connection, 68% of the households have only mobile.

As per census, State of Rajasthan has 3.94 lakh slum households having population of 20.68 lakhs. In Jaipur District there are 61,858 households having 3.24 lakh population living in slums. State Government reports and presentations put the number of slums in Jaipur to 238, comprising 80,000 households housing 4.15 lakh persons, which is around 13% of city population.

As per, Population Foundation of India report 2012, RAY 2011 survey (Rajiv Awas Yojna) states that there are 192 slums under JMC and another 46 under JDA. (Population Foundation of India, 2014)

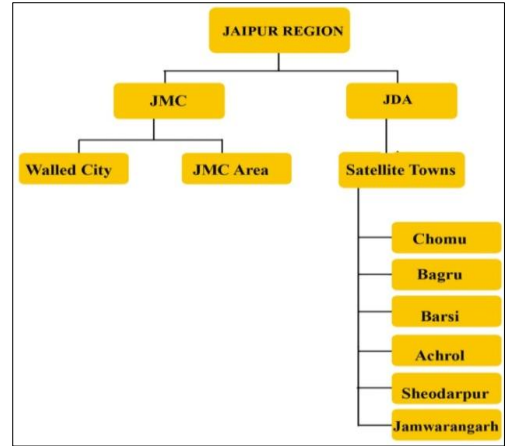
#### ***X. LOCAL GOVERNANCE STRUCTURE OF JAIPUR CITY***

Jaipur Municipal Corporation (JMC) has political administration according to 74<sup>th</sup> Constitutional Amendment Act, 1993. Jaipur Development Authority (JDA), functioning under department of Local Self Government, GOR, has been given prime responsibility for planning Jaipur city and region. However, Jaipur city is administered in term of development owned JMC and JDA location wise and need based.

Jaipur Region constitutes of the following

1. Jaipur Municipal Corporation
2. Satellite Towns

The Jaipur Region (as it is commonly known) comprises two distinct constituents: the Jaipur Municipal Corporation (JMC) area (also referred to as the Jaipur Nagar Nigam Area); and the rest of Jaipur Region comprising neighboring satellite towns namely - Chomu, Bagru, Bassi, Sheodaspura, Achrol and Jamwaramgarh. The whole region is administered by 2 agencies – Jaipur Municipal Corporation and Jaipur development Authority (JDA). Jaipur Development Authority (JDA) is responsible for planning of the Jaipur region. Jaipur region covers a total area of 1464 sq.km, out of which, the municipal area of Jaipur covers 288 sq.km. The JMC Area is further divided into the walled city and the rest of JMC area.



**Jaipur Nagar Nigam** or Jaipur Nagar Nigam is municipal corporation of Jaipur city in Rajasthan state in India. There are 77 wards in the city out of which 13 wards fall in the walled city area. The wards have been divided in 8 zones as follows:

- Moti Dungri Zone comprises wards No. 18 and 26 to 35.
- Hawa Mahal East comprises wards No. 44 to 51 and 55 to 57.
- Hawa Mahal West comprises wards No. 39 to 43 and 58 to 61.
- Vidyadhar Nagar comprises wards No. 1, 8 to 10, 36 to 37 and 62 to 70.
- Civil Line comprises wards No. 2 to 7, 15 to 17, 19 to 20 and 38.
- Sanganer comprises wards No. 22 to 25.
- Amber comprises wards No. 52 to 54.
- Mansarovar comprises wards No. 11 to 14 and 21.

Jaipur Development Authority was created with a vision to combat and man oeuvre the growing requirements of a large city in wake of the increasing population and to help give Jaipur a planned look compatible and comparable to any metropolitan city of repute. JDA was authorized powers to speed up the development and progressive growth of the entire city to rapidly change the face of Jaipur. According to the requisites, JDA has been working towards time-bound construction, creation and development of the western part of Jaipur based on major scientific and hi-tech strategies. Thus, Jaipur has been beautified intensively to augment the tourist attraction in the city and to raise the living standards to suit convenience of its citizens.

The major undertaking of JDA includes the following:

- Infrastructural development of Jaipur region by construction of flyovers, bridges, parking places.
- Development of commercial projects and residential schemes, etc.
- Development of basic amenities like community centers, parks, ring roads.
- Development and rehabilitation of kacchi bastis etc.
- Preparation and implementation of master plan.
- Preparation and implementation of guidelines for colonization.



