In Search of A Chance: Urban Opportunities, Poverty and Vulnerability in Uttar Pradesh, India[1]

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I. Introduction

In India poverty is overwhelmingly a rural phenomena, and poverty research, analysis and policy development have focused largely on the rural poor. However, nearly one-quarter of India's urban population live below the official poverty line[2] and the urban poor face a unique set of challenges. This paper explores some of the key factors linked to poverty in Uttar Pradesh (UP), one of India's largest states, with a population of 180 million, and one of its poorest. According to recent estimates, an estimated 57 million people in UP live below the official poverty line. While poverty levels are higher in rural areas, urban poverty is still significant. If nearly one in three city dwellers can be assumed to be poor (Table 1), then approximately 10 million people are living below the poverty line in UP's urban areas.

Table 1. Trends in Poverty: Uttar Pradesh and All-India

	NSS Round	Uttar Pradesh Head-Count Measure			All- India Head-Count Measure		
Year		Urban	Rural	Overall	Urban	Rural	Overall
1983	38th	49.8	46.4	47.1	40.8	45.7	44.5
1987-88	43rd	43.0	41.1	41.5	38.2	39.1	38.9
1993-94	50th	35.4	42.3	40.9	32.4	37.3	36.0
1999-00							
-Official	55th	30.9	31.2	31.1	23.6	27.1	26.1
-Corrected[3]	55th	30.4	33.7	33.0	24.7	30.2	28.6

Source: NSS Consumer Expenditure Surveys, Official Poverty Lines and Corrected Estimates from Deaton, 2001.

Poor urbanites share many of the problems and characteristics of the poor in rural areas, from whence most of them have come. On the other hand, many of the constraints of the rural setting, which derive in part from traditional social patterns and from the seasonal agricultural cycle, do not occur in the urban context. In many low-income countries, the urban setting is perceived as such a favorable alternative that controlling explosive urban growth is a significant national

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[2] Using official 1999-00 poverty lines from the Indian Planning Commission, with welfare estimates corrected for changes in survey design (see Deaton "Adjusted Indian Poverty Estimates for 1999-2000)

[3] The corrected figures are adjusted to compensate for changes in methodology between the 1999-00 and previous rounds.

challenge. It is thus a common assumption that urban areas will act as magnets because they offer superior opportunities and services. If so, then the rush to urban areas might be expected to be particularly dramatic in UP, where rural poverty is high and growth in the agricultural sector has been sluggish over the past decade.

Instead, the pace of rural to urban migration in Uttar Pradesh has been surprisingly slow throughout the 1990s. The reasons for this are many and complex. It would, however, appear that in addition to new opportunities, low-income urban households face a number of problems that are unique to the crowded, bustling urban milieu. However, there remain significant gaps our understanding of the factors that motivate or limit migration to UP's cities and towns, the economic strategies pursued by the urban poor, and the opportunities and barriers they encounter, including barriers linked to social factors such as caste and gender. Like their rural counterparts, the urban poor, particularly men and women from lower castes, lack "voice" in the political arena. It is important to understand more about the ways that urban slum dwellers interface with political structure in the city, and whether (and how) they are able to secure public benefits and services.

To examine these questions, a qualitative and participative study[4] of urban poverty in Uttar Pradesh was carried out in two large cities, three medium-sized cities and five smaller cities and towns during October 1999- April 2000. The objectives of the study were to examine the history and condition of selected low-income neighborhoods (*bastis)* and to elicit the views and perceptions of residents of these *bastis* about what it means to be poor in an urban area. Informants were purposively chosen to be typical of low-income individuals residing in poor urban settlements (established slums and unrecognized squatter settlements). Study teams visited these sites to lead a series of exercises drawn from the methods of Participatory Rural Appraisal (PRA), including wealth ranking and social mapping exercises, social capital and household case history interviews, and focus group discussions concerning government programs, and the special problems and circumstances of urban youth and women. In particular, the researchers asked their informants to discuss the factors that brought them to the urban area, the economic and social strategies they pursue there, the opportunities they recognize and exploit, and the barriers to success they routinely encounter.

The qualitative research has been augmented by selective analysis of several rounds of India's National Sample Survey (NSS) for Uttar Pradesh, including a special module on poverty and access to services administered as a part of the UP state-sample of the NSS 55th Round (1999-00).

This paper draws heavily on the findings from the qualitative study, which does not provide a basis for generalizations across urban populations. Tabulations from recent NSS surveys supplement and help to ground the qualitative analyses. Qualitative methods are particularly useful for addressing the "why" questions, rather than "how much" or "how many". They

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[4] The study was designed to serve as a comparison to the qualitative component of the 1998 UP/Bihar Poverty Study, which examined the condition of the rural poor using a similar set of field exercises. Both studies provided input into the UP poverty assessment (World Bank, 2002).

demonstrate, through case history and example, the mechanisms through which social, economic or political conditions arise and are maintained. Thus, qualitative methods can help in identifying the set of pivotal (and possibly manipulable) factors that perpetuate undesirable conditions such as poverty. With these purposes in mind, this report summarizes the results of discussions and interviews with the urban poor throughout UP, and concludes with a discussion of what they findings imply for UP's urban poverty reduction strategy, with particular focus on (i) creating better conditions for inclusive, pro-poor growth and (ii) strengthening pro-poor interventions (e.g. safety nets, community development, other anti-poverty programs).

II. APPROACH AND METHODOLOGY

The field work was carried out by two teams of NGO field researchers, all working in poverty-related programs and having had previous qualitative research experience. The field research took place over a period of 14 weeks (including field testing), between late October 1999 and the end of January, 2000. In order to obtain an accurate picture of urban poverty in UP, sites were chosen purposively to represent a mix of various types of economies typical of the state, i.e. agriculture-linked market towns, thriving handicraft centers, small industrial towns, larger formal industrial cities, etc. To ensure that the broadest possible array of urban conditions was represented, the teams decided that smaller and medium-sized towns and cities should be visited in addition to the two largest cities (Kanpur and Lucknow). More specifically, the research localities were chosen to have a mix of the following criteria:

- Access to employment: near to and far from factories and other sources of employment,
- Social composition: single caste/ethnic enclaves and mixed-caste neighborhoods,
- Legal status: Legal occupation (authorized settlements) and illegal (squatter) settlements,
- Proximity to services: City zones with good access to social services and infrastructure (water, sanitation, electricity, schools) and those without services,
- Presence or absence of active NGOs or CBOs in the community,
- Age of neighborhood: mature settlements and new/early settlements.

Within each town and city, the team began by preparing a rough map representing residential areas (marking low-income slums and settlements), factories, commercial or market areas and major transport hubs. They then selected their sites (two each per large cities, two each per medium-sized cities, and one each per small town) so as to capture the selection criteria listed above. Of the sites selected[5], 11 were legally recognized settlements while four were unrecognized (illegal squatter) settlements.

In each of these communities, a series of qualitative exercises based on Participatory Rural Assessment (PRA) techniques were carried out. These included:

[5] The research was carried out in two large cities (Lucknow and Kanpur) as well as three medium-sized cities (Bhadoi, a crafts center; Bara Banki, an older industrial center and known for leather work; Renukut, a factory town) and five small towns (Karvi, a regional agriculture market; Kabrai, a stone crushing town; Jagdishpur, dominated by the Indo-Gulf fertilizer plant; Bisalpur, a sugar mill town; and Chunar, a crafts center and defunct factor town)

- ***Social Mapping.*** The exercise was carried out by community members at each site. The exercise assisted the team to identify "very poor" and "less poor" households for later case history interviews, and to locate public and private resources (schools, clinics, transport hubs, water points, latrines, waste removal sites, employment centers, etc) that are used by members of the community. At most of the sites, a history of the community and the circumstances that led various groups to settle there emerged during discussions attendant upon map preparation.

- ***Wealth Ranking.*** Groups of community members were asked to rank 30 names of household heads in their immediate neighborhood into categories reflecting relative economic wellbeing. They were then asked to explain what characterized the households in each group (the implicit ranking criteria) and to identify households that have transited between categories (have been upwardly or downwardly mobile) during the past five years. The objectives were to obtain an understanding of the local view of wealth and how it is defined, and to elicit opinions on the reasons for downward mobility and the strategies that have resulted in upward mobility. This exercise also helped the team to identify upwardly mobile households for more intensive study during the case history interviews.

- ***Social Capital Inventory.*** In individual interviews, respondents were asked to list any organized groups (formal or informal) they belong to, and to describe any mutual support relationships or sources of informal assistance upon which they can rely in times of difficulty. The goal of this exercise was to assess the extent to which the urban poor turn to informal organizations and ties to assist them economically, and to compare these networks with those that were found to characterize the rural population during the 1998 study.

- ***Case History Interviews.*** In-depth/semi-structured interviews were implemented in poor households to elicit a description of key events and decision-points that have unfolded in their lives. Immigration and employment histories were obtained during this exercise, as was household decision-making with respect to the use of public and private services (especially schools and health facilities). Household strategies for escaping poverty and factors that contribute to the perpetuation of the poverty syndrome were emphasized. Particular interest was paid to families previously identified as upwardly mobile, in an effort to "learn from the winners" (identify potentially replicable strategies that have proved effective for some urban families).

- ***Use/Perception of Government Programs:*** Focus group respondents were asked to list the government and non-governmental programs for poverty reduction that are active in their communities, and to describe who uses and benefits from these programs. They were also asked to comment on each of the GOI's major poverty alleviation schemes, and to offer suggestions for improvement where they deemed it was needed. The goal of this exercise was to identify the programs that low-income respondents feel are working well and to ascertain where improvements were in order.

- ***Women's Roles and Gender Issues***. Problems particular to women were explored by asking groups of poor women to, in some neighborhoods, draw and explain sketches representing women's problems, and in other communities, to tell a story inspired by drawings of women in various ambiguous-looking situations. The same exercise was carried out with groups of men in the same neighborhoods. The objectives of the exercise were to identify women's priority concerns with regard to their own well-being, and to compare women's and men's perceptions of these concerns.

- ***Low-Income Urban Youth Focus Group Discussions.*** Groups of young people (ages 12-15) were asked to tell a story about a youth much like themselves based on a series of questions asked by the facilitator. The goal of the exercise was to encourage the youths to discuss their personal history and situation, their educational and employment status, their expectations and aspirations for future employment, and the obstacles they face in realizing these aspirations. The purpose of the story-telling device was to obtain information about conditions affecting the low-income urban young person without invading the privacy of the participants or asking them to reveal personal information in the presence of the group. Separate boys and girls groups were organized.

III. FINDINGS

A. Migration: Motives and Expectations

As noted above, the pace of rural to urban migration in UP has been slow during the past decade despite the fact that the urban areas have performed better economically. Migrants did not predominate in all the communities visited as some (Karvi, Chunar) had grown from villages, most of whose original low-income inhabitants are still there. In the newer settlements, although relatively few of the older adults encountered during fieldwork had been born in the urban area, recent migrants were also found to be rare. Most of the migrants interviewed had been residents of their current slum or shanty town for more than ten years, and many had been there for as many as 25-30 years. Their stories emerged during individual interviews, when it became clear that, as expected, all of them had multiple motives for the move. Nevertheless, some were motivated more strongly by a desire to escape the rural environment – "push" factors – while for others, the attractions of the urban environment ("pull" factors) were predominant. Although there was some overlap, the "push migrants" appeared to conform to a somewhat different socio-economic profile from that of the "pull migrants."

"Push migrants" were those who, during interviews and discussions, expressed an appreciation for the enhanced opportunities of the urban area, but reported that they had left their natal villages primarily to escape conditions there. These conditions include landlessness combined with lack of employment opportunities and subsistence-level wages. Among some of the recent migrants, rural wages as low as Rs 20 per day were reported. These workers said they are able to earn Rs. 50 per day or more in the city. The urban wage, they report, is enough to ward off hunger; whereas chronic hunger was a problem for many of them in the village.

Just as often, however, informants motivated primarily by "push" factors mentioned an oppressive relationship with a traditional employer or with members of higher castes in the village as the impetus for their departure. Informants of the lowest castes said they had suffered caste discrimination such as being denied the use of public water sources, and being forced to sit separately and outside of public gatherings. Lowest caste children are even expected to sit apart from the rest of the class in some school classrooms. During the social mapping exercise in Karvi town, some of the scheduled caste informants said that in their natal villages they had been locked into "attached labor" relationships with high-caste households in which these households could dictate the terms, hours and remuneration rates of labor. By moving to the more fluid urban environment of Karvi, they gained the freedom to choose among various labor options and employers.

Others had left their natal villages because of disputes, such as conflicts over land ownership or other resources. Some migration is caused by the sub-division of land between heirs, such that the subdivided plots are too small to support a household. In other cases, the migrant fled factional disputes or personal debts. A Kanpur informant who had found himself unable to repay money owed to the village landlord fled to escape the consequences of his indebtedness (usually these include attached labor obligations).

