Making Affordable Cities a Reality in India

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ABSTRACT

the high costs of living in cities the world over make it difficult for the poor to live a life of quality and dignity. Yet, the poor in rural regions, as in the case in India, often resort to migrating out of their villages to search for employment and opportunity in the urban areas. Globally, Indian cities are ranked amongst the cheapest in cost of living; within the country, however, they are significantly more expensive than rural settlements. This paper discusses the quality of life for India's urban poor who are settled in cities. It argues that urban-planning interventions and pro-poor strategies can make cities more affordable. The paper examines the various areas in which the lives of the urban poor can be improved. Given the growing urbanisation of poverty, making affordable cities a reality in India must be a primary policy goal.

INTRODUCTION

The cost of living in cities across the world is prohibitive. India's cities, on a global scale of cost, are some of the cheapest. However, compared to the country's rural regions, India's urban centres have a much higher cost of living. In the context of India's rising urbanisation, accompanied by the ongoing "urbanisation of poverty,"[a] this matter needs serious consideration.[1] In a rural setting, the poor struggle to earn two square meals a day due to the shortage of employment opportunities. In cities, while informal jobs might be more readily available, the poor are forced to live in conditions characterised by severe deprivation of basic human needs, including proper shelter, food, and safe drinking water.

Each year, Mercer conducts a 'cost of living' survey of cities across the globe. The survey comprises more than 375 cities, with over 200 items per city (e.g. housing, transportation, food, clothing, household goods and entertainment) and uses New York City as the base city. In June 2019, the survey found Hong Kong to be the costliest city in the world, followed by Tokyo, Singapore, Seoul, Zurich, Shanghai, Ashgabat, Beijing, New York and Shenzhen. Mumbai, with a global rank of 67, is the most expensive Indian city, followed by Delhi (118), Chennai (154), Bengaluru (179) and Kolkata (189). Thus, as of 2019, the ten most expensive cities in the world are in Asia.[2]

Like Mercer, the Economic Intelligence Unit (EIU) conducts a global survey of over 130 cities, comparing 400 individual prices and 160 products and services. The 2019 survey ranks Singapore as the world's most expensive city, with Hong Kong and Paris close behind.[3] The

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a   Urbanisation of poverty is a global phenomenon that refers to the migration of the rural poor to cities in search of jobs and, in the process, replacing the poverty of income with the poverty of living conditions.

survey reveals that cities move up and down the cost ladder each year. In 2018, Mumbai was ranked 55th, Delhi 103rd and Chennai 144th; in 2019, the three cities rank lower by 12, 15 and 10 places, respectively. This could be due to factors such as the rate of inflation; currency appreciation or weakening; and local business, economic, real estate and demographic developments. Overall, Asia is home to both the world's most expensive cities and the world's cheapest ones. Bengaluru (3rd), Chennai (6th) and New Delhi (10th) were found to be amongst the ten cheapest cities surveyed.

Commonly considered the most expensive Indian city, Mumbai is the seventh cheapest city globally, approximately 40 percent and 70 percent cheaper than Johannesburg and Singapore, respectively. However, many of the cheaper Asian cities were also categorised as "least liveable." A survey by Numbeo of Indian cities, reveals large inter-se disparities in living cost. In 2019, consumer prices in Mumbai (excluding rent) were higher than in Bengaluru, Delhi, Pune, Chennai and Patna, by 4.57 percent, 5.65 percent, 5.66 percent, 14.99 percent and 27.23 percent, respectively. Factoring in rent, Mumbai was shown to be more expensive than Bengaluru, Delhi, Pune, Chennai and Patna by 33.90 percent, 37.46 percent, 40.04 percent, 53.34 percent and 82.29 percent, respectively. Smaller towns are much less expensive. For instance, the cost of living in Belgaum (with a population of 4.88 lakhs) is 30.85 percent lower than in Mumbai and rent prices in Alwar (with a population of 3.15 lakhs) are 85.37 percent lower than in Mumbai.[4]

Table 1 and 2 summarise the monthly per capita expenditures for urban and rural households in India.