- Environmental development by planning and implementing roadside plantations and by developing eco-friendly schemes.
- Development of rural area around Jaipur.
- Development of transport facilities like Mass Rapid Transport System (MRTS), Transport Nagar, and major sector roads.

### *Budget Outlay*

JMC budget outlay of 2013-14 is 1015 crore. The key areas earmarked are:

- Development works – Rs 444 crore
- Sanitation Improvement – Rs 220 crore
- Street lights –Rs 13 crore
- Road repair for each ward – Rs 77 crore

The revenue streams are planned through property tax and land auctioning. There have been criticism that the budget exercise have typically not been realistic and inflates both revenue and development expenditure. In 2012-13 the corporation earned a revenue of Rs 377 crore as against a budget of Rs 991 crore. Though only 25% of the property tax has been collected vis-à-vis the budgeted amount, the target for the current year has still been increased. (Times of India , 2014)



### *Access of slums to drinking water*

The water supply scheme of Public Health Engineering Department (PHED) covers around 86.5percent of the slum population. 56% household's in slums don't have access to definite water sources. According to CDP, 45% of urban poor families depend on community water sources, 39% on private water sources, 16% have no definite source of water. According to Mahila Housing Sewa Trust, one fourth of the households in slums donot have any definite source of water, 26% had access to inhouse tap connections, 37% were dependent on public taps, 17 % on neighbours, 8% on private sellers of water. (Times of India , 2014)

### *Access of Slums to Sanitation*

As per Population Foundation of India report in 2012, half of the slums donot have access to toilets. There are in total 76 community latrines for slums and others in the city. Most of the slum dwellers resort to open defecation along the roads and open drains polluting the surrounding areas. The city has a sewerage network connecting only 56% of the population. (Population Foundation of India , 2014)

### *Basic Services Urban Poor Projects*

Rajasthan has initiated 3 BSUP projects in Jaipur, Ajmer, Pushkar. The projects costs around 290 crore. In addition, 66 IHSDP projects with an outlay of 121 crore have been initiated. Around 48,697 houses are planned under the above schemes. As per Government status report, 20% have been completed, 50% is work in progress and 30% is yet to start. (Times of India , 2014)

### *Rajiv Awas Yojana cities*

RAY program has been initiated in 8 cities. Under RAY, 9212 dwelling units in 10 projects have been sanctioned under RAY affordable housing scheme in Jaipur. The planned outlay is Rs 330 crore. All these projects are work in progress. All the projects are moving at very slow speed. As per state Government study, the fund may be a problem for RAY projects as the planned development is for 2.4 lakh households in 789 slums in 8 RAY cities. State Governments find it extremely difficult to set aside its share of funds for the project. (Times of India , 2014)

*Slum Development Policy - 2012*

Slum development policy formulated in 2010 and revisited in 2012 envisages a PPP model whereby existing slums are redeveloped and 10% of area permitted to be developed for commercial purpose. As per govt status report, 32936 units have been developed under this PPP scheme. (Times of India , 2014)

**XI. STUDY CONDUCTED BY PRIA IN THE SLUMS OF JAIPUR**

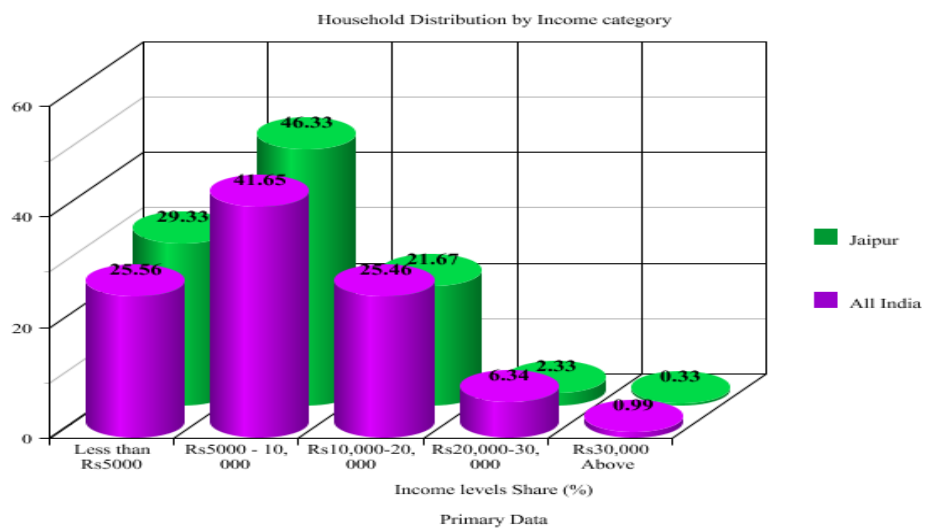
PRIA had conducted a survey in Jaipur city which included a sample population of 300 households.