By contrast, the majority of urban migrants report that their primary reason for leaving their natal villages was the expectation that a town or city would offer a greater variety of opportunities. Most of them mentioned higher wages or a wider array of employment or earning options as their motive for migrating. Many said they had a relative who had found remunerative work in the city, and so they were encouraged to follow these examples. In these cases, they commonly said that they had moved to their current location because a relative was already living there and could be expected to help them negotiate a space in the basti. Some moved to take advantage of existing jobs in factory towns (Box 1), and these migrants often moved a considerable distance within UP or from another state entirely. *The majority, however, moved to a town closer to their village and did not appear to have an explicit plan for seeking employment or a clear picture of the available options.*

Box 1: "Pull Migrants" on a Temporary Urban Sojourn

In an older industrial area (Manjpurwa) of Barabanki, several houses are occupied by groups of men who have migrated to the town from a village in Bihar that offers no earning opportunities. They have been working in Barabanki for about 20 years, most as loaders for local warehouses, factories or the railway station. Each man lifts bags weighing about 50 kg each, and for this they are paid 40 paisa per bag loaded. They live 6-8 men to a single-room dwelling. Because they are able to load about 700-1100 bags a day, all of them could actually afford better housing. They remain in their shared rooms, however, because they are sending the bulk of their earnings to wives and families left behind in Bihar. All of them travel home about once a year, and they plan to rejoin their families permanently when they become too old for the loading work they are performing. By then they will own land (or expand current holdings) and a comfortable house. Meanwhile, they do not mix with their Barabanki neighbors or consider themselves to be part of the local community. Instead, their room mates serve as a substitute family (and in some cases include actual relatives), in that they cook and eat together, buy food in common, and care for one another when sick. Most of the men are sharing rooms with men from their home village, who may have encouraged them to migrate. The men expect that their current close relationships will continue after they return home, and some have urged their wives to establish mutual assistance relationships with room mates' wives in the home village.

In comparison with the "push migrants," the "pull migrants" were less likely to be drawn from the most destitute segments of the village population. Many of them continue to hold rights in village lands, and to maintain strong economic and social ties with family members there. Though most consider themselves permanent residents of the town, others plan to return to the village at some time in the future. These temporary migrants usually invest a portion of their salaries in land or housing in the rural area they call home. "Push" migrants, on the other hand, were more often found to be landless and do not generally maintain economic ties with a home village. In some cases, those who maintain their rural relationships receive produce (mainly grain) on a regular basis from their lands in the home village, and they feel their continuing ties with the village provide a safety net in case they do not succeed in establishing themselves in the city. In other cases, money is sent home to wives or other relatives who remained behind:

The migrants with the lowest level of commitment to the urban life were those who migrate seasonally between the village and the nearest town. They may be primarily urban casual laborers who return to their villages for agricultural day labor during the harvest season, or they may be primarily oriented toward farm work but travel to the cities during the slack agricultural periods when there is nothing to be earned in the village. In this study, these seasonal migrants were found primarily in smaller and medium-sized towns and cities.

B. Employment: Opportunities Encountered by Poor Men and Women

Economic Mobility

If many of the residents of urban *bastis* arrived there with high expectations, have they in fact found the wealth of opportunities they were anticipating? In one sense, the hopes of the study informants could be said to be unfulfilled, in that all of them selected for the study are still living in poor neighborhoods. From another perspective, however, study informants have themselves been partially successful in their quest for expanded opportunities. In most of the locations visited, informants said that urban life was better because for them because their incomes have improved. Though all are living in poor housing in disadvantaged neighborhoods, a few have gained a position of relative affluence within the community that has allowed them emerge as a basti leader or strong man. During wealth ranking exercises and case histories, examples of upward mobility were encountered more often than in the counterpart rural study. A summary of these cases points to four main avenues of upward mobility that have been utilized by the urban poor:

- ***Purchasing an vehicle or other productive asset.*** A rickshaw puller who does not own his rickshaw spends a significant portion of his daily income on rental of his means of livelihood – and even on days when few or no fares are forthcoming, the rent must be paid nevertheless. When the rickshaw puller is able to purchase the rickshaw, his fares thereafter are mainly profit (after the overhead required for rickshaw maintenance). Those who rent vegetable carts or other equipment on a daily basis are in a similar situation.

- ***Moving from selling raw materials to selling a finished product.*** In Goodar Basti, Kanpur, the poorer members of the community are rag pickers who collect and sell scrap from garbage cans and heaps. Those who were described as better off are those who purchase scrap and sell it, as middle-men, outside the basti.

- ***Securing a job, preferably in the modern sector.*** A few basti residents in the industrial areas were said to have bettered their lot by finding salaried work in factories. Others found jobs in small businesses and service activities.

- ***Operating a small business.*** A surprising number of informants (given the paucity of rural entrepreneurship found during the Rural Poverty Study) were found to be engaging in small businesses as their primary means of livelihood. These included tea stalls, repair shops, fruit and vegetable sales, etc.

Box 2: Upwardly-Mobile Through Entrepreneurship

In Barabanki, a local shopkeeper explained that he had begun his work life as a laborer carrying bricks. Because he was fortunate in suffering no illness or other set-backs, he was able to save a few rupees. He therefore began purchasing a few vegetables to sell as a hawker on the street. By eating less than he wanted and spending carefully on consumer goods he was able to purchase a bicycle/vegetable cart so that he could visit more distant suburbs in the early morning and buy vegetables more cheaply. Then, he would return to the town center and sell at a higher price. Eventually, he was able to rent a fixed site store and later purchased it. Today, he sells general goods (including packaged snacks, fertilizer, cigarettes, etc.) at his successful small store. He believes anyone could improve their condition similarly if they acted as he has done. He admits, however, that his own father was a shopkeeper in his home village, and he is a member of a caste group (Baniya) that frequently specializes in business. It is likely that his father or other relatives taught him an entrepreneurial orientation and basic business skills – skills that most brick carriers do not have.

Not every household is able to improve its economic condition in the city, however. As in other environments, certain conditions must be in place before upward mobility is possible. These conditions include advantages in physical capital, location (or access to public resources) and social networks. Among the enabling factors identified by the researchers in this study (and mentioned by informants in wealth ranking and case history interviews), the following were paramount:

- ***Prior possession of working capital*** . Individuals who arrived in the city with a small amount of working capital or a productive asset (tools and equipment, a steady supply of foodstuffs or goods to sell, or even a bicycle) are more likely to succeed than those who arrive with nothing.

- ***Possession of a useful skill, or at least literacy and numeric.*** It is self-evident that prior training or experience in skilled labor occupations improve the migrant's chances of finding employment. In the absence of employment, however, many skilled migrants were able to open small repair shops or cottage industry micro-workshops in the slum. The ability to read and perform basic calculations is considered to be necessary for success in a small business

- ***Many diversified earners.*** Households with more earning members were said to be those with the best chance of success. Usually, this referred to the presence of sons. In UP, grown sons are expected to contribute to the income of their natal families, while a daughter's labor and its fruits are transferred to her husband's family at marriage, along with an often ruinous dowry in cash and goods. A large number of daughters (with attendant dowry requirements), therefore, was frequently mentioned as a common cause of downward mobility

- ***Broad social capital networks***. Individuals with family or social contacts outside the basti tend to have better information about existing jobs, opportunities and programs for the poor, as well as greater influence in accessing these benefits, than do the majority of the poor. These individuals also gain advantages within the basti through their ability (real or perceived) to intercede between other basti residents and the resource-rich outside world. Even continued ties and economic exchanges with the migrant's natal village, however, were said to improve their chances of economic success (in part by providing a cushion or safety net in times of temporary difficulty).

- ***Access to credit.*** A few of the upwardly mobile attributed their success to a small loan they had taken, usually with a government bank. Otherwise, it may be necessary to save money (and avoid shocks) for as much as a decade before a productive asset or required equipment can finally be purchased. In Chunar, for example, a vegetable seller had paid Rs. 10 per day (about ¼ of his earnings) for over five years in rental fees before he was able to purchase his vegetable cart at last. A small loan might have allowed him to do so five years earlier.

- ***Location.*** Residents of settlements close to markets (such as in city centers or smaller agricultural towns) fared better than those located in suburban areas that are less commercially active. Those who reside in older, recognized settlements were generally better provided with government, NGO and private sector services than were newer informal settlements.

- ***Absence of shocks***. Only those with the good fortune to avoid serious illness, injury, or environmental shocks such as floods or city slum removal actions are likely to progress. Those who suffer these shocks must expend any surplus they have accumulated on medical care, or on replacing damaged or lost equipment, as the case may be. When discussing shocks, informants often mentioned dowry expenses in the same breath, since the marriage of daughters is one of the expenses that can suddenly depress a family's economic standing.. One informant stated that, with the birth of a daughter, "the ground sinks beneath your feet" (due to the future burden of dowry).

- ***Thrift, good living habits***. Some informants reported that it was necessary for them to limit their consumption of necessary staples in order to save the funds needed to begin a small business. Avoidance of unnecessary and luxury expenditures, however, was mentioned more often as a factor in upward mobility. In wealth ranking exercises throughout the research area, the consensus was that avoidance of waste consumption (especially of alcohol and drugs) was one of the factors that separated the economically

mobile from the rest. Alcoholism and other substance abuse were mentioned as serious problems in most of the sites. When asked to identify downwardly mobile community members, at least one alcohol abuser was named in virtually every discussion group.

Most low-income urban workers who could be described as upwardly mobile had brought some asset, skill, social connections or a small amount of capital with them when the migrated to the city or town. Many migrants, however, lack the skills, knowledge or capital to access urban opportunities for economic improvement. Casual day labor is the recourse of those who are able to work but entirely unskilled and without assets. Official figures show that casual laborers are more likely to be impoverished than other workers and, consistent with other recent studies, suggests that casualization of the labor force is increasing in UP (Lieten and Srivastava, 1999).

Table 2: Poverty Incidence and Shares by Occupation of Household Head

Rural Areas Main Occupation	Poverty Incidence	Percentage of: Popl'n	Poor	**Urban Areas** Main Occupation	Poverty Incidence	Percentage of: Popl'n	Poor
1983							
S.E non-agriculture	52.3	13	14	Self-employed	51.6	52	60
Agriculture labor	66.3	16	22				
Other labor	48.2	4	4				
S.E Agriculture	43.3	61	55				
Other	30.4	7	4	Other	37.1	48	40
Overall	*47.4*	*100*	*100*	*Overall*	*44.7*	*100*	*100*
1993-94							
S.E non-agriculture	44.3	13	14	Self-employed	39.9	53	61
Agriculture labor	63.5	18	26	Reg. wage/salary	17.4	31	16
Other labor	52.3	5	6	Casual labor	66.7	11	20
S.E Agriculture	36.4	58	50				
Other	25.9	6	4	Other	25.8	5	3
Overall	*42.3*	*100*	*100*	*Overall*	*35.0*	*100*	*100*
1999-00							
S.E non-agriculture	33.7	16	17	Self-employed	34.3	50	56
Agriculture labor	50.9	18	30	Reg. wage/salary	14.4	31	15
Other labor	36.9	6	7	Casual labor	67.3	11	24
S.E Agriculture	24.2	52	40				
Other	21.3	9	6	Other	20.0	8	5
Overall	*31.1*	*100*	*100*	*Overall*	*30.7*	*100*	*100*

S.E Self-employed
Source: 1983, 1993-94, and 1999-00 NSS.

Most *bastis* were found to be located near a labor "mandi"(market or collection center). There, workers seeking a day's employment gather each morning to await pick-up by a labor broker. The brokers transport them to various temporary work sites and pay them a portion of the amount they collect from employers. Wages are set according to the time of day when the pick-up is made. Those who reach the *mandi* by the time of the first pick-up are paid Rs. 60 in Lucknow. Workers who arrive later are paid less for the day.

Among those too old, ill or infirm to work as casual laborers, there was disagreement about whether the urban or rural areas provided better security. In the rural areas, according to some, there is always something to eat because vegetables can be cultivated even on a house-plot. What is more, traditional patron-client relationships (however exploitative) usually carry some

guarantee of emergency assistance from the patron. In the cities, on the other hand, those with no skills or assets can always gain a basic livelihood through begging or scavenging. The poorest were often found in these occupations. In some *bastis*, a large number of households had one member who was engaged in begging at least part-time.

Traditional and Modern Occupations

One of the issues explored by the teams was the extent to which urban workers are free to pursue occupations other than the traditional caste occupations normally followed in rural areas. Interestingly, many low-income urban workers who are neither casual laborers nor factory workers are in fact earning a livelihood through some variant of a traditional caste occupation. These include Yahdav households who keep herds of urban livestock and sell milk and milk products; Chamar leatherworkers who harvest and process the skins and bones of these animals, musicians who perform on traditional instruments, and rag pickers who, as scavengers in rubbish, practice an urban version of their traditional sweeper occupation.

There was evidence, however, that urban areas provide greater scope for escaping restrictive caste occupations than do rural areas. Conformity to traditional occupations was evident primarily in the caste-homogeneous *bastis*. There, the entire basti was generally engaged in some aspect of the traditional occupation of that caste. In industrial areas, by contrast, there were more employment opportunities in the modern sector. Factory workers, construction workers, loaders, etc., were found to be of mixed caste in every case. Because labor is in high demand in these sectors, even the lowest castes are sometimes able to secure work (such as weaving fabric) that would normally have been carried out by higher caste individuals in a rural setting. Employers hungry for labor are apparently less likely to engage in caste discrimination; and indeed, low-caste informants in Raidas Vihar, Kanpur mentioned less caste discrimination as one of the advantages of urban living. One impact of the modern employment sector, then, has been to weaken the hold of the caste occupations in those areas in which it predominates.