On average, cities are almost twice as expensive as villages.[5] The average monthly housing rent in villages is INR 7, compared to INR 164 in cities; urban dwellers pay 1.5 times the rural monthly expenditure for

Table 1: Monthly Per Capita Expenditure in Urban India, 2011–12

URBAN MONTHLY EXPENDITURE	
FOOD	922.9
INEBRIANTS	33.56
HOUSEHOLD	358.19
CLOTHING	147.82
EDUCATION	135.73
MEDICAL	131.98
ENTERTAINMENT	43.77
CONSUMER SERVICES	336.76
CONSUMER TAXES	22.22
MISCELLANEOUS	266.3
TOTAL	**2,399.24**

Source: National Sample Survey Office.

Table 2: Monthly Per Capita Expenditure in Rural India, 2011–12

RURAL MONTHLY EXPENDITURE	
FOOD	621.98
INEBRIANTS	30.1
HOUSEHOLD	130.23
CLOTHING	91.5
EDUCATION	39.84
MEDICAL	87.67
ENTERTAINMENT	14.24
CONSUMER SERVICES	118.49
CONSUMER TAXES	3.59
MISCELLANEOUS	141.32
TOTAL	**1,278.96**

Source: National Sample Survey Office.

food. In villages, the average monthly per capita expenditure is approximately INR 1,430, while in urban regions, it is INR 2,630. In May 2016, the finance minister, in a written reply to Rajya Sabha, disclosed that India's per capita income for 2011–12 in urban areas was INR 101,313, while for rural areas it was INR 40,772. Thus, while Bengaluru, Chennai and New Delhi are globally rated amongst the cheapest cities, for the Indian poor, these cities are largely unaffordable.[6]

A host of reasons impact the living cost in a specific settlement. In the context of cities, space is a common factor; all inhabitants and their activities have a spatial dimension. By their very nature, cities are more densely populated, carry out a large number of activities and provide more services than smaller settlements. The consequent space crunch pushes up the price of land, which is a significant part of living costs. Moreover, since wages are higher in cities, there is more money to spend, which increases taxes. Huge demand for goods and services, and the cyclical mismatch between demand and supply, further fuel costs.

This paper lays out the task for the urban planner: to reduce the average cost of living in cities and make them more affordable for the poor.

AFFORDABLE CITIES AS PRO-POOR POLICY: POST-INDEPENDENCE HISTORY

An "affordable city" can be defined as one that enables its constituents to work, learn and live an acceptable quality of life. The need for pro-poor policies in urban development is now widely recognised. The first three Five-Year Plans focused primarily on the rehabilitation of refugees, viewing slums as a problem that needed to be fixed by way of removal. It took more than 20 years, in 1972–73, for the first substantive recognition of urban poverty to come in the form of an "Environmental Improvement of Urban Slums Programme," aimed at

providing a minimum level of basic services to the urban poor. Unfortunately, the declaration of "Emergency" rule for 21 months in the mid-1970s drove the urban poor out of cities, ushering in a massive wave of summary evictions of slums, of which the most brutal was in the area of the Turkman Gate.[7]

During the eighth Plan period, with the launch of the Prime Minister's Integrated Urban Poverty Eradication Programme, the focus was shifted back to alleviating poverty. The ninth Plan period saw the rolling out of the Valmiki Ambedkar Awas Yojana, aimed at providing improved shelter to urban slum dwellers. In 2005, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched, with a "Sub-Mission on Basic Services to the Urban Poor."

Indeed, it would appear that the mitigation of poverty has been one of India's topmost objectives. In the urban context, a key step towards this goal is the strategising of cities, to make them more affordable for the poor. This should not, of course, be done at the cost of the affluent city dwellers, since they have the capital and the means to generate wealth and employment. Setting up and running industries, starting businesses, and engaging in trade and commerce are vital to the sustainability of cities. However, city planning must not stop at economics and should extend to equity. Alleviating the living conditions of the urban poor will also make them more productive members of the community.

Good urban planning can reduce the cost of living in a city. Currently, one of the primary reasons for cities being unaffordable for the poor is that they have to spend a disproportionate part of their small income on a basket of basic consumption items. By bringing down the costs of amenities—including housing, food, clothes, transport, education, health and household essentials—it is possible to increase the purchasing power of the poor.