1. Sample Profile ( PRIA, 2013)

Demographic Variable	Classification	Proportion of Respondents (%)
Gender	Male	51
	Female	49
Age	Less than 20	48
	20 - 39	33
	40 - 59	15
	Above 60	4
Educational Qualification	Illiterate	34.23
	Literate but did not complete Primary school	19.69
	Primary school completed but not Middle school	16.33
	Middle school completed but not High school	19.15
	Class 12 pass but not graduate	4.20
	Graduate/Post Graduate	1.20

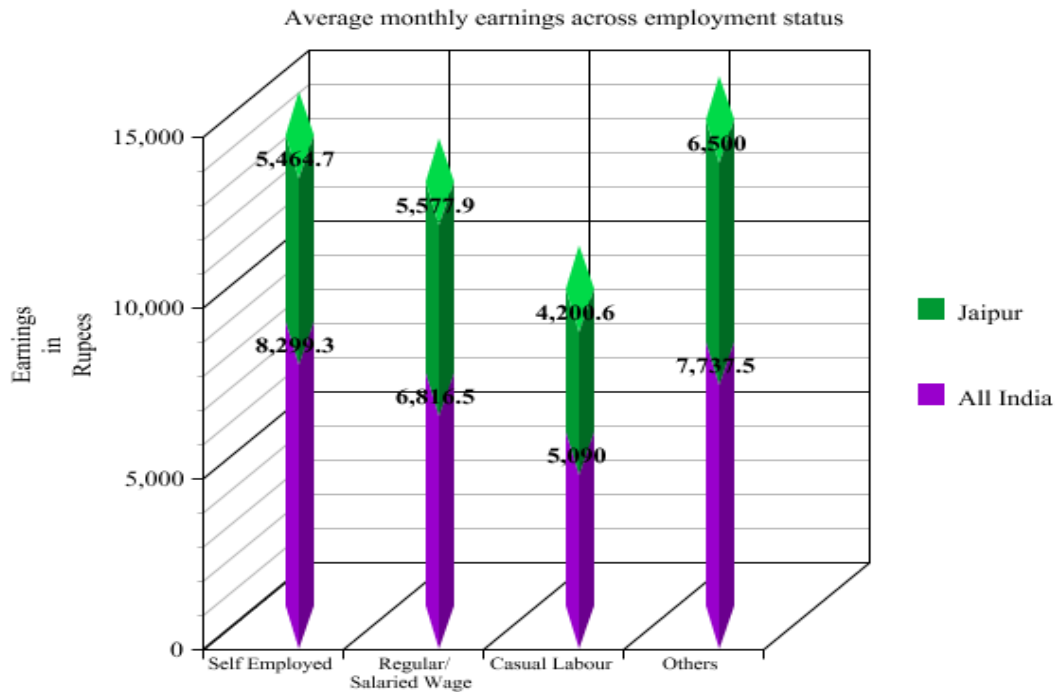
Livelihood	Skilled Service worker	2.40
	Unskilled service worker	7.32
Status of Employment	Self employed	10.21
	regular salaried wage	9.24
	casual labor	10.33