Even among those who have not escaped traditional caste occupations, not all are trapped in poverty to the degree that was found in rural areas (Kozel and Parker, 1999). Some have been able to turn a traditional occupation, or some variant thereof, into a moderately lucrative livelihood. Examples are scrap collectors who become scrap dealers, or pottery and leather workers who find an urban market for their products (and escape the expropriation of higher-caste and better-off middlemen):

Box 3: Haddiganj

Haddiganj, or Bone Town, is a settlement of about 3000 population located on the fringes of Barabanki (28 km. from Lucknow). Although some members of other castes live in Haddiganj, the majority of households are scheduled caste Harijans of the Chamar, or leatherworker, caste. About 20 years ago, the Chamars of Haddiganj formed a Cooperative to control the buying and selling of the bones and skins of the area's urban livestock. The Cooperative was recognized by government, which designated 10 acres of land for its use. There, the members skin the animals and process skins and bones for sale. Because there is a strong market for these items in the town, and because its membership is well-organized and works together efficiently, the Chamar Cooperative has been successful and all member households are more prosperous and secure than is normally the case among rural Chamars. One of rural India's most despised occupations, therefore, has demonstrated solid economic power in the urban environment. This might never have occurred, however, if each urban Chamar household worked, as they do in villages, in isolation and without the support of the Cooperative.

Where Opportunities Are Found

The teams visited a wide variety of urban settings—industrial, commercial, administrative, etc.—to identify the types of opportunities available in each and the strategies used by the poor to exploit those opportunities. Counter to expectation, it was observed that *opportunities for the disadvantaged and the unskilled are more abundant in smaller mixed-economy cities and market towns (mandi) than in the vicinity of large modern factories*. In some older industrial areas, a high level of unemployment was found due to the closure of old and inefficient government-operated factories. In Manjpurwa, Barabanki, for example, migrants had been attracted from a considerable distance to work in a public sector sugar mill that has since closed. The effects of the closure was not confined to the families of retrenched workers. Low-income households that depended on ancillary service industries in the area have also lost ground. Two modern, mechanized factories have begun production in the same area, but they are more efficient than the old plant and therefore they employ fewer workers. In addition, they are seeking employees with more education and skills than is possessed by those who lost their jobs when the sugar mill closed.

In fact, the urban poor were found to have little access to employment in large modern factories. Most of the new private factories, encouraged by government, are locating in rural areas due to the relatively low cost of rural land. Although a degree of secondary growth could be expected to develop in the areas surrounding these new factories, the researchers actually found surprisingly little of this. Instead, this type of factory tends toward self-sufficiency and isolation from the local economy.

Box 4: Encapsulation of Modern Industry

The most extreme example of the isolation and self-sufficiency of modern factories was found at the Jagdishpur Industrial Area, where the privately-owned Indo-Gulf Fertilizer and Bharat Heavy Electricals Limited plants are located. During the past ten years, the population of Jagdishpur has actually declined due to out-migration. Escalating land prices have made small business development prohibitive, and the factories themselves have not hired locals except for a few in janitorial-type positions. Most of the factories' employees are highly-paid chemical or electrical engineers from outside the area. For their daily needs, these employees rely on small shops located on the factory premises and operated by relatives of the factory owners. For more significant purchases, they drive two or three hours to Lucknow (where the factories themselves acquire supplies). The modern factories of Jagdishpur, therefore, are economically encapsulated to a large extent. In consequence, few income-earning opportunities have developed in this area for the semi-literate and unskilled poor. Even small business development is constrained by the sporadic availability of electricity and other public services that characterizes this semi-rural area. The modern factories have their own generators and so they are not dependent on local services provided by government. In contrast, industry in a large urban area such as Kanpur can rely on a more localized system of supply and labor, and hence provides opportunities for workers at all skill levels.

Not all industrial areas conformed to this profile, however. Some older factories are more labor-intensive, and in the areas surrounding them (Renukut, Bisalpur), a large proportion of the slum population was able to benefit either directly as employees or indirectly in the service sector. Workers indicated that they value factory jobs highly, even though they are not always treated fairly by factory employers. Informants offered many examples of ways in which protective labor laws are flouted, usually with the forced cooperation of workers. For example, legislation mandates that temporary workers be granted permanent status after a certain period of service.

To circumvent this regulation, temporary factory workers are often dismissed at the end of this period, only to be re-hired the following week; or else they are made to work under a false name after the expiry of their temporary status. Practices such as these, in combination with police harassment of petty hawkers and city harassment of squatters, has led to a general feeling that (to paraphrase several informants) laws make criminals of honest people.

The milieu that embodies the best of both worlds for many households is the small city or developing market town (such as Karvi). These towns are host to a mixed economy of commercial activity and small manufacturing or cottage industries. Conditions in these towns were found to be better on the whole, in terms of environmental health and sanitation as well as access to health services and schools, than either the dense inner-city slums or the peri-urban squatter settlements of the larger cities. Impoverished denizens of large cities are usually more isolated from rural market and opportunities than are the poor of the smaller cities and towns. The latter often maintain regular kinship exchange linkages with their natal villages; ties that can provide a safety net either for them or for their rural kin, as needed. On one hand, income growth may be faster among migrants to Kanpur or Lucknow than among those who take up residence in smaller towns. The cost of living is also much higher in the larger cities, however; and, since most of the large-city poor are entirely dependent on the money economy, they are more vulnerable to nutritional stress in times of unemployment. Low-income households of smaller towns have better access to grains and other foodstuffs from their home villages, and since housing is less crowded, they can often grow small kitchen gardens on their own urban house plots.

Women in the Urban Workforce

Although the rural study had found some of the poorest rural women and children working (at least on a seasonal basis) as agricultural day laborers, a much higher proportion of urban women and children appear to be earning income. These findings, however, contradict official figures derived from the most recent NSS (1999/00), which suggest that only about 6 percent-10 percent of urban women are employed. These figures likely represent a serious undercount, caused by the ambiguous nature of "employment" (e.g. rag picking and begging might not be reported by survey respondents) in the urban slum setting and the assumed status of women as economically unproductive, regardless of what they actually do. The urban qualitative study found that female employment was in fact widespread but levels varied dramatically between sites. In some sites nearly all the adult women were venturing out from the home to earn income, even if only by begging or scavenging. This pattern was characteristic of the most disadvantaged of the sites visited. In the slightly better off neighborhoods, few women were earning outside the home, though many earned small amounts of cash income through piecework or cottage industry craft work (weaving, embroidery, assembly) performed inside the home. In focus group discussions devoted to gender issues, informants of both sexes revealed that female employment outside the home is generally viewed as a poverty-driven coping strategy, or even as a desperation measure. *There is little or no concept of the working wife's extra income as a potential springboard for escaping poverty.*

No less than in rural areas, female work in the public sphere is thought to impinge upon the family's reputation and honor (*izzat*), and in women's focus groups, participants expressed

concern about the double burden of labor that falls upon the working wife and mother. For these and other reasons, informants were virtually unanimous in their view that it is more desirable for women to remain in the home. In this, the urban poor do not differ from their rural counterparts. In the towns and cities, however, there are a multitude of income earning opportunities for women that do not exist in the village. These opportunities, when coupled with deep poverty, have led many women into the public work force despite their misgivings and those of their husbands.

Low-income women who are earning outside the home face a number of problems not shared by those who stay home. Primary among them is the well-documented double burden of domestic and income-earning labor. In addition, tension over the ambiguity in urban women's roles creates conflict in the home and exacerbates the domestic violence that women commonly experience in both urban and, to a lesser extent, rural settings. In Akbar Nagar, Lucknow, few women are in the workforce, but a few who go out to work as domestics say that their husbands resent the necessity of a second income and beat them in consequence. Women suffer significant stress, therefore, as a result of a conflict between social expectations that cling from the rural past and the urban impetus to earn income that could help the household reach a more acceptable standard of living.

In comparison with rural women, urban women generally have a smaller extended family support system nearby, so when working they are sometimes forced to leave small children (and, as observed by the researchers, even infants) unsupervised at home. One woman, a rag picker, reported that her 6-month old child had died when she was left during the day without adequate care. Although the team found actual criminal rape to be less common than expected in these deprived surroundings, many women feared sexual attack and had experienced frequent "teasing" (a common Indian term for sexual harassment or molestation). The income earned by low-income urban women, therefore, often comes with a high invisible overhead.

C. The Puzzle of Education

A small minority of informants said they had moved to the urban area in search of better educational opportunities for their children. The hopes of most were frustrated, however, by their own poverty in combination with the poor quality of public education. Only a few said they had found satisfactory educational opportunities and that formal education has improved their children's future earning prospects. As a result, many urban children are not attending school. According to NSS 55th Round (1999/00) estimates, just over half of UP's urban children aged 6-10 yrs and from the lowest per-capita expenditure quintile are currently enrolled in school:

Table 3: Percent Currently Enrolled in School (aged 6-10 yrs) — By Per-capita Expenditure Quintile

	Urban Areas			Rural Areas			Overall		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
6-10 years old									
By Per-capita Expenditure Quintile									
1 Lowest	58	51.8	55.2	63.2	50.3	57.2	62.3	50.5	56.9
2	72.5	66.9	70	64.5	57.6	61.3	65.9	59.1	62.8
3	72.9	75.5	74	71.1	63.3	67.5	71.3	65.2	68.5
4	83.7	88.3	86	70.1	68.9	69.6	72.1	72.2	72.2
5 Highest	92	91	91.6	79.2	75.2	77.4	81.9	78.8	80.5
All	74.4	73.3	73.9	68.7	61.4	65.4	69.7	63.5	66.9

Source: 1999-00 NSS 55th Round, UP state sample, Poverty Module

The role of supply and demand in the low educational attainments of most informant households is complex, and it is difficult to identify a clear pattern of causation.

Problems of Supply

There was general agreement that the teaching quality in government schools is so consistently low that attendance at these schools is a poor use of a child's time and the family's limited financial resources. In many of the settlements visited, particularly those that are unrecognized, there is no school at all in the *basti*; and most feel that sending children outside to a government school is not worth the transport costs. In Misribagh *basti*, the research team was told that none of the *basti* children were enrolled in school, although closer probing revealed that a handful were enrolled in private schools outside the *basti.* These private schools offer a higher level of instruction, but they are beyond the reach of the poorest. In consequence, none of the children of a higher-caste woman who said her family had migrated to Lucknow for educational opportunities were actually attending school.

The suggestion that, if the supply of education were improved, then enrollments among the urban poor would rise, is supported by the fact that findings on enrollments were highly variable by site. Some of the unrecognized settlements lacked both government and NGO-operated schooling options, and in these sites few children were currently enrolled except those in the handful of families who could afford a private school and transport. In areas where a high-quality free or inexpensive school was located in or close to the *basti*, enrollments were high even among the poorest. For example, in Kumhar *Basti*, Chunar, about 75 percent of children (including girls) have some secondary education, and in Renukut, a high proportion of the children are enrolled in a school provided by the Hindalco factory for its workers. NGOs had instituted primary schooling programs in some *bastis.* Few of these programs are sustainable or permanent, however. In Raidas Vihar, Kanpur, for example, an inexpensive and popular NGO-operated school closed after the donor-funded project expired, leaving the *basti* with no school within 3 kilometers. In sum, the poor supply of affordable high-quality educational options is clearly a strong factor in the low educational attainments of the urban poor.

Low Demand for Education

Focus group discussions with youth and case history interviews with adults suggested that *demand for education, at least beyond the primary level, is also very low.* Although basic literacy is valued, little value is placed on education beyond this level by most urban poor informants. It is well understood that primary education is an advantage in urban life. Illiterates are easily swindled, particularly when attempting to operate a small business, and factory jobs invariably require literacy. Basic education also facilitates interactions with officialdom, which are much more common in urban than in rural areas. Informants in Buckel Mill *Basti*, Lucknow described a case in which the community submitted an official request for safety barriers after a child drowned in an open tank. An official was sent to assess the situation but he refused to talk to anyone who was not "educated." Since no one could be found in the community who met this standard, an outsider had to be called to speak on the community's behalf. As a result of this type of experience, the majority of informants in neighborhoods with government, NGO or low-cost private primary schools did enroll their children in these schools

Surprisingly, education beyond the class five level was described as superfluous in most of the group discussions and case history interviews. Informants do not believe that their attainments are necessarily reflected in their income or employment opportunities, and in fact, some of the case history informants were individuals with some secondary education who are unemployed or working in menial occupations such as scrap collection. They report that there are no jobs available to those with secondary level educations. These statements are puzzling in that, to a greater extent than in rural areas, income levels are strongly associated with educational levels in urban UP:

Table 4: Poverty Incidence by Level of Education of the Household Head (1999/00)

	Highest Educational Attainment of Head	Incidence of Poverty			Percentage of:	
		Urban	Rural	Overall	Population	Poor
1999-00	Not literate	51.68	40.4	41.77	47.89	60.52
	Less than Primary	41.85	34.16	35.61	11.22	12.08
	Completed Primary	42.22	32.58	34.2	8.84	9.14
	Completed Middle	29.44	23.87	24.79	10.95	8.21
	Completed Secondary	23.19	20.65	21.27	8.81	5.66
	Completed Higher level	8.59	14.01	11.78	12.3	.38
	Overall	*32.47*	*33.19*	*33.06*	*100*	*100*

Note: Less than primary includes those who are literate, but have no formal schooling
Source: 1999-00 NSS

Informants' expressed demand for higher education was lower than might be expected, given the evidence that poverty is more common among the uneducated. Various factors may be depressing educational demand among the poor, but prominent among them is the absence of catalyst factors that are needed to activate the economic potential of higher education. Statements from slum-dwellers indicated that the urban poor are often unable to translate educational achievements into salaried jobs. This may be explained by a number of factors:

- The type and quality of education available to the poor does not provide them with economically valuable knowledge or skills.
- The poor lack information about the availability of employment. Some are semi-literate but, even for those with secondary education, there are few public sources of information on existing openings and opportunities.
- The poor lack contacts that could secure them preferential treatment in hiring. Most residents of urban slums know no one who is in a position to offer employment.
- Caste prejudice may place constraints on stigmatized group members' ability to compete successfully outside their own traditional occupations. Although caste discrimination is less pervasive than in rural areas, it is far from absent even in the larger cities.