The lack of poverty planning across Indian cities has created a peculiar situation: a city is unable to survive without the services of the poor but its setup does not consider their needs. It is becoming increasingly difficult to carry on with such a status quo, and not only for humanitarian reasons. While powerless as individuals, as a mass, the poor constitute a major vote bank. Despite the unaffordability affecting only the poor, the overall quality of life declines: without toilets and waste systems in slums, there is an increase in open defecation and littering, which affects the entire city. Robert McNamara, former president of the World Bank Group, said in the 1970s, "An even more ominous implication is what the penalties of failure may be. Historically, violence and upheaval are more common in cities than in the countryside. Frustrations that fester among the urban poor are readily exploited by political extremists. If cities do not begin to deal more constructively with poverty, poverty may begin to deal more destructively with cities."[8]

Cities must therefore aim to serve all sections of the population. Many of its services should be customised to reach varied groups. In this context, it would be apposite to take a leaf out of the Development Plan of Mumbai, 2034. The Plan comprises strategies to address the concerns of a range of groups. The land-use plan includes such amenities as multipurpose housing for working women, neighbourhood care centres, *adhar kendras*, vending areas for women in the informal sector, women skill centres, homeless shelters, public toilets for women, old-age homes and play areas for children. The Development Control and Promotion Regulations have incorporated design guidelines to ensure a barrier-free environment for the differently abled.[9]

MAKING INDIAN CITIES AFFORDABLE: IMPERATIVES

Economic Integration

A city's economic profile comprises both the formal and informal sectors. Evidence suggests that the capacity of India's formal sector to

generate employment has weakened. Modern technological developments and the global-scale competition for "maximum value at least cost" is forcing industries to automate, further reducing job opportunities. The public sector, too, is restricting employment to cut down costs. At the same time, the informal economy has multiplied and today comprises the majority of newly created jobs. In a recent report, the International Labour Organisation stated that close to 81 percent of the employed population in India makes a living by working in the informal sector,[10] partly because it provides a vital link to the supply chain in the formal sector. Consequently, the informal sector has proliferated in many cities.

The informal sector offers several advantages for the poor: fewer barriers to entry, since the initial capital and skill required is nominal; flexibility in hours and participation; and the scope of combining household errands with earning opportunities. Moreover, the small scale of such enterprises allows them to offer custom-made services that large enterprises cannot provide. The current landscape of the informal economy, however, is replete with constraints that do not allow the sector to play this role. The government must identify and eliminate such infirmities.

In this regard, a clear pattern has emerged in Dharavi, touted as the largest slum in Asia. It is as much residential as industrial and is reported to be home to most of Mumbai's leather factories and 'dhokla' producers. Over time, two-storied structures have become more common, with residential premises on one floor and a working floor on the other, allowing all members of a family to assist in a family enterprise.[11] National policies on housing the poor can draw from such models. For instance, providing working space in residential areas can be instrumental in increasing the number of women in the workforce, making them more productive while ensuring their safety and

convenience. This not only addresses a gender inequity problem but also allows families to earn much more than otherwise possible.

The informal sector also includes street hawkers. The Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014, made hawking a legal activity. It enjoins upon cities to provide proper hawking spaces, factoring in a maximum of 2.5 percent of a city's population as street vendors.[12] Assuming that India's urban population now stands at around 430 million, there should be approximately 10 million hawkers. If each vendor is allocated an average space of five sq. m, with around the same measure of space set aside for accompanying facilities (e.g. safe drinking water, hygienic toilets, electricity and storage facilities), the total space nationally required would be 100 sq. km. This is 0.04 percent of the total geographical area of urban India, which can support 40 million people or around 10 percent of the urban population.[13]

The Street Vending Act mandates planning laws to take cognisance of the needs of street vending and thus align the laws to vending needs. However, little has been done to implement this. If planned properly, street vending can add greatly to the efficiency of a city and multiply jobs for the poor, easing the burden on the government to create jobs. Vendors must be allocated spaces where they can find business easily, without impeding pedestrians, traffic or other activities. Thus, street-vending must become an organised activity, written into the urban-planning and operational statutes of the states.[14]

Indeed, land allotment is key to improving urban designing. This, in turn, will have the potential to address the complexities of urban poverty and generate more opportunities for the urban poor. Unfortunately, despite the Street Vending Act having been passed, states have not yet taken action on amending their planning statutes. This must be taken up with due urgency.