## 2. Household distribution by Income category (PRIA, 2013)



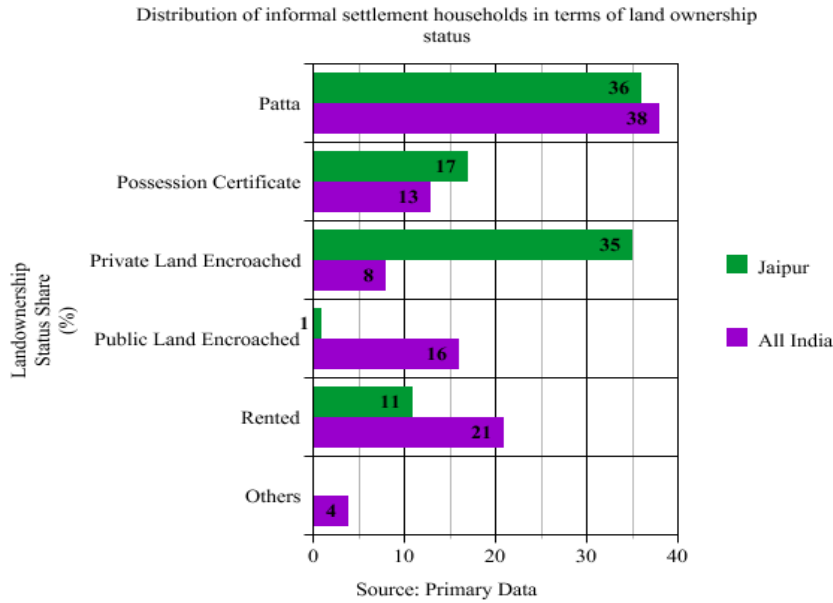
The household distribution by the income category indicates majority in the bracket of Rs5000 to Rs 10,000. There are more households having lesser than Rs 10,000 income, when compared with All India average.

3. Average monthly earnings of Jaipur household ( PRIA, 2013)



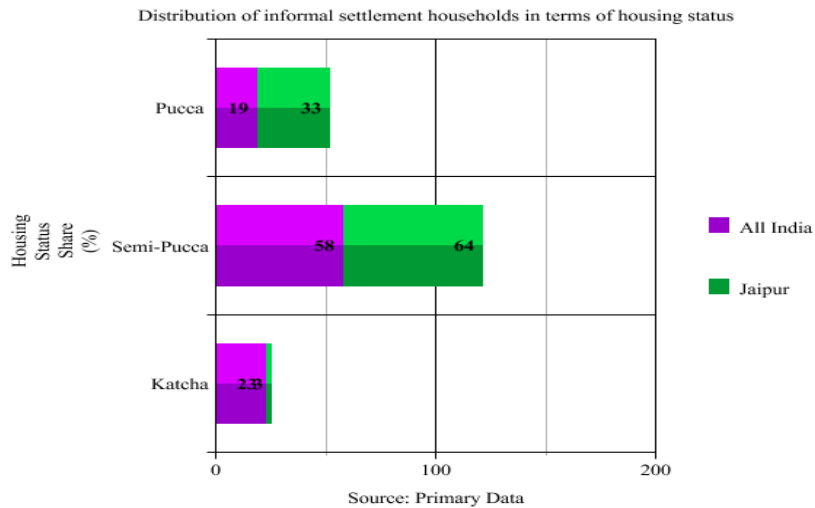
Average monthly income in all the forms of employment is very less than the All India average. The reasons could be low infrastructure development. And also, low population density of Rajasthan could negatively effect the growth of a city like Jaipur. It can be observed that the average monthly earnings across households are the highest for the self-employed business owners. Their monthly income is higher than All India average. The average earnings across all employment in Jaipur are lesser than the All India average, per capita income of the Rajasthan state only being Rs 5055 per month.

4. Land ownership status ( PRIA, 2013)



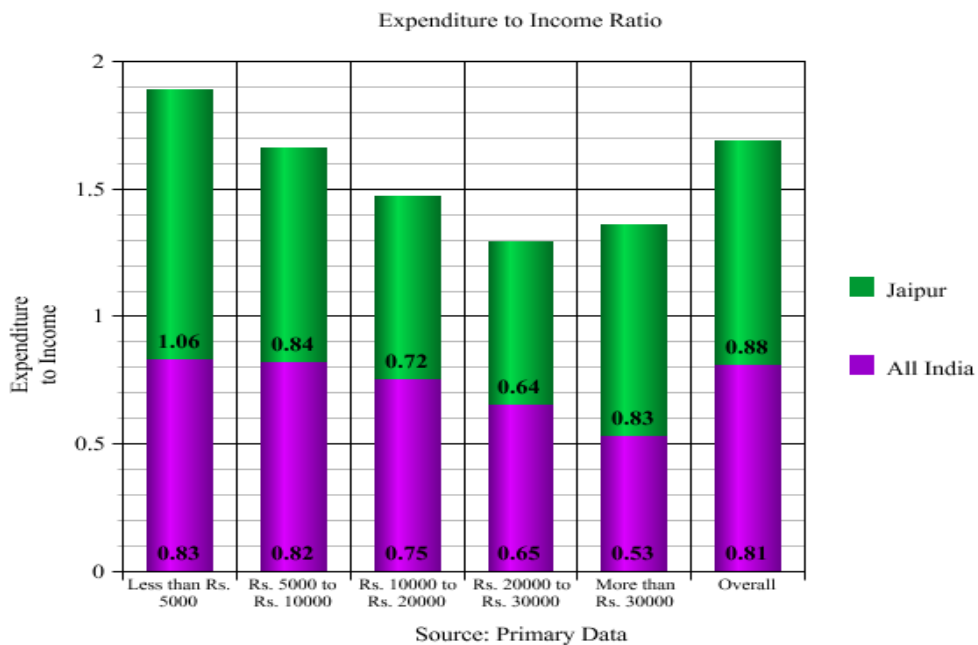
From the data it can be concluded that the encroachment of private land is very high in Jaipur than rest of India. It is 35% in Jaipur than only 8% in All India. Patta and Possession Certificate percentage compares with national average. Public land encroachment and rented houses are very negligible in the state Jaipur where the all India average is very high.

