



ESID Briefing Paper No. 13

Lessons from India's Basic Services for the Urban Poor programme

December, 2015

KEY FINDINGS:

- India's Basic Services for the Urban Poor programme has failed to address urban poverty, due to shortcomings in design, such as: insufficient attention to tenure; lack of emphasis on the universalisation of basic services; low levels of participation by the urban poor; and unaffordability.
 - Disproportionately low funding has limited the programme's scale and led to poor performance. A very small proportion of slum households are covered, and thousands of built dwelling units remain unoccupied.
 - Planning documents are of poor quality and often prepared without consulting the urban poor, as there are no institutional mechanisms for community participation.
 - There is low satisfaction among beneficiaries, due to: high costs; inconvenient sites for relocation; poor quality and design of construction; and a lack of provision for operation and maintenance.
 - There are exceptions to these findings: there was community participation in Bhubaneswar and Pune (though it was institutionalised only in Pune); and progress and delivery of the projects was better in Pune and Visakhapatnam, due to higher capacity of municipal officials.
-

Introduction

With over 1 billion people living in informal settlements without basic amenities, the challenge of urbanisation is pressing for governments in the global South. This is recognised in the UN's Sustainable Development Goal 11, which aims for inclusive, safe, resilient and sustainable cities and human settlements.

Over the past decade, policy and programming commitments in India have investigated how to improve the lives of the urban poor. In 2005, the Basic Services for the Urban Poor (BSUP) component of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched, eventually covering 67 cities.

BSUP was introduced in response to the growing need in India, where the urban population increased from 286 million in 2001 to 377 million in 2011. Between 18 and 25 percent of the urban population now live in informal settlements without basic amenities; there is a shortfall of 18.78 million dwelling units (DUs), 95 percent of which are required for people on low incomes.

BSUP was meant to address some of these shortfalls by providing “a garland of seven entitlements – security of tenure, affordable housing, water, sanitation, health, education, and social security in low-income settlements” (National Urban Housing and Habitat Policy).¹ But disproportionately low funding was allocated to BSUP compared to larger infrastructure components under JNNURM. The performance of BSUP has been poor, and sanctioned DUs cover a very small proportion of slum households, from 2 percent in both Bhopal and Bhubaneswar to 11 percent in Visakhapatnam. This has limited BSUP's scale and capacity to provide universal access to basic services.

With the emphasis on building new DUs rather than providing sustainable services, however, even massive scaling up would not guarantee universalisation. Table 1 below provides figures on the DUs approved, completed and occupied in five cities under the BSUP component, including a breakdown of in-situ slum upgrading and relocation.

¹ Cited in Sivaramakrishnan, K. C. (2011). *Re-visioning Indian Cities: The Urban Renewal Mission* (ch. 3, note 3). New Delhi: Sage Publications India.

Table 1. Status of BSUP dwelling units (DUs) in five cities in India

City	DUs approved in 2011 ¹	DUs currently approved	DUs completed (% of approvals 2011)	DUs occupied (% of completed)	DUs in situ (% of total current approved)
					DUs relocation (% of total current approved)
Bhubaneswar	2,153	1,864	1,509 (70%)	1,317 (87%)	1,672 in situ (89%) 192 relocation (11%)
Bhopal	23,609	13,339	12,424 (53%)	2,785 (22%)	N/A
Pune	12,576	22,606	20,144 (160%)	8,967 (45%)	5,280 in situ (23%) 17,326 relocation (77%)
Patna	20,372	480	480 (2%)	480 (100%)	288 in situ (60%) 192 relocation (40%)
Visakhapatnam	24,423	24,423	23,250 (95%)	17,241 (74%)	64 in situ (0.3%) 24,359 relocation (99.7%)
India		792,069	610,703 (77%)	457,234 (75%)	

Note: ¹DUs approved are as identified in 2011.

Source: Patel (2013); http://jnurmmis.nic.in/jnurmm_hupa/jnurmm/Jnurmm_Ray_AHP_Progress_Report/City-wise_BSUP.pdf (accessed 15 July 2015).

Methodology

This policy brief draws on findings from BSUP as well as a wider set of primary and secondary research. Researchers from the Effective States and Inclusive Development Research Centre at the University of Manchester (UK) studied five cities where BSUP has been implemented: Bhubaneswar, Bhopal, Pune, Patna and Visakhapatnam. These cities were selected for their geographical spread and varying levels of urbanisation.