The last three constraints might continue to depress educational demand even if there are improvements in access and quality of supply. With regard to the final point, a recent study suggests that even controlling for differences in level of educational attainments of Scheduled Caste and Scheduled Tribe (SC/ST) and majority (i.e. non-SC/ST) households, returns to

education differ significantly across the two groups. (Lanjow and Zaidi, 2001). Table 5 presents summary statistics for educational outcomes and household composition for majority and scheduled caste households in UP, as well as at the All-India level for purposes of comparison.

Table 5: Levels of Educational Attainment: Scheduled Caste/Tribe and Other Castes (1993/94)

	Urban Areas					
Mean Values of Variables of Interest	All India (percent)			Uttar Pradesh (percent)		
	Majority	SC/ST	Overall	Majority	SC/ST	Overall
Log per capita monthly consumption	8.62	8.36	8.55	8.51	8.20	8.43
Household size	4.5	4.5	4.5	5.1	5.0	5.1
% of adults with no education	24.5	42.9	29.7	34.2	56.9	40.2
% adults with primary education or below	20.9	21.0	21.0	16.4	16.3	16.4
% adults with middle school or matriculation	31.7	25.1	29.8	24.0	18.1	22.4
% adults with higher secondary or more	22.9	11.0	19.5	25.4	8.6	20.9

Data: 1993-94 NSS

The table shows that, as expected, per capita consumption of majority household are higher on average than for scheduled caste households (about 31 percent higher in UP compared to 26 percent at the All-India level). Educational outcomes are also markedly different across the two groups. On average, in urban areas of UP, about 34 percent of adults (i.e. those aged 15 years or more) in majority households have no education compared to 57 percent of scheduled caste adults. Clearly some of the differences in living standards observed between these SC/ST and majority households can be attributed to these differences in educational background. However, further analysis of the data reveals that even controlling for these differences in educational attainment, there appear to be a strong pattern of differential returns to education across SC/ST and majority households. Dividing the sample population into two groups, scheduled caste and majority households, the log of per-capita consumption was regressed against a number of variables, including levels of education (Table 6).

Apart from the "middle school or matriculation" category—where the results are fairly similar across the SC/ST and majority subgroups—returns to education for Scheduled Castes/Tribes are considerably below returns for households from higher caste groups (the majority subgroup). For example, the model predicts that welfare levels (per capita expenditures) for a majority household where all adults had completed "primary education or below" would be about 23 percent higher than for a majority household where all adults had no education; the corresponding differential for SC/ST households is only about 13 percent. Similarly, predicted consumption for majority households where all adults had completed "higher secondary or more" is about 80 percent higher than majority households with no education, as compared to a 60 percent differential for SC/ST households.

Table 6: Differential Returns to Assets: Scheduled Caste/Tribe and Other Castes

Regression Results Dependent Variable: log Per capita consumption	All-India				Uttar Pradesh			
	Majority		Scheduled Caste		Majority		Scheduled Caste	
	Co-efficient	p-value	Co-efficient	p-value	Co-efficient	p-value	Co-efficient	p-value
Proportion of adults with:								
Primary education or below	0.177	0.00	0.151	0.00	0.226	0.00	0.125	0.09
Middle school or matriculation	0.420	0.00	0.327	0.00	0.403	0.00	0.417	0.00
Higher secondary or more	0.864	0.00	0.697	0.00	0.804	0.00	0.595	0.00
Constant	8.691	0.00	8.600	0.00	8.609	0.00	8.540	0.00
Number of observations	16,759		6,638		1,559		558	

Source: 1993-94 NSS Consumer Expenditure Survey.

The above findings provide some evidence as to why, even when consumption levels are not dramatically below those of other castes, investments in education are perceived to be less worthwhile by many scheduled caste/tribe households. The most significant limit to the value of education, however, may be the fact that a secondary education—particularly from a government school—does not provide the types of training or instruction that could prepare students for a job in any field. Under more favorable conditions, investments in education of children might be higher:

Box 5: Chacha Lal Bahadur Colony, Renukut: The Educational Counter-Case

The Hindalco plant has manufactured aluminum since the early 1970's. In the adjacent Chacha Lal Bahadur Colony, low-income "permanent" "temporary" and "daily wage" laborers, as well as the shopkeepers catering to them, have constructed their shanties. Although this is an unrecognized settlement, the company has provided a few basic services, including a primary and secondary school. Because the school's fees are nominal and it is open to even the temporary and daily wage workers, the *basti* boasts unusually high enrollment rates – estimated by informants at 80 percent. Although this is probably an exaggeration, the fact that the quality of instruction is reported to be high and, more importantly, the factory has begun to require a high school diploma of its new employees, suggest that there is a significant incentive for children's enrollment and regular attendance. Chacha Lal Bahadur Colony is rare among unrecognized settlements in possessing a conveniently located school, particularly one that is "free" and high-quality. In addition, the new company hiring policy provides a concrete link between educational attainments and employment. This link is missing in most urban slums and shanty-towns, where informants state that they are more likely to find success in a small business (which requires only literacy and numeracy). The high enrollment rates in Chacha Lal Bahadur Colony, therefore, stand in stark contrast to those in the other unrecognized settlements – where very few of the children were found to be attending schools of any kind.

Poor educational attainments and low availability of jobs are mutually reinforcing problems. Industrial growth, and hence the creation of jobs requiring higher education, has been slow in UP overall. As a result, demand for higher education is low among those least likely to be favored in hiring: poor men and women. Growth in employment tends to occur in regions characterized by a favorable investment climate, including an educated and well-skilled domestic labor force. Studies indicate that UP's investment climate is very poor, due in large part to high levels of corruption, an inefficient regulatory environment and inadequate and poorly maintained infrastructure. Low levels of education combined with a poorly-skilled workforce tends to

further depress private investment, leading to a self-perpetuating circle of low returns and low investments in education.

Child Labor and School Enrollments

The fact that the economic value of secondary and higher education is not widely recognized, coupled with an abundance of low-level, unskilled earning opportunities, has led to a higher level of child employment in the urban setting. Even so, the teams found little evidence that children under the age of nine or ten were regularly employed outside the home (except in Goodar *Basti*, where even preschool-aged children participate in scrap collection). Although there was variation by household and by community, it was commonly found that children would be withdrawn from school after class five and, particularly if boys, would then enter the labor force.

The reasons given by informants for withdrawing their daughters from school after class five differed substantially. In a women's focus group in Chunar, adult women said that it is better to marry off girls while they are still children in order to protect them from the sexual harassment that is so common in the *basti*—yet they admitted that, because so many husbands were disabled through alcoholism, married women are often forced into the public labor pool to support the family. In the same discussion, some women opined that girls should not be given a higher education because that would require finding a husband with equal qualifications—and high dowry requirements. In other locations, the consensus was that investments in developing a daughter's human capital were not worthwhile for her natal family, since the benefits of her adult labor would accrue to the husband's family and not to the parents.

Youth focus group discussions held with boys revealed that their aspirations are highly pragmatic and based on the examples they observe in their immediate environment (the *basti*). Although many children would like to continue their education, most are aware that their time would be better spent in an apprenticeship wherein they would learn a marketable skill (such as carpentry or bicycle repair). Because these skills are typically learned on the job, low-income boys usually enter the workforce between the ages of 9 and 15. In the best case children may remain in school while working in their apprenticeships outside school hours. Several boys in Akhbar Nagar were found to be both in school and in the labor force. The strain of such an effort, however, is likely to be discouraging to most youths—and schooling is more likely to be sacrificed than the more immediately remunerative apprenticeship.

The teams found it challenging to investigate child labor. First, the definition of child labor is not simple to establish. In rural areas, for example, most children assist their parents in household chores and routine agricultural work. Although these children are not considered to be part of the labor force, they may spend as much time in these activities as do urban children who work outside the home on a part-time basis. Urban children who participate in scrap collection or cottage industry labor at home may also, from the perspective of their families, be viewed as merely helping their parents rather than as engaging in independent employment.

In addition, the teams found it difficult to establish trust and elicit information on children's employment, as a result of informants' awareness of government regulations controlling child labor, plus the recent furor over this issue in the press. In particular, suspicion and hostility were

encountered in households that derive their primary income from the manufacture of carpets. Traditionally, entire families participate in carpet-weaving, including minor children. Carpet workers in Bhadoi accused the researchers of representing the international child advocates who, in their view, have attempted to destroy the industry. The industry, and its tradition of child labor, appear to have survived these attacks, however, by the strategy of decentralizing production. Carpet weaving formerly took place in small "factories" and workshops, but these have largely disappeared in Bhadoi. Instead, carpet-weaving is now contracted out to individual households (often through a middle-man who appropriates a portion of the proceeds) on a piecework basis. Various family members participate in the weaving process—small girls are usually given the task of sorting yarns by color while the others work at the loom. The continuing involvement of children is widely known throughout the industry. Now, however, the onus is now upon the parents rather than the workshop owner, contractor or carpet dealer; all of whom can deny any knowledge of or responsibility for child labor.

Because ambiguities surrounding this issue are so pervasive, it may be useful to define "child labor" in terms of work that interferes with the development of a child—with his/her health, learning, or ability to reach his/her full adult potential. In fact, most working children were found to be acquiring useful skills as they labored; and to the extent that they do gain skills, an apprenticeship could be defined as a practical type of occupational training that actually benefits the child by opening future earning possibilities. In the most egregious cases, however, children are caught in unskilled work with no future and/or with potential threats to their health. Children in this position are usually from the poorest of poor households. The welfare of a child such as this may be in conflict with the welfare of the rest of his family, in so far as they (including younger siblings) may depend for survival on the income provided by the laboring child.

Box 6: Broken Dreams of the Poorest

Although most of their friends are still attending school, extreme poverty forced the parents of Ram and Pranay (both of whom are 12 years of age) to withdraw them from school for work in a local tea-stall. Ram and Pranay earn only Rs. 10 (which is given directly to their families) for a work day of 14 to 16 hours and they often sleep on the floor of the tea stall rather than walk home late at night. They say that the tea-stall owner mistreats them and strikes them often, but their parents never dare to interfere. When asked about their hopes for the future, the two boys said they dream of learning a skill and running away. If they have to work under these conditions, they say, they would prefer to do so far from their own neighborhood, since they feel a sense of shame when community members see them being beaten. At present, however, they do not see any alternative to their current way of life.

D. Constraints: The Costs of Urban Living

As the previous section suggests, the urban poor encounter a greater variety of income-earning opportunities and a higher wage structure than do their rural poor counterparts. This is widely appreciated, and indeed virtually all of those interviewed said they prefer the urban life. This brings us again to the question raised earlier: why, then, is the pace of urbanization in the state slower than might be expected? No doubt many of the rural disadvantaged perceive that they lack the skills, such as basic literacy, required for success in the urban environment. The results of the urban qualitative interviews, however, suggest that the urban setting itself presents specific disadvantages that may repel some potential migrants. *Informants' valuation of the urban area's*

enhanced opportunities is offset by a strong recognition of a set of costs and disadvantages that are unique to urban areas. These include the following:

Higher Out-of-Pocket Costs

Although the urban poor have generally higher incomes than their rural counterparts, they also encounter financial costs unique to towns and cities. In both recognized and unrecognized settlements, residents had paid a cash fee or were paying monthly rent for their house plot. Even in unrecognized settlements, slum dwellers had paid large fees to *basti* "leaders" for the right to squat in the settlement. In Akbar Nagar, Lucknow, the team interviewed a young householder living with his wife and three small children in a minimal shanty located in the path of sewage water that drained from the *basti.* He said he had paid Rs. 3000 to one of the founding families of the settlement for his homestead. He was given a piece of paper and so he believes (erroneously) that he now has a legally valid deed to this property. In his words, "it is better to stay in our own house than to be a tenant." In fact, all the land in the *basti* belongs to a Muslim burial society.