The Ministry of Skill Development and Entrepreneurship has undertaken some important initiatives. It has set up the National Skill Development Corporation India (NSDC) as a public–private partnership company, with the primary objective of facilitating skilling on a massive scale. Since its inception, over 5.2 million students have been skilled. As a corollary, the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) has undertaken the task of skill certification through its Skill Certification Scheme, enabling a large number of young men and women to undergo industry-relevant skill training and secure better-paid jobs. Under this scheme, training and assessment fees are borne by the government. The Deen Dayal Antyodaya Yojana (DAY) further allows the youth to access gainful self-employment.

Universal Housing

Adequate housing is crucial to good health, education, safety, privacy, human dignity, access to basic services, credit and opportunities for mobility. In urban India, only a part of this universal need can be converted into demand for formal housing. A large percentage of all urban citizens cannot afford housing. Policies, the prohibitive cost of land, taxes, premiums, transaction costs, and a lack of regulation have made houses expensive for the urban poor and the lower middle classes. Thus, most of the housing stock getting created is informal, which is sub-standard and adversely affects the urban society. Approximately 20 million Indian households live in slums. The existing schemes for free housing are unsustainable and beyond both the market (because of the limitations of the cross-subsidy formula) and government (the number of poor urban households is too large to finance). As formal housing options become increasingly inaccessible to the poor and middle classes, the urban housing situation will deteriorate further. India is, therefore, heading towards a housing crisis of huge proportions.

In this regard, the Ministry of Housing and Urban Poverty Alleviation has announced a housing programme called the Pradhan Mantri Awas Yojana (PMAW), with the ambitious goal of providing "housing for all." The PMAW seeks to address the housing requirement of the urban poor, including slum dwellers, through four programme verticals:

1. Slum rehabilitation of slum dwellers, with the participation of private developers using land as a resource;

2. Promotion of affordable housing for the weaker sections, through credit-linked subsidy;

3. Affordable housing, in partnership with public and private sectors; and

4. Subsidy for beneficiary-led individual house construction/ enhancement. [15]

The Scheme Guidelines 2015 state that the mission will support houses up to 30 sq. m carpet area and a slum rehabilitation grant of INR 1 lakh per house would be admissible. The thrust of State Housing Policies and Action Plans is also in keeping with the policies of the GoI. However, its efficacy in the urban context is yet to be established. As of January 2019, 20 percent of the houses have been completed under the scheme. The implementation of the programme faces challenges: banks often delay disbursement to applicants of the Credit Linked Subsidy Scheme under PMAY; most of the urban poor population works in the unorganised sector, making it difficult for them to arrange documentation to substantiate their earnings; there is little knowledge of the programme; and, most importantly, there is a paucity of land.

By global standards, affordable housing constitutes the availability of minimum liveable space and basic amenities, for rent at around 30

percent of the gross monthly household income or ownership at five times the gross annual household income. The basic housing unit in India is taken to be about 300 sq. ft. For affordable housing to be available to everyone, sufficient housing stock is required. Additionally, the stock must be diverse to address the needs of an economically diverse population. The two keywords, therefore, are availability and affordability. While free housing is unaffordable and unsustainable, subsidies are essential for those whose incomes fall short of housing prices. Additionally, housing finance companies can also play a crucial role by providing loans at affordable rates. Data and technology must be leveraged to facilitate proper credit evaluation of customers to help such companies in profitably lending to customers.

The importance of housing makes it imperative that the government remain an active player in this domain, along with the private sector. The government must focus on overall planning, regulation, incentivising and provision of land for affordable housing. In the light of best global practices, appropriate incentives and subsidies must be crafted to promote universal housing. India can learn from several examples of best practices across the world. In Singapore, for instance, 90 percent of the people reside in public housing created by the country's Housing Development Board. These housing options—a mix of ownership and rental—are subsidised, and the government has put up to 40 percent of its annual capital expenditure into this single sector, mainly through land contribution and low interest rates for loans. In the UK, all housing developments must be built at 15–25 percent of Affordable Housing (AH) units. Capital subsidies are provided for the AH component. China exhorts the private sector to produce AH and extends incentives such as free land, basic infrastructure and tax exemptions. The United States creates Land Use Zones for AH and incentivises developers through floor-area ratio and tax credits.[16]

Considering the different economic segments in the country, proper segmentation of housing needs is necessary. High Income Group (HIG), Middle Income Group (MIG), Low Income Group (LIG) and Economically Weaker Sections (EWS) can be further categorised based on income brackets and the housing costs affordable for each. These categories could be rich, high-middle, middle-middle, lower-middle, poor, very poor and destitute. In view of the high cost of urban land, affordability for the weaker sections may require the cost of land to be taken out of the urban housing equation. Since government and parastatals have large tracts of land in possession, suitable public land out of these parcels should be earmarked for housing the poor. A statement to this effect has already been postulated in the 'housing policy documents' of the Central government as well as several state governments. However, it is yet to be implemented.