#### 5. Condition of Housing status (PRIA, 2013)



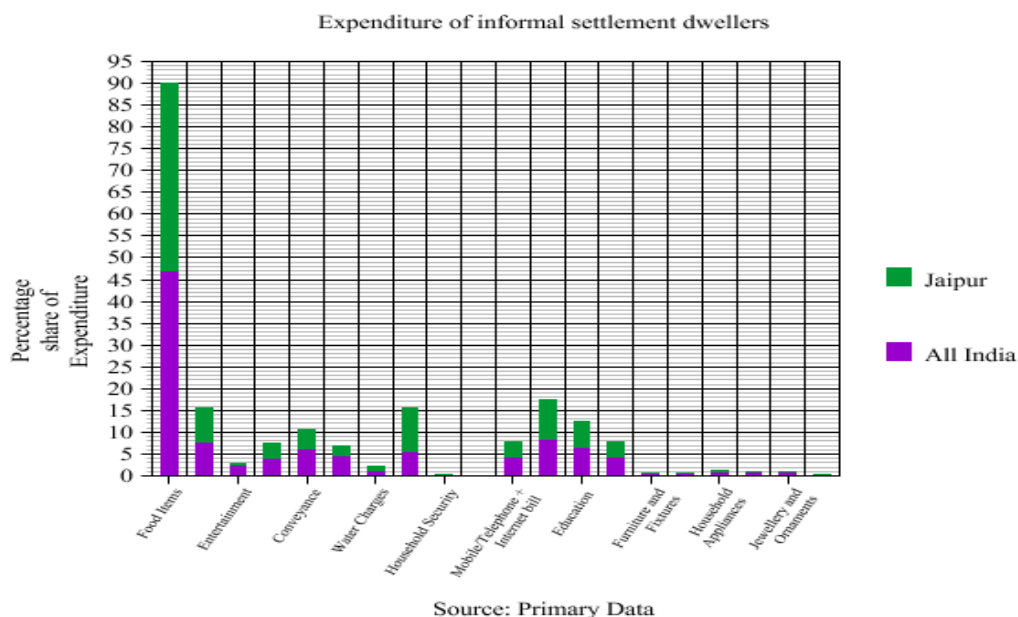
The quality of slum houses is very poor. May be concluded that even if the slum dwellers possess their own home they do not have enough financial viability to build quality houses. As a result they stay in semi pucca homes.

6. Expenditure to Income (PRIA, 2013)



The spending pattern across the lowest and the highest earning groups is very much higher than the All India average. The informal dwellers earning between Rs 10,000 to Rs 30,000 have the same spending pattern as the all India average.

7. Expenditure of Urban Slum dwellers (PRIA, 2013)



Jaipur slum dwellers spend 3% more than All India average on food items, Tobacco, intoxicants. In health expenditure it's very below the National average. Jaipur spends twice more than national average on electricity and half of the national average on housing and rent. Water charges are little more than the national average. Mobile expenses are lesser than the national average. IT and Infrastructure development is way too less in Jaipur. Expenditure on education is comparable with national average. Clothing, bedding materials and furniture is lesser than the national average. Expenditure on utensils and household appliances is 20% more than the national average. Expenditure on other goods like mobile, watch etc is very less by Jaipur. But expenditure on Jewellery and purchase of personal goods is same as the national average of the all India.