Slum and shanty dwellers also pay for services that were not available or were free in their home villages. Those who pay the most for basic services are those living in illegal shanty settlements, where the government does not provide any public services. For these households, use of latrines and water usually carries a cash cost. In one illegal settlement, residents had been forced to bring water daily by rickshaw in the years before they tapped into a passing water main. In both recognized and unrecognized settlements, most households (however poor) have established an electrical connection, either legal or, more often, illegal. In one illegal settlement, about 65 households were found to be using electricity tapped from a single illegitimate connection to a line that passes over the slum. The power retailer charges each household a small monthly sum for enough power to run a single lightbulb and a fan.

Costs Related to the Quality of Life: Shelter, Sanitation, and Health

According to informants in all the sites visited, the most significant urban disadvantages centered around adequate shelter, clean water, sanitation, and health. Tabulations from the recent NSS survey highlight low access to essential infrastucture, particularly for the poorest households. (Table 7) Although no recent data were available at the time of the study, the team speculates that health conditions may be even worse for poor people living in many urban *bastis* than in UP's rural areas. The factors contributing to poor urban health are mainly those related to over-crowding and an attendant lack of sufficient sanitary facilities in the urban slums. Even in recognized settlements, public services are severely strained, but in the unrecognized squatter settlements, there were generally found to be no latrines of any kind. Although in Goodar *basti* and in Haddiganj, residents could walk to publicly available latrines outside the *basti*, a small fee was required for their use and few residents find use of these latrines worth the time and money involved. Use of streets, riverbanks, and back lanes of the *basti* for urination and defecation is the usual solution. Slum dwellers are then exposed to pathogens through contaminated ground water, particularly in wet weather. Surface water is used for drinking in some slums, and in others the water table rises or waterways overflow during the monsoon season, to engulf portions of the *basti* in contaminated flood water. Water-borne illnesses, such as diarrhea diseases, are

therefore likely to be more common in these city slums than in less densely populated villages (even though these villages may be no better served in terms of latrines). One informant, whose wife had recently recovered from cholera, said he believes she became ill because neighbors usually defecate in a small semi-enclosed area at the rear of his homestead.

Table 7: Housing and Access to Basic Services, NSS 55th Round (1999-00) Urban and Rural Areas (Percent)

	Rural Areas			Urban Areas		
	Poorest 20%	Wealthiest 20%	Total	Poorest 20%	Wealthiest 20%	Total
Katcha Dwelling Unit	60	25	40	19	3	9
Electricity Connection	15	44	28	64	94	84
Water Tap in Dwelling	5	17	11	36	68	53
Latrine in Dwelling	9	31	19	71	94	84

Source: 1999-00 NSS 55th Round, UP state sample, Poverty Module

Box 7: Lack of Latrines as a Gender Issue

In focus group discussions with women aimed at identifying their special problems in the urban setting, many women described the lack of latrines as one of their most immediate and painful difficulties. In Akbar Nagar, Lucknow, for example, the women said that, because their *basti* is unrecognized, there are no provisions for local sanitation (either latrines or drainage) by government. Since the *basti* is situated on unused land on the banks of a drainage canal, or nalla, residents simply use the nalla for defecation purposes. The nalla is filled with raw sewage and the stench is very strong. The greater problem, however, is caused by the fact that, although an attempt has been made to designate separate male and female use areas, the women have no option but to defecate in full view of the men. They believe that they are more vulnerable to sexual harassment as a result. In Renukut, women said that men who wish to "misbehave" will sometimes "defecate close to where the women are sitting." Some women of Akbar Nagar told the research team that, when they first came to the *basti*, they restricted their consumption of food and liquids to try and minimize their use of the nalla.

Our hypothesis at the outset of the study was that, in comparison with rural areas, health status is better in urban areas because of the greater concentration of curative facilities, both public and private, and because the urban poor could be expected to possess a more sophisticated understanding of disease prevention. These assumptions were not supported by the findings. On one hand, some urban informants did display an understanding of the etiology of diarrhea disease that was superior to that reported in a 1999 micro-study (Parker and Kukreja 1999) carried out in the rural areas surrounding Karvi town (Eastern UP). In most cases, however, the urban informants said they believe in the magical causation of disease. In response to the case history interview questions concerning recent illness in the family, there were many more mentions of consultations with the supernatural healer (Ojha) than with government health workers of any type. Only a handful of informants said they utilize the government hospitals that are available

in their city, while most said they turn to private care (traditional or modern) to the extent that they can afford it. A few said they cannot afford medical care

The prevailing belief system, exacerbated by poor public health and a general failure to utilize public or private curative care, can have drastic consequences. One woman who had lost two children said that she had not sought any treatment for them other than from the Ojha, since their health problems were caused by spirit attack. In one Brahmin family, eight children had been born but all had died by the time of the interview. Although most of the premature mortality reported to the teams occurred among children, adults too are at risk under these conditions. Virtually all slum and shanty-town births appear to take place at home with the assistance of a (generally untrained) traditional birth attendant, or dai. Any woman who delivers under these conditions may be vulnerable to death in case of obstetric emergencies such as hemorrhage or obstructed labor, but the fact that some informants said their wives began childbearing as young as 12 years of age gives particular cause for concern. Even male wage earners may go without lifesaving medical treatment if the cost of treatment is high, despite the fact that their deaths may leave the family without income:

Box 8: Early Death of a Wage-Earner

Rajan of Goodar *Basti*, Kanpur, was married at 18 to a girl 14 years of age. Eight children have since been born to Rajan and his wife, but four died of ailments with symptoms such as fever and bleeding through the nose. None of them received medical attention. Rajan himself, now 32 years old, has been ill for six years. He has been diagnosed with TB, which he attributes to excessive drinking plus the strain placed on his lungs by his former livelihood (playing a traditional horn instrument in wedding bands). Subsequent to his diagnosis (by a private doctor), he had to give up playing in the band. Rajan's father has spent Rs. 10,000 on his illness but because his treatment was sporadic (depending on the flow of money), he was not cured. There is now no money left to pay for medicines and he has not been able to get financial or any other support from government. To support the household, his wife cleans the houses of five families, and his eight-year old daughter collects garbage for sale to the scrap dealer. His youngest child is now 18 months old. (Rajan died the day after this interview).

Although government does attempt to provide primary health care for the poor, a number of problems were reported that discourage many low-income households from attempting to utilize the government health facilities. These problems are discussed below, in Section V., "The Role of Government."

Unrecognized Settlements

The most significant and serious urban disadvantages were encountered in settlements whose existence is not recognized by government. Many of these settlements are vast and have been in existence for twenty years or more. Officially, however, they do not exist and the land they occupy is identified as "vacant." Since there is officially no one there, local government is under no obligation to provide public services. Water, sewage, electricity, schools and health facilities are therefore absent from unrecognized settlements except when they have been established by NGOs or community initiatives. The nearest source of drinking water may be kilometers away, and residents may be forced to defecate in public space or between dwellings, with disastrous consequences for public health. The following is a brief profile of the four unrecognized settlements visited by the research teams:

Box 9: Community Profiles: Unrecognized Settlements

Chacha Lal Bahadur Colony, Renukut: Renukut, located in the south-eastern tip of UP (one of the poorest areas of the state) is a town that has grown up around a single factory – the Aditya Birla Group Hindalco factory. The Chacha Lal Bahadur Colony is occupied by factory workers, some of whom are permanent while others are temporary or casual daily wage workers. The settlement is unrecognized and receives no government-provided public services. The Hindalco Company, however, has provided 2 water stand posts (for about 20,000 residents) and a road of waste brick fragments rejected by the factory. It has also provided a school; and a company hospital is 4 km away. The health of *basti* residents is always poor, however, since the settlement is built on an aluminum ash dump. The ash is in constant suspension in the air and it is directly harmful to the respiratory system.

Goodar Basti, Kanpur: Goodar *Basti*, located in the center of Kanpur, is a caste-homogenous *basti* in which the entire community is involved in some aspect of the scrap collection and scavenging occupations. Men, women and children collect scrap from garbage, and even toddlers are taught to pick useful trash as part of their play in the refuse piles on which the settlement is built. Despite the fact that some of the poorest informants of the study were encountered in this *basti*, the *basti* population has managed to secure minimal public services as a result of organization and political lobbying (see box).

Akhbar Nagar, Lucknow: Founded over 25 years ago, Akhbar Nagar is still an unrecognized settlement. The population is primarily Muslim with a (low-caste) Hindu minority. The *basti* lacks even the most basic services in that the government has not provided water, sewage or electricity. The community itself has installed a single connection to a local water line and about 65 of the community's 95 households have established an illegal electrical collection. The *basti*'s main problem (after fear of expulsion) is its location on the banks of a polluted drainage canal. When the monsoon rains flood the canal, then the *basti* is awash in sewage water and the entire population must move temporarily to higher ground.

Raidas Vihar, Jajmau, Kanpur: Located on the fringe of Kanpur, Raidas Vihar has a mixed Hindu-Muslim population of about 2000. The majority work in nearby leather tanneries or leather-related cottage industries. An NGO (the Indo-Dutch Program) installed basic services such as drainage, drinking water (India Mark II pumps) and primary education. The pumps were destroyed, however, along with homes and shops when the Kanpur Development Authority launched a "bulldozer attack" (an attempt to raze the *basti* to the ground) in 1998. An ex-member of parliament was prevailed upon to intervene, however, so the eradication effort failed. Nevertheless, such infrastructure as there was has been severely damaged by the "attack;" and homes and businesses have been only partially rebuilt.

As the above demonstrates, residents of some informal settlements have pooled their resources to establish a (usually illegal) link with city water or electrical supply lines. Akhbar Nagar, for example, is almost two kilometers from the nearest public water tap. After years of carrying water from that tap or bringing it by rickshaw, residents utilized a community fund to tap into a passing water main. About 95 families use this unauthorized tap, however, so disputes about its use are said to be the main source of conflict in the *basti.* In Akhbar Nagar, residents did not wait for government to install services (highly unlikely in any case) but took action to secure at least one water point for themselves.

Residents of most of the illegal settlements pointed to a serious disincentive to making community investments such as these, however. Insecurity of tenure and the fear of expulsion were mentioned as among the community members' greatest concerns. Akhbar Nagar was alone among the illegal settlements was not under immediate threat of removal. *Illegal squatters in the other sites reason that, since any day they may face a local government attempt to eradicate the settlement (a "bulldozer attack"), investments in improving environmental conditions or even housing and businesses are too risky to be worthwhile.* In the informal settlements, therefore, researchers generally found families living in unnecessarily mean and degrading conditions. In one, many families lived in homes made of sacking and plastic sheets draped over a frame of

bamboo poles. Most said they could afford to have improved the quality of their housing, but they had not done so because of insecure tenure. Some of these informants said they had been living in dwellings such as these for many years.

Links Between Environment and Health

The land occupied by illegal settlements was generally vacant for a reason. Most commonly, it is either waste land along the edges of railroad tracks or drainage ditches, or it is an industrial or garbage dumping area. Railway lines represent a danger to children and any domestic animals the household might possess, while canal and riverbank areas are prone to flooding and are breeding sites for malarial mosquitoes. Two of the communities visited in this study are flooded with raw sewage from a drainage canal during the rainy season. Some families actually remain in their homes at these times, as long as the water level remains below the level of their beds. In Renukut's Chacha Lal Bahadur Colony, residents constantly breathe aluminum ash; and factory sludge is used as cooking fuel by some residents of Khera *Basti*, Bisalpur. In general, the research teams found conditions in these illegal settlements to be as poor as anything seen outside a refugee camp.

E. Social Capital Among the Urban Poor

Urban areas appear to offer a potential for social empowerment that does not exist in rural UP. As noted in Section II above, the prospects of a poor household for achieving economic improvements in the urban setting are greater if its members possess a network of cooperative ties, mutual assistance relationships and informal "contacts" outside the family and, best of all, outside the *basti*. Through a series of Social Capital Interviews, the research team explored the types of contacts and cooperative groups the urban poor employ in their attempts to access jobs, loans, favorable political action, and other kinds of assistance. These interviews revealed a very different pattern of social networks and organizations than that which prevails among the poor in rural UP.

Personal Networks, Relations of Mutual Assistance and Collective Action

Interview results indicate that, although they may include both near and distant relatives, ties and informal networks of assistance among the urban poor do not follow kinship linkages as closely as in rural areas. On one hand, many migrants said they moved to the basti because they had relatives there who would sponsor them. Neighbors and kin, therefore, were sometimes overlapping categories. Having arrived in the urban community, however, the typical migrant begins to include non-kin neighbors and employers in his or her informal exchange network. Some of those interviewed said they would turn to a neighbor for a loan or a favor in preference to asking a relative.

The urban poor not only tend to have a wider network of ties that include both kin and non-kin relationships, they also possess a more developed awareness of themselves as part of an interest group. This group includes not only neighbors and kinsmen but the slum or settlement as a whole. Political activism was absent from all the sites visited in earlier rural qualitative study. The disadvantaged population of urban UP, in contrast, gives evidence of a more sophisticated understanding of political process, local institutions and the legal system. Strong capacity for

political action was demonstrated in several of the unrecognized settlements, which often has grown out of community efforts to block the removal of their settlements. Numerous examples of collective political action were reported to the teams. Often such action was organized by or through the influence of a strong community leader who possessed contacts and information sources outside the *basti.*

These examples suggest that, in urban UP, the poor are able to participate in the political process, to take action as a local interest group, and to forge ties with politically powerful outsiders, at least to a limited extent. In contrast, political alienation among disadvantaged rural villagers was found to be extreme. In the rural setting, even when scheduled caste and women's set-aside positions in local government were honored, the disadvantaged incumbent was usually described as a puppet under the domination of wealthier households or, in the case of women, their husbands.