The government can improve housing availability through land-use zoning and zoning through a varied Floor Space Index (FSI) regime for cost regulation. The sufficient supply of serviced land is a precondition to availability. Thus, the zoning of land in a manner that exacerbates scarcity must be strictly avoided. Thus, lands in cities must not be zoned as 'agricultural' or 'No Development Zone' (except ecologically sensitive natural areas that cannot be built upon) when there is housing scarcity. While allocating housing land, the maximum and minimum plot sizes must be defined. The scarcity of urban land demands optimal use and minimising of inefficiency in land use, which is often the case with government land, such as those under railways, defence and ports. Policies must be devised to substantially reduce urban land speculation. A heavy vacant-land tax will encourage optimal and timely use of land, in addition to penalties for housing stock kept under lock and key through disincentives.

Peri-urban lands must be planned and held for release as populations expand or prices rise. In this context, land-pooling

initiatives can play a significant role. It allows a number of small landholdings to be consolidated, and a part of this pooled land is employed for infrastructure and amenities. The residual land is returned to the original landowners, who are also given development rights. States such as Gujarat, Tamil Nadu, Punjab, Kerala and Maharashtra have used land-pooling to successfully develop townships. Delhi implemented its first land-pooling policy in 1961. In recent years, the Delhi Development Authority has introduced a new land-pooling policy, which assumes the role of enabler and facilitator and leaves the actual pooling effort to be made by the landowners and the private sector.

Low-cost technologies can help bring down housing prices as well, especially in building shelter for the poor. For instance, HUDCO's Building Centres have been instrumental in the delivery of affordable housing and in bringing down their construction cost through low-cost technologies. The Building Centres have imparted training on cost-effective tools to over 300,000 artisans and introduced technologies in the production of building components and construction of houses. These technologies have achieved cost savings of 15–40 percent over conventional costs.

Low-cost technologies include the use of load bearing structure instead of frame structure in low-rise buildings. This allows economies of cost and time. Similarly, replacing stone bricks with hollow concrete blocks has several advantages including cost savings with no adverse consequences on strength. Another innovative method adopted in many buildings is the concept of modular construction of sections of a home in a factory and then assembling them on site. This has been seen to lower labour costs and reduce cost by one-third to one-half. The use of no-frills material in interior finishing such as flooring, walls, appliances and fixtures also bring down costs. Some of the states where such

housing is being implemented are Andhra Pradesh, Kerala, Maharashtra, Rajasthan, Kerala and Telangana.

As India urbanises, housing will continue to be in great demand in cities. To achieve the steep targets needed to ensure universal housing, all available instruments must be used, including public land, capital subsidies, infrastructure facilitation and FSI incentives. With an eye on affordability, municipal premiums and state registration duties can be recalibrated for affordable housing; credit made available at reasonable rates of interest; and rental housing incentivised through federal, state and municipal tax breaks.

Transportation

Affordable transport is another critical need for the urban poor. For the longest time, the Central government, state governments and city authorities have disregarded the needs of the poor in their planning and policies. For instance, private motorised transport was heavily promoted, with little effort to ensure pedestrian safety. Both cycle transport and bus transport were negatively affected by such policies. Figures indicate that bus transport as a percentage of the total registered motor vehicles in India was at 11 percent in 1951 and declined to 1.1 per cent by 2001.[17] Cars and paratransit vehicles proliferated at the expense of mass transit systems. Consequently, the entire transport model in cities became geared towards individualised transport. While the modern metro has gained significance as a crucial and viable public transport model for cities, it is not the most poor-friendly system due to high tariffs.