#### 8. Comparison with CPI of Rajasthan (PRIA, 2013)

S.No	Sub groups/ group	Rajasthan Urban	Jaipur Slums
I	Food, beverages and tobacco	36.09	47.2
II	Fuel and light	8.67	10.39
III	Clothing, bedding and footwear	5.26	3.65
IV	Housing	21.72	2.44
a	Education	4.10	6.44
b	Medical care	3.33	8.27
c	Recreation and amusement	1.84	0.5
d	Transport and Communication	12.11	8.37

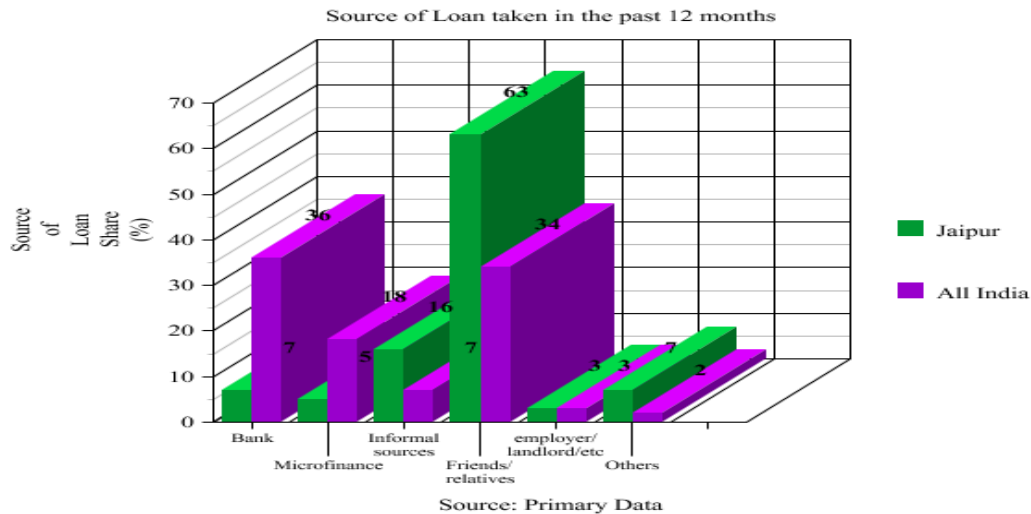
e	Personal care and effects	2.56	0.5
f	Household requisites	<b>3.57</b>	<b>9.39</b>
g	Others	<b>0.85</b>	<b>2.76</b>
	Total	100	100

**Note: Bold shows importance**

From the above table we can see large variance in many areas. Such as:

- Jaipur slums spend 47% of their expenditure on food and intoxicants against 36.09% by Rajasthan urban.
- Jaipur slums spend 10% of their expenditure on fuel and light as against Rajasthan urban expenditure of 8.67%. In absolute terms however Rajasthan urban would be spending much more.
- Jaipur slums spend negligible amount on housing whereas Rajasthan urban has to spend 21% on housing
- Jaipur slums spend 6.44% on education whereas Rajasthan urban spends 4%. In absolute terms both are more or less same amount.
- Jaipur slums spend 8.27% on healthcare whereas Rajasthan urban spends 3.33%. This shows that sanitation and hygienic aspect in slums needs drastic improvement to reduce their medical spend.

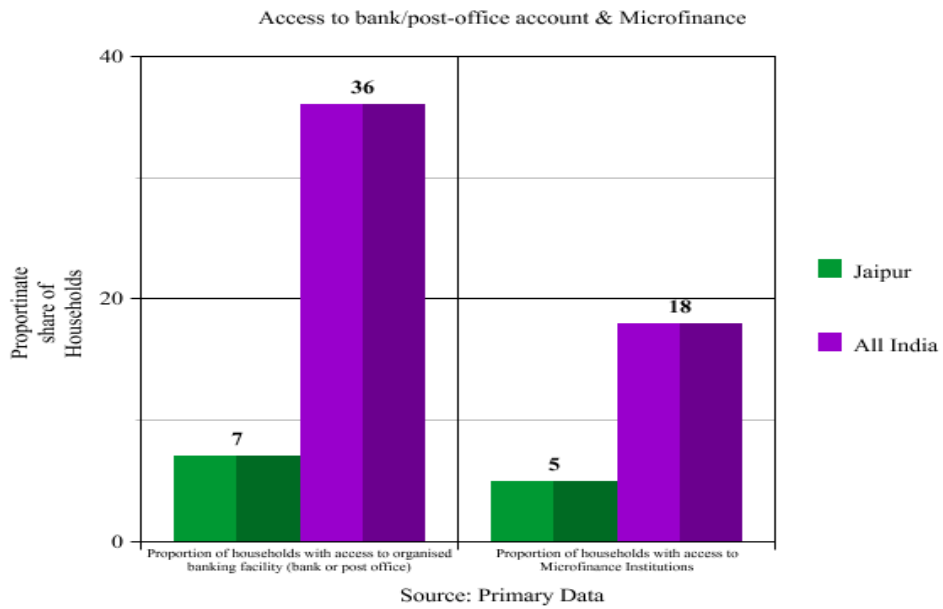
## 9. Sources of Loan (PRIA, 2013)