Box 10: Community Political Action

"Master" Tilu is a community leader in Kanpur's Goodar Busti. Although he is a member of a scheduled caste whose father worked as a daily wage laborer, Master Tilu was able to find a salaried job after moving to Kanpur. There, he became interested in politics and established a friendship with a local Congress Party politician. Since then, he has stood for local election himself. Although he did not win office, he has been more successful in his efforts to organize the *basti* to undertake community action. He has led groups of women to participate in protest marches and present memoranda to politicians requesting development in the *basti* and closure of liquor shops. When the Kanpur Development Authority levied taxes of Rs. 26,000 on the *basti*, the entire *basti* under his leadership announced their conversion to Islam in protest. The District Magistrate was persuaded to intervene. Tax relief was arranged, and development was promised. It was at this time that the *basti* obtained its permanent road and drainage system. This episode illustrates a sophisticated ability to manipulate the symbolic aspect of politics in successful pursuit of a practical result. Despite this, however, the *basti* had not been successful in gaining legal recognition from the city as of the time of the study.

In a similar case, the Harijan settlement (Raidas Vihar) at Jajmau, Kanpur, also came under attack by the Kanpur Development Authority. For three days, homes and businesses were flattened by bulldozers, until residents received a sympathetic hearing from the Superintendent of Police. They were advised of their legal rights and, by petitioning the courts, were granted a "stay." To fight removal of the *basti*, residents formed the "Raidas Vihar Dalit and Minority Committee." By making appeals to the full spectrum of political parties, The Committee has thus far been successful in resisting removal. The community is still unrecognized, however, and far from secure.

Migration to urban areas, therefore, was a means of achieving some minimal voice in the local political dialogue. The conditions that result in greater political participation by the urban poor are not entirely clear. It is likely, however, that higher literacy combined with the accelerated flow of information in urban settings are contributing factors. The fact that a large numbers of households suffering from the same set of disadvantages are concentrated in a small area is undoubtedly another. Urban slum density levels may facilitate communication and foster an appreciation of the advantages to be gained by organizing to achieve collective goals.

Nevertheless, although the urban poor are better able to "work the system" than are their rural counterparts, their social capital networks are still less extensive than those of the non-poor. In most of the *bastis*, the use of collective power was limited to achieving small status quo goals such as preventing the city from destroying the settlement. Slum and shanty town dwellers have generally been less successful in gaining additional services or, desired above all, formal

recognition. The unrecognized settlements visited had been lobbying politicians of their respective cities for recognition without success, sometimes for years.

Leadership in Urban Slums

Even the limited goals that have been reached through collective action were achieved only through the organizational ability and outside political connections of *basti* leaders. These leaders were far from uniform in terms of their backgrounds, orientations and modes of operation, but the study teams were surprised to find that, at least in the *bastis* they visited, there were few complaints of the kinds of criminal involvement and exploitation of *basti* residents that has been reported for slum leaders in other cities. For the most part, slum leaders encountered in this study were aspiring local politicians with incomes or educational attainments above that of other community members. Most importantly, these individuals have ties to political parties or can boast relationships and connections with wealthy and influential persons outside the slum. Ordinary, low-income *basti* residents approach these leaders asking them to utilize their outside connections to secure favors such as referrals to jobs, information on government benefits, etc. In return, the poor promise votes, attendance at rallies, and other gestures of political support. In one case, the slum leader was a "political middleman" in that, while he himself had no political ambitions, he acted as the representative of a local politician. In that connection, he passed residents' requests to the politician and guaranteed him the political and voting loyalty of the entire *basti* in return for the granting of favors.

In some respects, the relationship of the ordinary slum dweller to the slum leader bears a passing resemblance to the *jajmani* patron-client relationship of the traditional village -- a familiar cultural model to both rich and poor. The urban patron-client relationship, however, is more fluid, instrumental and temporary. It does not usually carry the labor or service obligations of the rural poor (although in one factory town, temporary workers were said to be able to improve their chances of being made permanent if they sent a family member to work in the house of the manager). Neither is the urban slum leader charged with the moral obligation to provide a minimal safety net for his clients, as a rural patron often is. The urban transform of the typical vertical relationship, therefore, does not carry the rural connotation of oppressive servitude, but neither does it offer a last-ditch refuge in case of catastrophic shocks or economic emergencies.

F. The Contribution of Public Services to Urban Living Conditions

There is growing evidence that urban growth, as a component of growth in the non-farm sector, is becoming one of the driving forces in poverty reduction in India and in UP (World Bank, 2002) This supports the conviction expressed by many informants that an impoverished rural household's best chance of escaping poverty is to relocate to an opportunity-rich urban area. The current slow pace of rural-to-urban migration, however, suggests that the constraints to urban living, detailed above, are acting as a brake that inhibits the rural worker's search for non-farm employment opportunities. Many of these constraints could be eased, however, by appropriately designed and implemented public policies and services. Many of these policies are already in place, in fact, but they are not being implemented effectively.

In preparation for the study, the research team time at the State Urban Development Agency (SUDA) to discuss community level anti-poverty programs and policies that operate in Uttar

Pradesh. The state's strategy for ensuring participation of the urban poor in the governance of their areas is organized into a series of tiered structures. At the cluster level, women's neighborhood groups are to be organized and led by a Resident Community Volunteer (RCV) selected by the group. The RCVs from adjacent clusters are to meet in a decision-making and information sharing fora, the Neighborhood Committees. The Neighborhood Committees designate Convenors, who together form Community Development Societies (CDAs). In UP State, 1300 CDAs have been mandated. The CDA is a self-help group whose task is to identify local problems and solicit help from the appropriate agencies. At the district level, a District Urban Development Agency (DUDA) provides training and assistance to these bodies under the supervision of SUDA.

In December, 1997, a series of vertical poverty programs were merged under the umbrella of the Swarma Jayanti Shahari Rojgar (SJSRY). The SJSRY now includes specific subprograms such as the Urban Self Employment Program (USEP) which provides bank loans to low-income households of up to Rs. 50,000. Recipients of these loans are to be proposed by the CDA, assisted by NGOs and DUDA officials. The loans are supported by a 15 percent subsidy from government, 5 percent of the capital needed for the project is provided by the recipient, while the remaining 80 percent is loaned by a government bank. Technical assistance is available to the recipient in the form of skills or marketing training. Another program, the Urban Wage Employment Program (UWEP) is aimed at employing manual laborers in government construction and infrastructure improvement projects, especially those implemented in the laborers' own *basti*. The infrastructure projects, as well as those to receive employment, are to be selected by the CDA. A second micro-credit program, the Development of Women and Children in Urban Areas program (DWCUA), is designed to make small loans available to womens'savings groups (Thrift and Loan Societies) with a 50 percent government subsidy.

A small number of urban programs continue to function outside the SJSRY umbrella. Among them are the National Slum Development Program. The NSDP develops local infrastructure but does not provide employment. The Low Cost Sanitation Program employs members of the sweeper caste (a bottom-level caste group) to clean latrines throughout the urban areas.

In addition to these anti-poverty programs, the government of UP is committed to providing basic and supplementary public services to urban residents. At the most basic level, these include potable water, sanitation (public latrines, sewage and drainage), street cleaning, lighting and maintenance, public safety, basic primary health care (including immunization and maternity/child welfare services) and primary schools. As noted above, however, these guarantees apply only to urban settlements that are officially recognized by local government. There is no obligation to provide any of these services to communities that, according to official records, do not exist.

A Paucity of Public Services

It is far beyond the scope of a study of this size to render an assessment of the GOUP's progress toward fulfilling the mandates described above. Nevertheless, the findings of this study, augmented by recent survey tabulations, suggest that many of these services and programs are by-passing the poor and socially marginalized. A recent report by the Government of Uttar Pradesh (GOUP, 1999) observes that, due to the pressures of a rapidly expanding population,

increasing maintenance costs and shrinking resources, some urban local bodies are unable to provide even basic services to all citizens. Even so, it is likely that the GOUP estimates of shortfalls in service provision are unduly low. According to the report, of 684 urban local bodies in UP, all but 53 have been provided with piped water; and all of these 53 are in towns of less than 100,000 population:

Table 8: Existing Water Supply in Towns and Cities

Population of Town	Number of Towns	Per Capita Water Supply Norms (litres)	Population Covered by House Service Connection	Without Piped Water Supply
More than 500,000	11	150	95%	0
100,000 - 500,000	29	125	80%	0
20,000 – 100,000	197	100	80%	1
Less than 20,000	447	70	55%	52
Total	684	-	-	53

Source: Status of Urban Local Bodies. Government of Uttar Pradesh. Background paper for XI Finance Commission.

In contrast to the figures cited above, the study team found examples of communities without any piped water in even the large cities (Kanpur and Lucknow). Tabulations from the NSS 55th Round (1999/00) support the finding that many of the poorest face a shortage of government-supplied water or other services at the household level. (refer to Table 7 above).

The communities without water or other services were generally unrecognized settlements, as described in the community profiles in Section III above. Nevertheless, communities without latrines and with inadequate water supplies were found among recognized settlements as well. In Khera *Basti*, Bisalpur, water is available to only half the *basti* even though it is a legal settlement. In others, there may be only one public hand pump to serve a *basti* population in the thousands (such as Misribagh, Lucknow). Drainage was said to be a problem in both recognized and unrecognized sites. Even recognized sites with government-provided drains are periodically flooded with contaminated water when government fails to provide for the cleaning and unblocking of the drains. In general, *conflicts over rights to inadequate public services were reported to be the primary source of the disputes that take place in these communities*. Competition over use of the public water taps, and conflicts over where refuse or excreta will be dumped, sparked many of the feuds and arguments between slum and shanty town households.

On the positive side, the team did find examples of low-income urban neighborhoods that were provided with basic services. The best example was Kumhar Tola in Chunar, a settlement with a water pipeline, drains, electricity, a semi-paved road, and cobbled pathways. In addition, Chunar informants stood out from the norm in so far as they reported that they call upon local police to intervene in local disputes (instead of turning to a local "big man") and that about three-quarters of both boys and girls from the *basti* are currently enrolled in school. This community is an old and well-established one with signs of slightly higher income levels than seen in other sites. These factors may explain why services and facilities perform more closely according to plan in Kumhar Tola than in newer, faster-growing and poorer settlements. Even in Kumhar Tola, however, the supply of water to the pipeline was said to be inadequate to the needs of the community. *Basti* residents expressed a high level of anger over this issue.

As described in the sections above, poor urbanites also lack adequate educational and health care services. Informants' complaints about the government health facilities echoed those heard in the rural Karvi study (Parker and Kukreja, ibid). Hospitals lack medicines and supplies, so patients' families must purchase them from outside on the open market. There was a broadly shared view that public sector facilities are overcrowded, and doctors are too rushed to examine patients thoroughly or listen to their symptoms. Faulty diagnosis and poor care are said to result. One informant said he wife had died of rabies because the hospital failed to administer the preventative injections correctly after she was bitten by a dog. A woman of Chunar's Bharpura neighborhood said the government hospital had mis-diagnosed her grandson, and another complained that she had to make too many trips to meet the government doctor, as he was often unavailable on the days she went there. A woman in Chunar's Sabzi Mahal community reported that she had given birth to six children after being sterilized at a government hospital.

In the worst cases, health workers were described as corrupt and indifferent. In a Lucknow *basti* (Akbar Nagar), for example, a householder reported that nurses asked for "money for tea" in order to continue his wife's treatment for cholera, and that doctors had discharged his badly injured son when they learned that there was no money to pay for medicines. Nevertheless, in two case history interviews, informants said they found the government hospitals satisfactory. Government-provided health care, therefore, is not uniformly poor despite its overcrowded and under-resourced character.

In fact, favorable reports were heard with reference to the government's immunization program. In rural UP, a similar consensus was found, but there the cause was a relatively effective Auxiliary Nurse-Midwifery (ANM) program. Most of the areas included in this urban poverty study are not covered by the ANM program, but the study providex evidence that the polio eradication campaign has penetrated into these *bastis* even without ANMs. In addition, many informants said they had approached government health facilities for children's immunizations even when they would not be willing to turn to these facilities for curative care.

A paucity of basic public services, then, is one of the priority problems of every poor community visited during the study. One factor which distinguished some of the better-served communities from others that were entirely lacking in services was an active and positive relationship with the Ward Member. Again, a high level of awareness about the identity and character of the Ward Member, and a willingness to approach him or her with requests, was one of the aspects of the urban poor's relative political sophistication (in comparison with the rural poor) discussed above. Usually, the Ward Member was petitioned through the *basti* leader or strongman, who plays a leadership role partly because of his links with politicians. In the *bastis* with a strong and sympathetic Ward Member, the Ward Members were said to have been helpful in resisting "bulldozer attacks" (slum eradication efforts), in securing feeder roads to the *basti*, or in gaining access to water or electricity connections.