The National Urban Transport Policy (NUTP), first formulated in 2006 and revised in 2014, is now shifting the emphasis towards public transport, focusing on people mobility instead of vehicle mobility.[18]

While the reverse engineering of city transport is currently being driven by environmental considerations and not by concerns of poverty, environmental and poverty goals in transport overlap to a considerable extent. Pedestrianisation, bicycles and bus transport are both environment-friendly and poor-friendly and must be promoted. For example, the Bus Rapid Transit System (BRTS) is the most poor-friendly mode of transport available in the cities and nearly two dozen cities have experimented with it. Unfortunately, many of them are struggling due to design flaws, protests by recalcitrant vehicle owners, depleting fleets and financial constraints. Cities must make a strong effort to promote transport elements that serve the poor.

Food and Nutrition

Poor households in urban India currently face the issue of food insecurity. Fortunately, a food-security network exists in the country, run by the GoI under the Ministry of Consumer Affairs, Food and Public Distribution. The public distribution system distributes ration at subsidised rates, such as food items (wheat, rice, sugar etc.) and essential fuels (kerosene). The network of ration shops is fairly large; the shops are run with reasonable efficiency and are easily accessible. However, several challenges remain, including complaints of adulteration, poor quality, and shortages.

For the poor to be productive and not lose wages due to ill health, it is vital that they eat healthy food, both at home and at work. Many do not have the option to have home-cooked food during work hours and are forced to eat at roadside outlets. Often, such outlets do not have any quality control and serve unhealthy or stale food. Licensed establishments, that serve better quality food, are unaffordable for the poor. To improve the quality of street food, in 2015, the Bombay High Court banned roadside cooking,[19] mandating that the food must be

prepared elsewhere and carried to the roadside outlets for sale. In 1995, Maharashtra had implemented a scheme called *Zunka Bhakar Scheme*, aimed at providing the state's staple food to the poor at an affordable price. The scheme did not succeed for a variety of reasons, including overcharging, and claiming government subsidy on the basis of bogus records. The scheme was closed down in 2000. The Odisha government runs a similar subsidised scheme, "Aahar," that serves subsidised lunch to the poor in five of its major cities. However, these programmes cannot be efficiently implemented across India, given the poor financial health of many Indian states.

One effective solution is to involve the informal sector in providing manpower to cook affordable food. The food can then be delivered to poor workers at their places of work. The dabbawalla system in Mumbai is one model that can be emulated. This ensures access to healthy food for the poor, while also creating employment opportunities.

Pro-Women Measures

While making strategies and policies for some of the areas of improvement discussed above, gender issues must be addressed and integrated into the solutions. A globally recognised phenomenon, the 'feminisation of urban poverty' refers to the fact that women have to bear a disproportionate share of the burden of poverty. This is a consequence of lack of income, deprivation of capabilities and gender biases present in societies. A large number of households are headed solely by females with no other support, due to a variety of reasons including the death of the husband from an illness or divorce. Such families suffer from low income and less employability. Cities must implement strategies to enable women to earn better incomes and find space in informal markets, as well as establish affordable care centres to look after the children while mothers are at work.

Education and Health

Education and health are the two most significant social infrastructure to which every family must have access. There is a strong relationship between education and health. Increased education leads to positive health consequences, and in turn, better health leads to better levels of schooling.

The Constitution (Eighty-sixth Amendment) Act, 2002, added Article 21-A in the Constitution of India to provide, as a fundamental right, free and compulsory education to all children aged six to 14 years.[20] The Right of Children to Free and Compulsory Education (RTE) Act, 2009, which represents the consequential legislation envisaged under Article 21-A, mandates that every child has a right to full-time elementary education of satisfactory and equitable quality in a licensed school.[21] Additionally, to support the RTE Act, the Supreme Court has made it mandatory for private schools to reserve 25 percent of its seats for underprivileged children, to be provided free of cost. The Draft New Education Policy, 2019 further recommends education should be made entirely free and compulsory, from pre-school until 18 years of age.[22]

Despite the cited provisions, admissions to private schools on 25-percent quota have neither been smooth nor without costs. Schools continue to devise devious ways to escape the ambit of the RTE Act and demand sums of money that parents find difficult to refuse, for fear of reprisal. Moreover, the qualitative collapse of the public/municipal school education system has led to an exodus of poor children from such schools. In Mumbai, more than 60 percent of the poor prefer to send their children to private schools, as families aspire for their children to get better jobs and break the poverty circle. Consequently, poor families have to bear the higher costs of private schools. Thus, one of the most urgent tasks before the government is to fix the public education

system, allowing children from poor families to obtain free, quality education.