The source of loan is highest from friends and relatives at 63% than national average of 34%. Also the sources of loan from other informal sources is very high than national average. Only 7% urban settlements have borrowed money from bank, much less when compared to national average of 36%. 5% of urban slums borrowed from microfinance institute against the 18% national average.

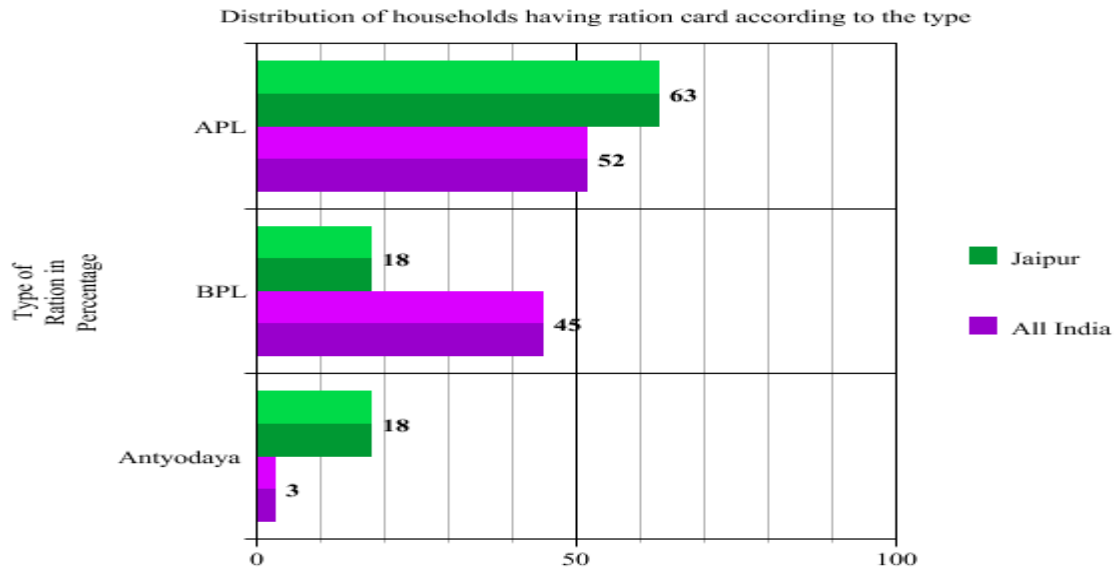


10. Access to bank/post-office & Microfinance (PRIA, 2013)



It can be said that like in other cities accessibility to microfinance institutes and access to banking facility to urban slum poor is negligible. This can be concluded from the source of loan itself. The other reasons could be credibility issues, repayment issues, payback, trust etc.

11. Distribution of households having ration card by type (PRIA, 2013)



It can be said that Jaipur has satisfactory level of access to PDS.

## **XII. OTHER CONCLUSION**

- When comparing with other states, Rajasthan ranks in bottom half in terms of number of slum households as percentage of urban households. Jaipur also ranks in bottom half amongst cities in terms of slum households percentage.
- The problem of slum dwelling is relatively less acute in Jaipur than in metro and many other cities such as vishakhapatnam, jabalpur, vijayawada, nagpur, meerut, raipur, hyderabad. In Rajasthan, Kota has the highest at 32% of urban household as slum. In Jaipur city, the ratio is around 15%.
- Government data indicates reduction in slum households in last decade, which could be due to relocations.
- Relatively lower level of Urbanisation could also be a reason for slower growth of slums, as compared to other metros.
- Other poverty related problems such as access to water, sanitation, electricity and education however remains at critical level, not only in slum areas but also across the state. Rajasthan ranks as one of the poor states of the country.

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