An Absence of Anti-poverty Programs and Initiatives

The study team did not find any evidence of SUDA's three tiered community institutions—i.e. Resident Community Volunteers, Neighborhood Committees or Community Development Societies. This may because the program is new and may not yet have had an opportunity to be

initiated in the poorest urban neighborhoods (particularly unrecognized settlements). In Misribagh, Lucknow, for example, SUDA officials had recently visited the *basti* and accepted forms from prospective USEP borrowers, but nothing had yet been received. What is more, the study's educationally and economically deprived informants may not have been fully aware of these institutions even had they existed. Nevertheless, since no functioning programs were found in any of the 15 settlements, there is reason to believe that these planned structures have not been widely implemented in the urban slums of UP. One of the teams made a special effort to visit an area in Kanpur that had been identified by officials as a high-profile SUDA/DUDA area. The team did not see evidence of any poverty alleviation activity in these areas except for a set of community latrines in Loharan *basti*.

Low-income urban areas are ineligible for benefits from many of the rural poverty alleviation programs such as the Jawahar Rojgar Yojana (JRY) and Integrated Rural Development Program (IRDP). On the other hand, two of the most important of these programs, the Public Distribution System (PDS) and the Integrated Child Development Scheme (ICDS), are implemented in the urban areas. All the study neighborhoods were found to be within reasonable travel distance of a PDS Fair Price Shop where sugar and kerosene could be purchased at subsidized prices. Informants were virtually unanimous in saying that they make use of the Fair Price Shop and find the program useful. The contribution of the Fair Price Shops to household food security, however, is negligible, since very few urban households are able to obtain food grains through the PDS:

Table 9: Access to Government-Sponsored Programs: Percent of households purchasing goods from the PDS shops in past 30 days

	Urban Areas				Rural Areas				Overall			
	Rice or wheat	Sugar	Kerosene	Oil	Rice or wheat	Sugar	Kerosene	Oil	Rice or wheat	Sugar	Kerosene	Oil
By Per-capita Expenditure Quintile												
1(lowest)	4.89	76.55	79.48	0.19	10.58	44.62	68.53	0.06	9.57	50.3	70.47	0.08
2	2.14	78.44	77.34	0.03	10.73	48.8	71.73	0.16	9.25	53.91	72.69	0.14
3	3.23	79.51	78.08	0	7.89	51.55	75.19	0.12	7.12	56.14	75.66	0.1
4	3.88	71.6	69.45	0	9.33	55.26	76.46	0.21	8.44	57.91	75.32	0.18
5(highest)	2.36	57.92	47.31	0.04	7.96	55.24	74.65	0.29	6.49	55.95	67.48	0.22
All	3.12	69.93	65.87	0.05	9.19	51.53	73.56	0.18	8.02	55.08	72.08	0.15

Source: 1999-00 NSS 55th Round, UP state sample, Poverty Module

As the table above demonstrates, urban Fair Price Shop customers appear to have little access to food grains or edible oils that might help to ensure food security. Instead, they procure sugar and kerosene. Comments on the quality and price of these PDS goods were mixed. One Kanpur informant stated that the quality of sugar at these stores is usually better and cheaper than that on the open market, while informants in Haddiganj, Lucknow, judged the quality to be below that of open market sugar. Some complaints were heard as to the hours of operation of these shops, distance and transport problems, and the fact that they do not carry enough essential items. Unlike the rural PDS stores, the urban stores do not stock subsidized grains (wheat and rice). In the view of those interviewed, the range of goods stocked by the PDS stores should be expanded to include these and other items.

The ICDS, on the other hand, was neither visible nor commonly utilized at any of the study sites. This is born out by tabulations from the NSS 55th Round. ICDS Anganwadi (early education and supplemental feeding) centers were found in two of the *bastis,* but informants said they are not providing services to children from poor families. In one of them according to informants, "the workers steal all the food," and in the other, irregular hours of operation and the absence of any perceived benefit were said to be discouraging any use of the center.

Table 10: Attendance of Anganwadi Center in 3 Month Preceding the Survey (percent of children aged 3–5)

	Urban Areas	Rural Areas	Overall
Quintile			
1 Lowest	0.4	3.2	2.7
2	1.5	2.4	2.2
3	1.0	3.7	3.4
4	0.0	3.1	2.8
5 Highest	0.0	2.2	1.7
All	0.6	3.0	2.6

Source: 1999-00 NSS 55th Round, UP state sample, Poverty Module.

A Hunger for Credit

Informants in the urban study differed strongly from their rural counterparts in that many expressed a strong demand for credit. In contrast, rural households were wary of taking on any additional debt. In the view of the credit wary, to take a loan is to risk failure and, in the worst case, incarceration. At the very least, in the words of one informant, "Not being able to return a loan on time results in the interest rate often doubling, and that only creates further economic hardship." Others, however, noted that loans used for productive purposes were less likely to result in chronic debt than were those used for consumption. In Goodar *Basti*, an informant said he had taken a bank loan (through Nehru Rozgar Yojna, an earlier Government program) at the same time as five others in the *basti.* He used his loan to start a small shop and so he has improved his situation markedly. All of the others used their loans for consumption (including the financing of weddings) and they have not made any economic progress. Other informants said they want to start their own business and plan to seek a loan of some type to finance it. In a focus group discussion with young boys, they opined that starting a small business is the best way to escape poverty – but that requires money, which none of them has.

One of the government services that many informants feel to be of value, therefore, are small lending programs at government banks. Loans are taken from government banks such as the United Commercial Bank, the Grameen Banks, etc. These loans are not always free or easy to obtain, however. In two *basti*s, bank officials were said to require that a "commission" (a kick-back of the subsidized part of the loan) be paid to them for the loans they approve and process. One informant said he had paid between 4000 and 5000 Rupees on a Rs. 20,000 loan. When a borrower pays this "commission," he or she is expected to pay back the full amount including the commission paid to the bank official. What is more, the loans are processed slowly and so they are not available in cases of emergency. It is emergency loans, in fact, that are most likely to lead to chronic indebtedness and destitution since they often place the borrower at the mercy of the unregulated

Table 11: Access to Government Programs: (percent of households that obtained a loan from a government-sponsored credit program in the year preceding the survey)

	Urban Areas	Rural Areas	Overall
1 Lowest	0.6	3.2	2.7
2	0.5	3.1	2.6
3	0.9	3.4	2.9
4	0.7	2.6	2.3
5 Highest	0.7	3.7	3.0
All	0.7	3.2	2.7

Source: 1999-00 NSS 55th Round, UP state sample, Poverty Module.

commercial money-lender. Despite the need for credit and the recognized drawbacks of obtaining it from money-lenders, official figures suggest that few urbanites, poor and non-poor alike, were able to gain loans through government-sponsored programs.

Not all city dwellers are seek loans from government sources, however. Some informants said that they did not need to turn either to the government or to the money-lender, since they could borrow from employers or suppliers. In the carpet industry, a semi-feudal relationship between borrower and lender prevailed. The workers can always turn to the carpet manufacturers for a loan but, much as in rural borrowing, they must repay the loan through their carpet-weaving labor. The research team did not encounter any NGO-led microcredit projects in the sites visited.

There is a positive unmet demand for micro-credit in the urban slums. In the companion rural study, no statements were heard to the effect that a small amount of capital might enable the speaker to escape poverty or to improve his/her economic well-being. In the urban *bastis*, such statements were common. This reflects a disparity in both skills and opportunities. In contrast to the rural poor, the urban poor are more likely to possess the basic literacy and calculation skills that are required for the operation of a cash business. They are also closer to markets and hence better able to observe areas of unmet consumer demand or identify unoccupied niches in the local economy. What is more, in the urban setting's economically active environment and with its densely concentrated population, there is a vast number of commercial opportunities to be exploited. The rural setting in Uttar Pradesh, with its relatively sparse population and agricultural economy, presents few such options. In short, the urban investment climate is superior and therefore more likely to reward the productive use of credit. For this reason, low-income urban households may be more receptive to micro-lending programs, and better positioned to use them as intended, than are their rural counterparts.

Unintended Consequences: Squeezing Out the Poorest

In a few cases, general improvements or development initiatives instituted by government were found to have had a perversely negative effect on the well-being of the poorest. For example, the entire population of Goodar *Basti* (one of the poorest visited) is dependent upon scavenging from garbage. Mechanized garbage collection is being introduced in Kanpur, and can be expected to improve public health throughout the city. However, it is resented by the residents of Goodar *Basti*, as a threat to their basic livelihood. In a Lucknow focus group with youth, young boys stated that the range of livelihood options open to them as the unskilled poor had been reduced by the city government's banning of auto rickshaws. Improvements such as these will undoubtedly save lives and improve the quality of urban life for the general population, but the cost may be borne by the poorest city inhabitants.

The most impressive examples of anti-poor activities by city development authorities are the slum clearance efforts described in Section III above. The Kanpur Development Authority is viewed as a bitter enemy by the inhabitants of unrecognized settlements, since some have been tear-gassed, their homes and businesses flattened, and infrastructure destroyed in slum eradication efforts. Even when local governments have made efforts to re-locate squatter settlements to areas where they could legally settle, these programs have often had a negative impact on the inhabitants because they were not backed up by appropriate support services and

infrastructure. While solutions are far from simple, the current draconian approach to slum clearance by city authorities deserves closer scrutiny.

Box 11: A Poorly Planned Community

Misribagh is located in a peri-urban area somewhat isolated from Lucknow's main city. Its inhabitants had lived in the city proper until a fire destroyed their *basti* ten years ago. It commonly held in Misribagh that the fire was deliberately set by city agents to eradicate the settlement. Its residents were then relocated by city authorities to their present location, and each family was provided a 10x30 sq. ft. house plot. At the time of the move, they were promised services that have never materialized. Initially, two Mark II handpumps were installed by government, but they were not maintained and only one is now working. Although poles and wires were installed, no electricity has been supplied, and so the *basti* residents are still using kerosene lamps. There is no government school in or near Misribagh, so only expensive private education, which is beyond the reach of most residents, is available. As a result, very few Misribagh children attend school. Drainage is also a serious problem, as the entire land area of the *basti* is flooded during the rainy season. At these times, all residents leave their homes and camp in a nearby forest along with their animals, equipment and household goods. Many of those who had operated small businesses such as tea stalls in the city now find that they have no chance of selling successfully so far from city markets. Most small commercial operators, therefore, have lost their livelihood. Most of all, residents fear a second displacement. Because of their history, they feel they are vulnerable to the whims of city authorities and could be moved again at any time.

Another area in which government-led reforms have damaged the livelihoods of individual poor families is in the closure or paring of inefficient public factories and enterprises. Although these measures are necessary to stem the waste created by unprofitable enterprises and to free resources for more productive public investments, the heaviest costs of these reforms may be borne by low-income households. The Manjpurwa *basti*, on the outskirts of Barabanki, provides an apt illustration:

Box 12: Impacts of a Factory Closure

During the 1970's unprecedented development took place in the industrial fringe area of Barabanki, including the construction of public sector factories and numerous small private firms manufacturing oils and cosmetics. This industrial development attracted migrants from UP and adjacent states; and when their lands were lost to a government sugar mill and a new prison, farm families in the Manjpurwa village turned to industrial labor or to operating small concessions serving the workers. A densely settled Manjpurwa *basti* thus grew up surrounding the sugar mill and it was incorporated into an amalgamated Town Area. No modernization of the mill's facilities or equipment ever took place, however, and the mill became increasingly wasteful and inefficient. It was closed two years ago. Since then, most households in Manjpurwa *basti* have lost ground economically, whether their livelihood was derived directly from the mill or from ancillary services provided to the 400-500 mill workers. The owner of a small general goods store estimated that his business had declined by about half in the two years since the closure, and the owner of a tea stall gave the same estimate. Less milk and vegetables can be sold in Manjpurwa now, so dairying and farming families are also confronting a diminished local market. Although two modern private-sector factories have opened within walking distance of the *basti*, they employ few workers and all of them have superior skills to those possessed by the displaced mill workers of Manjpurwa.

IV. IMPLICATIONS FOR ACTION

The Government of India (GOI) has a long-standing strategy for poverty reduction whose goals are to achieve growth with equity and to support pro-poor interventions that address poverty directly. In order for equitable growth to be achieved, reforms must be instituted to reduce

wastage and to improve the effectiveness of public spending. Some of these reforms may constitute at least a temporary threat to the livelihoods and quality of life of the poorest urban households, however. When this is the case, then it is the role of the government's second area of emphasis—development of appropriate pro-poor interventions—to bridge the gap until growth-friendly initiatives have had an opportunity to bear fruit. Although a comprehensive analysis of government urban anti-poverty schemes and services is beyond the scope of this study, the findings do offer some insights relevant to the GOUP's effort to strengthen its poverty reduction strategy.

A. Opening Opportunities through Broad-based Growth

The study's findings support the assertion that economic growth is essential to improving the well-being of the urban poor. The conditions for upward mobility (Section II) suggested by informants during wealth ranking exercises are far more likely to occur in a booming economy than in a slack one, and a positive investment climate is a clear prerequisite. It is obvious that more jobs will be created in such a situation, including regular salaried jobs in industry and services.