Researchers visited the cities on multiple occasions between 2012 and 2014, studying three to four BSUP projects in each location. Discussions were held with government officials, slum dwellers, local councillors, civil society representatives, independent experts and professionals. They focused on: state action; institutional capabilities; political and community participation; and challenges for civil society. Their findings provide useful lessons for urban policy in India and elsewhere.

Findings

Slum policy and tenure

In four cities, although slum policies existed on paper, they were either too general, were pending final approval or had not been implemented. Low levels of urbanisation in the states of Bihar (Patna) and Odisha (Bhubaneswar) meant there was little interest in slum issues. Pune was an exception, with relatively progressive slum policies (though with cut-off dates that require slum dwellers to have been resident for a certain period in order to qualify), and land tenure

provided to those resettled under BSUP. A recurring problem was that of finding “hindrance-free” land for relocation, temporary or permanent.

City Development Plans (CDPs) and Detailed Project Reports (DPRs)

Under BSUP, CDPs and DPRs were usually prepared under time constraints by consultants contracted by urban local bodies. There was virtually no input from civil society or community representatives. Reports often bore no relation to ground realities. In Bhubaneswar, these had to be redone at additional cost by the non-governmental organisation (NGO) that had taken on the contract.

Unsurprisingly, many DUs did not meet community expectations. In Visakhapatnam, a four-storey apartment block design was prepared for communities that used biomass as fuel. There were no balconies, and the water supply had not been connected. In Patna, standard designs did not account for those who owned livestock, construction was of poor quality, and sewage and electricity connections were unsatisfactory. Further, there was no provision for operation and maintenance of the dwellings.

Often, the CDPs/DPRs presented resettlement plans, rather than in-situ improvements. This led to resistance from communities, who were compelled to move far from their livelihoods, sometimes into more cramped quarters. Table 1 indicates the limited extent to which completed DUs were occupied in Bhopal (22 percent) and Pune (45 percent).



Kalpana Nagar, Bhopal: A BSUP pilot project moved residents from what reports described as “thickly clustered, low-quality huts with few community facilities”. Residents, however, claimed they lived in well-designed, good quality structures, for which they had 30-year leases. They have been forcibly moved to apartments half the size that they find unsatisfactory, and are being asked to pay 40 percent of costs.

Institutional capabilities

Institutional capacity and vision for urban development for low-income groups was often impressive at the state level, but low at the level of the municipal corporations tasked with planning, design and implementation. In Patna, institutional memory was non-existent: there were frequent changes in staff, who thus lacked experience. Pune was the exception, with its history of community engagement.

Overall, project management units and project implementation units did not support institutional capacity building, project-based funding was not sufficient to build capacity, and the relevant departments did not work effectively together. This was less of an issue where the municipal board had full responsibility for diverse services, as in Pune.

Political and community participation

Political participation was either non-existent or limited to wrongful interventions aimed at securing construction contracts and influencing beneficiary selection. The Pune Municipal Corporation, by contrast, has a special cell for community needs. Though it was time-consuming, NGOs, community-based organisations (CSOs) and community women participated in the BSUP process successfully.

Bhubaneswar, too, had a high level of civil society participation. This was largely because an NGO took up the tender and provided the only institutional framework available for community participation. But state and municipal agencies often viewed NGOs as contractors (in some cases only NGOs were willing to take on the largely unprofitable tenders for low-cost housing). The NGOs had to bear with a lack of coordination, red tape, delayed payments, and additional tasks and costs. Yet NGOs play a vital role in mediating between communities and local government; the few cities that allowed NGOs to participate had the most success.

Elsewhere, community participation was minimal. At most, municipalities saw participation as a means to providing project information to communities in order to obtain consent for implementation. Participation remains a misunderstood concept, and there are usually no mechanisms on the ground to guarantee community involvement.

What we learnt about inclusive urban development

JNNURM has been extended to 2017 by the Bharatiya Janata Party-led central government to complete the DUs under construction. While BSUP may be considered “yesterday’s programme”, the current government, committed to “Housing for All” by 2022 and the universalisation of basic services, could draw several key ingredients for a progressive slum policy from the BSUP experience.

Security of tenure

Without security of tenure, there is little incentive for residents of informal settlements to cooperate with government programmes that seek to resettle them or have them contribute heavily towards upgrading their houses. The problem is exacerbated by a lack of community consultation. Households need protection against demolition and eviction, with a proper resettlement policy and no cut-off dates.