Technology can have a great impact on education, benefitting schools, students and teachers. Replacing books with eBooks will ease the physical burden on students and even allow them to learn faster. The model of daily attendance can be changed to twice-a-week congregations for interactive face-to-face sessions. Once India becomes fully broadband-enabled, digital education can transform the way children learn, allowing more students to make intensive use of educational assets. Virtual learning drastically reduces requirements of space, infrastructure and teachers, as well as transport. This, in turn, reduces the overall cost of education. In addition to making education affordable, virtual learning also makes it especially accessible for the girl child, since parents are often reluctant to send them to faraway schools for security reasons.

As well as education, health is a significant social infrastructure. Most of the urban poor population live in slums, which are overpopulated; have poor hygiene; and lack amenities such as clean water, sanitation, proper lighting, and clean air. These factors, inter alia, increase the chances of poor health and, consequently, fuel medical expenses, and loss of income opportunities. This, in turn, can result in the neglect of serious ailments due to socioeconomic constraints. While good housing, better living conditions and nutrition can go a long distance in supporting good health, affordable curative health facilities are equally important. However, the public health system in India has not kept pace with the growing population of the urban poor. The doctors are overstressed; technological support is lacking; and even space and beds are a serious constraint.

In 2018, the GoI launched a new health scheme, Ayushman Bharat, with plans to involve the private-sector hospitals into the service of the

poor. This flagship scheme, the world's largest government-funded healthcare scheme,[23] has since been renamed PM Jan Arogya Yojana (PMJAY). The scheme targets the poor, including the urban poor, and hopes to cover around 500 million people. It will provide a cover of INR 500,000 per family per year for secondary- and tertiary-care hospitalisation. The scheme will be cashless and paperless at public hospitals and empanelled private hospitals. For the urban areas, 11 occupational criteria will determine entitlement, including beggars, domestic workers, street vendors, security guards, sanitation workers, delivery assistants, rickshaw pullers and many more.

The benefits of the scheme are applicable across the country. To control costs, the payments for treatment are done on a package-rate basis, defined by the government in advance. Policy directions at the national level come from the Ayushman Bharat National Health Protection Mission Agency (AB-NHPMC), chaired by the Union Health and Family Welfare Minister. States can implement the scheme through a dedicated entity called the State Health Agency (SHA). They can use an existing trust/society/not-for-profit company/state nodal agency (SNA), set up a new entity, use an insurance company, or opt for an integrated model. To ensure that the funds reach the SHA on time, the transfer from Central government through AB-NHPMC to SHAs may be done through an escrow account. In partnership with NITI Aayog, a robust, modular, scalable and interoperable IT platform is to be made operational, allowing for paperless, cashless transactions.

Other Essentials

Clothing and household goods form a crucial part of regular expenditures. Basic clothing has largely become cheap and the urban poor should have no problem in buying ordinary clothing. However, many of the household goods fall in the aspirational category that the

poor cannot afford. If properly organised at the city level, much of this can come through organised charity shops. Charity or thrift shops, common in developed nations, are retail establishments operated by organisations of charity. Oxfam in the United Kingdom and Ireland; their affiliates in the Netherlands, Hong Kong and Germany, St Vincent; and the Salvation Army in the US and Australia are examples of such organisations. Citizens contribute "used goods" that are either surplus with them or are no longer needed but are in eminently usable condition. Such goods include clothing, books, toys, cutlery, furniture, electrical appliances, refrigerators, televisions, albums and a whole host of daily-use products. Thrift organisations are often staffed by volunteers. Additionally, these shops are provided rebate in taxes borne by the government. Free donation of goods, tax rebates and free service on the shop floor offered by the citizens combine to make the goods extremely affordable.

In India, used goods often end up as waste since no large, organised system exists in cities to run such stores. Non-governmental organisations have been making small efforts, but they are not backed by a pro-poverty city and government policy. If organised well and on a large scale, they have the potential to become a succour for the poor. The model serves to not only improve the quality of life of the poor but also positively impact the environment. Additionally, these outlets can also offer a selling platform for goods made by the poor.