Many low-income workers are not equipped with educational background, training and skills needed to qualify for these openings, however. Analysis of the NSS 55th Round shows clearly the link between education and levels of poverty. Investment in the future skills and present welfare of children is therefore of the highest priority. The GOUP should turn its attention to the challenge of increasing the willingness of the urban poor to invest in their children's education. Privately provided education is clearly beyond the reach of most of the *basti* residents interviewed in this study. For this reason, improving the quality of government-provided education through measures such as in-service teacher training, stronger supervision, and accountability to the community, would clearly constitute an attack on poverty. Equally important, according to informants, is to provide a clear path from school to employment opportunities. UP educators should review the state's secondary schools curricula to identify potential points for the introduction of employment-related technical training. Since some students are already combining school with after-school apprenticeships, the school system should recognize these students and provide supports to ensure that they are able to stay in school even while learning a useful skill. Local schools could establish linkages with small workshops to institute work-study programs that would not only teach the student a skill but also provide him/her with useful contacts in the chosen craft or business.

Even without higher education or special training however, more low-skilled and semi-literate urbanites can successfully operate small businesses such as betel leaf shops and tea stalls if their neighbors are employed and have disposable income. Similarly, many of the constraints to investments in education identified in the same section would relax under conditions of rapid growth. The poor are unable to translate educational achievements into jobs because they suffer from problems such as lack of contacts, lack of information and caste discrimination. These constraints are likely to be most binding, however, when competition for employment is high—during periods of slow growth. The mixed composition of the labor force in rapidly growing industries such as carpet weaving and in Renukut's Hindalco factory suggest that limitations created by caste discrimination and lack of social capital contacts are less damaging in a labor-

hungry environment. Indeed, a rapidly growing labor market offers the best hope of shattering the traditional occupation ghetto that has plagued UP's rural (and to some extent urban) poor.

Not all economic growth, however, opens opportunities for the low-income and low-literacy worker. The examples presented by the Jagdishpur Industrial Area and, to a lesser extent, the modern Manjpurwa factories, indicate that the development of encapsulated high-technology industries with small, highly skilled labor forces do not necessarily open opportunities for even those poor households that live outside their gates. These self-sufficient factories, while important to India's and UP's general development and revenues, do not employ the poor. What is more, there are indications that they do not lead to the type of local secondary growth that might be expected from the appearance of a wealthy industry in the town or village area. The poverty-reducing impact of these facilities is at best indirect.

Instead, economic opportunities for the poor seem to be more plentiful in either the highly mixed economy of the inner cities or in smaller market towns that interface with surrounding rural areas. Pro-poor growth could be ensured in both environments if government would take action to improve the environment for private-sector led growth in these areas. Other studies[6] have highlighted the importance of investments in schools, infrastructure and communications in these inner cities and smaller towns, as well as efforts to reduce the regulatory burden that inhibits growth, particularly in services and small-scale producers.

These findings suggest that the GOUP should give more serious consideration to the importance of smaller towns and cities as part of its poverty reduction strategy. Whether or not these settings could absorb many of the unskilled and destitute rural migrants who are displaced by "push" factors is unclear. These workers, the most disadvantaged, might find more opportunities for daily wage labor in the larger cities. Those attracted by "pull" factors, however, could find income-earning opportunities in the nearest market town on either a seasonal or permanent basis, while simultaneously maintaining ties with their village kin that are potentially enriching to both.

To foster the investment and growth in these towns, they must be targeted for investments in infrastructure, communications and services. Paved roads or rail links connecting these towns to agricultural producers, and functioning electrical grids that provide reliable power to operate manufacturing equipment and to light shops, are among the essential investments. The future water and sanitation needs of these booming towns should be anticipated so that infrastructure is not overwhelmed by rapid population growth as landless and impoverished villagers emigrate to take advantage of the greater range of income-earning opportunities.

Pro-poor growth could also be enhanced by removing policies and regulations that discourage the poor from making investments that would improve the quality of their lives. The first priority is to improve security of tenure in urban slum and shanty towns, particularly for slums and shantytowns that are not on private land. Even recognized settlements are vulnerable to displacement and relocation by the city government (i.e. Misribagh, Lucknow). Most insecure, however, are the unrecognized settlements. Residents of these settlements told the researchers that they are unwilling to invest scarce resources in the upgrading of housing, shops or community infrastructure because they fear displacement at any moment. As a result, these

[6] Summarized in *Poverty in India: The Challenge of Uttar Pradesh*, Report No. 22323-IN, World Bank, May, 2002.

sections of the urban milieu exist year after year in a state of acute squalor that is dangerous to health and social stability. Although the city government could invest in improving these areas, residents themselves have expressed willingness to contribute to local development if they can be reasonably certain they will be left in place to enjoy the benefits of their investment. One option would be for city authorities to work toward a system of temporary tenure for the residents of settlements that are long-established but still unrecognized. Even when these settlements are located on sites that present a danger to health and should not, therefore, house a permanent settlement, interim legalization could permit marginal improvements. Even a settlement on a drainage canal is better with clean water points than without. While their settlements are illegal, residents fear drawing attention to themselves and to the gravity of their situation. *Because of the potential benefit to the city environment, and because the extreme conditions in these bastis demand a humanitarian response, the GOUP should recognize the problem of the unrecognized settlements in its urban poverty agenda.*

In addition, the police harassment and eradication of low-capital and very small businesses (sometimes as part of slum clearance and sometimes as routine) is a continuing constraint to poor urbanites who are attempting to escape poverty through petty entrepreneurship. During interviews, informants demonstrated little or no understanding of the laws, licensing requirements or other regulations that prompt this harassment. The businesses operated by this study's respondents are unaffected by most elements of the regulatory environment—they are small enough to be invisible to public officials for the most part. Nevertheless, the harassment they experience when they do come to public notice has led them to regard the law as their enemy ("laws make criminals of honest people"). A review of public policy with regard to very small businesses is in order. *The poor will be in a better position to take advantage of growth if the requirements and regulations that pit the state against the poor entrepreneur are removed.*

B. Strengthening Pro-Poor Interventions

The urban poor have access to opportunities for economic self-improvement that are absent from rural UP, but they are more vulnerable to the impact of shocks and set-backs. They usually lack the support of extended kin groups that are common sources of assistance to even the poorest in rural areas. Their freedom from the bonded and attached labor arrangements found in rural UP, while welcome to most, robs them of a safety net in the form of a wealthy patron. In particular, food security is a greater problem for the poorest urban households than for their rural counterparts, since the latter usually have at least a small kitchen garden or are allowed to glean the leavings of harvested fields. Government programs, schemes and services are often the only recourse when urban families fail due to illness, disability or other shocks.

In response to this need, the government has designed a series of pro-poor interventions, some of which serve as safety nets while others are aimed at facilitating upward mobility and community development. As Section V describes, the GOUP has designed a multi-tiered system of Resident Community Volunteers, women's groups, Community Development Societies, etc., to ensure the participation of the poor in the development of their communities. These structures, however, have not reached any of the urban 15 communities visited during the study. Although this system would appear to be well-designed and tailored to the needs of urban slums, it is impossible to offer an assessment of it in the absence of an example of its functioning on the

ground. The program is new and could yet bear fruit, but the example of the implementation of the ICDS program in UP gives cause for concern. The ICDS is also a carefully designed program, whose prototype was a successful earlier pilot project in Tamil Nadu. Both this study and the companion rural study found the ICDS facilities to be either non-existent or non-functional in virtually all rural and urban sites visited.

Excellent design, therefore, does not guarantee effective implementation. The implications of this are that the GOUP is not investing sufficient resources in the implementation phase of program development. It is suggested that the GOUP undertake a study of on-the-ground implementation in states that have been able to deploy these or similar programs successfully. The ICDS, for example, has received favorable evaluations in some states A visit to these states to observe and document their modes of implementation might provide much-needed insights to the GOUP officials responsible for these programs.

As noted above, impoverished urban households could be said to have an even greater need for the early childhood development services provided by the ICDS than do rural households at comparable income levels. Food security is more tenuous in the urban environment because of the absence of the marginal food sources (kitchen gardens and gleaning harvested fields) that cushion the rural destitute from starvation or malnutrition. Food distribution to small children is potentially of greater importance to the destitute urban household, than to its rural counterpart. Growth and health monitoring, too, are urgently needed since urban children are at increased risk from insalubrious city living conditions. In addition, early education may have greater pay-offs in the skills-hungry urban environment. Thought should be devoted, however, to a modifying the ICDS model to better suit urban needs. For example, the ICDS Anganwadi Center should expand its hours of operation in recognition of the low-income working woman's need for day care – since currently, even infants are left for hours without care of supervision in some *bastis.* Many poor women expressed concerns about childcare needs more broadly; some keep older daughters out of school to look after younger siblings. There is a need to consider childcare needs more broadly in the urban setting.

Another area in which the urban poor are at a nutritional disadvantage is in the policies governing the Public Distribution System (PDS), India's primary food subsidy program. On one hand, the PDS, in contrast to the ICDS and SRSJY programs, appears to be operating in or within feasible distance of all the communities visited. As a matter of policy, however, staple foods such as grains are not available through PDS in the urban areas. Informants' views on the PDS were mixed, but there was a general agreement that the program is useful to the urban poor and would be even more so if rice and wheat were available to them. Given that this is one of the few government-sponsored programs that reaches into even the most disadvantaged settlements (such as those that are unrecognized), and because many of the urban poor are isolated from the petty food production that sustains many poor villagers, thought should be given to expanding the urban PDS to address basic nutritional needs. It is suggested, therefore, that government look into the feasibility of extending grain subsidies to the urban poor through the PDS Fair Price Stores.

Facilitating access to credit and broader financial intermediation is an area of intervention that government should consider more carefully. Existing programs could clearly be improved.

There is reason to believe that micro-credit programs could have greater positive impact in the cities than in the rural areas, where the IRDP has had very limited success as a credit program. Rural households voice little demand for credit, except in the case of unexpected shocks (e.g. severe illness) and meeting emergency consumption requirements. The rural impoverished are isolated from markets both spatially and through lack of information. They usually have few skills and little experience outside the agricultural sector. They do not, therefore, tend to view petty entrepreneurship as a feasible avenue to greater prosperity and their demand for productive credit is low. Instead, they are interested in low-interest credit options that could protect them from exploitative money-lenders and landlords when illness, injury or dowry requirements force them to borrow.

The urban poor, by contrast, inhabit a commercially active milieu and possess a more informed mindset. Opportunities for selling, repairing, or providing non-agricultural services are far denser in the urban setting. The urban poor are more likely to better aware of small business opportunities and, because they see instructive models on all sides, more knowledgeable about business and how it can be made profitable. Several informants, therefore, said they had improved their lot by borrowing and starting a small enterprise; while others are currently in search of a source of credit to initiate or expand a small business. Currently, they are turning to a variety of sources. Some borrow from employers or suppliers, some from relatives or neighbors, and some from the *basti* leader or a money-lender. Nevertheless, there were more reports of borrowing from government banks in this study than in the rural study, even though the bank officials were said to demand a "commission." If there is a feasible role for government in extending micro-credit, then, it is in the urban areas. A significant complaint about government sources of credit was that accessing these loans is slow and time-consuming. By the time such a loan is disbursed, the opportunity may have passed or, in case of a shock, the borrower may have been forced to turn to a usurious money-lender. The GOUP should expedite the implementation of USEP and other SRSJY programs with micro-credit components, and work with the commercial banks and NGOs to facilitate and expand micro-credit options.

Effective health care is a pro-poor intervention that merits heavier investment than it is now receiving. The results of the study's 45 case history interviews suggest that infant and child mortality rates in these *bastis* are staggering, since most of the respondents reported the loss of multiple children. The great majority of these infant and child deaths would undoubtedly have been preventable had their families had access to effective preventive and curative care. This study did not examine curative care in enough detail to yield a detailed analysis of government hospitals in the urban areas, but it was clear that few informants were willing to utilize them. Their reasons were mixed, but in sum they suggest that these facilities are under-staffed and under-resourced. The study gathered more extensive information on the shortcomings of the preventive health system in urban UP. Because complaints were heard at every site about the shortage or unavailability of drinking water, this is plainly a priority area for Government action. Similarly, the lack of any sort of latrines, especially in unrecognized settlements, was described as a heavy stress on both community health and psycho-social wellbeing. Lack of drainage (or failure to clear drains) constitutes another burden on the health of *basti* populations in most of the study sites.

Although the problems discussed above call for significant investments in urban infrastructure, the GOUP could improve health outcomes at relatively little expense by developing more extensive health information campaigns. Health knowledge was found to be better in some *bastis* than in rural UP—one male Chumar informant even gave an accurate recital of the recipe for salt-sugar oral rehydration solution for diarrhea patients – but these findings were patchy, in that other *bastis* seem to have been bypassed by health awareness programs. There, the practitioner of first resort was said to be the supernatural healer (Ojha) and informants appeared to be more willing to expend resources on rituals for Devi than on doctors or medicines. In many cases, these were *bastis* in the large cities. The GOUP should investigate the communication channels that are most likely to reach urban slum dwellers and disseminate disease prevention and appropriate care-seeking messages to the urban poor.

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