Security of tenure does not have to mean freehold property title. *De jure* tenure security is time-consuming and expensive, but *de facto* tenure security means that people without formal title know they will not be evicted. Households can upgrade their homes gradually, facilitated by access to low-interest loans. Where relocation is unavoidable, it should be carried out gradually, to keep livelihoods and community networks intact.

A note of caution with regard to household contributions: in most cases, households were required to pay 10 percent of the costs, but the lack of provisions to cover rising costs or transit housing meant they often had to pay significantly more. The lowest-income households are usually unable to access bank loans. A cost-escalation clause is essential, so that the burden is not transferred to beneficiary households, the contractors or NGOs running the project, or municipal corporations: state or central government should be responsible.

Universalisation of basic services

Universal access to basic services should not be affected by lack of land title. Universalisation implies that, even if services are provided to differing extents to different groups, the net result is more or less equivalent for all. Even if there is differential investment in upgrading housing, everyone should have the same access to externally provided services. Previously excluded groups must be reached through a citywide response that is sensitive to the diversity of needs and contexts.

Universalisation cannot be achieved through piecemeal, project-based approaches. It requires bulk infrastructure investment from the state, as well as, in the case of slum upgrading initiatives, local neighbourhood investment. The enforcement of universal high standards may jeopardise breadth by increasing costs, and creating new exclusions. If possible, local communities and local government could negotiate standards, rather than have them set at a state or central level. Upgrading can take place over time, for instance by shifting from communal sanitation blocks to household toilets.

Institutionalisation of community participation

The paradigm underlying JNNURM and the anticipated conversion of select cities into “world class” cities, is flawed. Such an approach not only excludes the vast majority of India’s urban centres, but results in the exclusion of the urban poor, even in selected cities. In practice, the urban poor are restricted to BSUP services rolled out without their consultation. This is not surprising, considering that BSUP has focused on resettlement rather than slum upgrading. Participation is consistently underrated. But if policymakers do not want to listen to the people for whom the policies are being made, what factors are influencing their decisions?

Participation will not happen automatically: institutional mechanisms are crucial. NGOs and CSOs can play a role in planning (e.g. identification of beneficiaries, and suitable land if relocation is unavoidable), improvements (e.g. resettlement action plans and technical assistance for slum upgrading), and post-relocation support, particularly for operation and maintenance.

Ultimately, it is crucial to recognise the multi-dimensionality of people’s lives, as well as their incomes. This is refracted into differential preferences for housing design, transport and social infrastructure. A one-size-fits-all approach will not work. An effective CDP can offer a lot, but its success hinges on the involvement of multiple stakeholders – most importantly, the urban poor themselves.

Further reading

- Mitlin, D., Burra, S. and Menon, G. (forthcoming). 'Meanings of urban inclusion: what we have learnt from the BSUP (JNNURM)', *ESID Working Paper*. Manchester, UK: Effective States and Inclusive Development Research Centre.
- Mitlin, D., Burra, S. and Menon, G. (forthcoming). 'Understanding vision, capacity and commitment: the case of the BSUP (JNNURM)', *ESID Working Paper*. Manchester, UK: Effective States and Inclusive Development Research Centre.
- Patel, S. (2013). 'Upgrade, rehouse or resettle? An assessment of the Indian government's Basic Services for the Urban Poor (BSUP) programme', *Environment and Urbanization* 25(1): 177-188.

About this briefing

This briefing paper was prepared by Diana Mitlin and Rabi Thapa as part of ESID's ongoing research project on Urban Poverty in India. For more information visit:

<http://www.effective-states.org/urban-poverty-india/>

The Effective States and Inclusive Development Research Centre

The Effective States and Inclusive Development Research Centre (ESID) aims to improve the use of governance research evidence in decision-making. Our key focus is on the role of state effectiveness and elite commitment in achieving inclusive development and social justice.

ESID is a partnership of highly reputed research and policy institutes based in Africa, Asia, Europe and North America. The lead institution is the University of Manchester.

The other institutional partners are:

- BRAC Institute of Governance and Development, BRAC University, Dhaka
- Center for Democratic Development, Accra
- Center for International Development, Harvard University, Boston
- Department of Political and Administrative Studies, University of Malawi, Zomba
- Graduate School of Development, Policy & Practice, Cape Town University
- Institute for Economic Growth, Delhi

In addition to its institutional partners, ESID has established a network of leading research collaborators and policy/uptake experts.