Another popularly practised variant of the thrift store is the "garage sale." A garage sale or moving sale is a casual sale of used goods by private individuals, families or communities. In such an informal, one-off event, the seller generally need not obtain a licence from the authorities. While such organised sales of used goods are rare in Indian cities, rural India still employs the concept of weekly 'haat day', where producers of goods from several villages congregate at a designated place on a fixed

day of the week to sell their wares. The idea deserves promotion and can serve as an anti-poverty instrument in cities.

In the recycling and sale of second-hand products, mobile phones are of particular significance. Cellular phones are an integral part of modern life—whether it is to contact family and friends, employers, clients or banks—and are now classified as bare essentials. The instrument has an enormous market, marked by great innovation and competition. A whole class of people regularly upgrade their mobile phones to newer and better models, easily discarding their older handsets which are still fully functioning. Thrift shops should be the destination for such instruments that can then get passed on to the poor at reasonable rates.

Utilities

Utilities such as water, gas and electricity are fundamental necessities in modern life. The existing slab system for charging users is such that prices escalate with an increase in consumption. A heated debate is currently ongoing about utility subsidies. The argument in favour of subsidies for water, gas and electricity services is to make these services affordable for the poor through such social welfare measure. The poor are encouraged to consume these services liberally, leading to improved hygiene and personal health, better education and productivity. On the other hand, critics argue that subsidies work against service quality to existing consumers and impose financial constraints on the service providers, limiting their ability to expand or improve. However, a counterargument to this is that it is prudent to prioritise operating and capital efficiency, better revenue collection and adoption of low-cost service-delivery systems. Further, utility services can be made more affordable through modifications of utility commercial policies, such as more frequent billing or prepayment of services.[24]

There is merit in both the arguments against subsidy and those for it. The way forward is to neither deny subsidies nor weaken utilities, but to avoid hidden subsidies and to give services transparently. The suppliers may charge the market rate to ensure an efficient business model, while at the same time, the government may determine the quantum of viability gap funding required to support subsidies to the poor and transfer it using the direct benefit transfer model. This is already being done in the case of gas and can be extended to water and power.

CONCLUSION

It is possible to make modern cities affordable if policymakers make a concerted effort. In addition to formulating measures to address the existing issues, it is important to implement them in a holistic manner. In isolation, their intent may fall by the wayside, but together, they can successfully create pro-poor cities. To retain their shape and deliver a decent quality of life, cities must plan to provide for the economically less privileged. Indeed, given the numbers of the poor that are likely to continue to move into cities over the next 50 years, 'affordability' must rank as a top objective for any Indian city. If affordability is not thought out and integrated into city systems, cities will find themselves divided, less productive and replete with social tensions.

Central to any key anti-poverty instrument is land; and land use planning that factors in the needs of the poor is critical to poverty alleviation. This paper has made the case for sound land use planning. Planners are now advocating mixed land use, instead of tight and exclusive zoning, to provide larger efficiencies to cities. This is also largely in keeping with the manner in which cities in India grew and operated. In the traditional towns of India, all classes of society were "virtually living cheek by jowl in a given mohalla or neighbourhood. All

the essential services were available within walking distance, and there was no clear demarcation of places of work and places of residence. In fact, several so-called old cities of North India, are laid out in this fashion". [25] Thus, promoting mixed land use is a sine qua non.

Further, large cities must be broken up into smaller planning parts (of, say, one or two sq. km). Each planning part must provide essential services and amenities, including education, health, housing, offices, markets and waste management. This will reduce the transportation cost and time, making the city several times more productive due to the economies of time.

A final point needs to be made in regard to the size and density of cities. As certain metropolitan cities transform themselves into mega cities, they increase in both population density and building density. This exacerbates spatial scarcity. An immediate consequence of this is the steep rise in land prices over time and a spiralling impact on other services and products. Therefore, mega cities are becoming increasingly less affordable. As they continue to look for more peripheral land to accommodate more growth, and as people are forced to travel longer distances, there is an escalation in living costs and a simultaneous decline in productivity. Therefore, an overall strategy for crafting affordable cities must disincentivise the growth of mega cities and adopt a decentralised approach to urbanisation. ⊕RF

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