**17. URBAN POOR**

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| **Highlights**   * Credit Linked Subsidy Scheme (CLSS)-II for Middle Income Group (MIG) in *Pradhan Mantri Awas Yojna* (PMAY)-Urban introduced with allocation of Rs 1,000 crore. * Total allocation for PMAY increased from 5,075 in 2016-17 (BE) to Rs. 6,043 crore in 2017-18 (BE) * The expenditure by Ministry of Housing and Urban Poverty Alleviation in 2015-16 was only Rs. 1,761 crore against the budget allocation of Rs. 5,635 crore. * Total allocation for MRTS and Metro projects is Rs. 18,000 crore out of the total budget of Rs. 34,212 crore of Ministry of Urban Development. |

Poverty estimates by Expert Group (Rangrajan, 2014) show that in 2011-12 there were 103 million people in urban areas living under the poverty line. As per Census 2011, 13.7 million households or 17.4 percent of the urban households in India live in slums. By 2030, 575 million people i.e. double the current urban population, will live in urban areas. Projections show that Mumbai and Delhi will be amongst the five largest cities in the world. It will be a challenge even to provide basic amenities like safe drinking water, sanitation and adequate housing.

**Figure 17.1: Total Expenditure/ Budget Outlay for Ministry of Housing and Urban Poverty Alleviation (Rs. crore)**

*Note:* From 2014-15 JNNURM (BSUP and IHSDP) was transferred to MoHUPA which was earlier with Ministry of Finance.

*Source:* Compiled by CBGA from Union Budget, various years

The expenditure by MoHUPA in 2015-16 was only Rs. 1,761 crore against the budget allocation of Rs. 5,635 crore (Figure 17.1). The allocation for 2017-18 has been raised by Rs. 1,000 crore over the previous year due to addition of a new component in PMAY; Credit Linked Subsidy Scheme (CLSS)-II for Middle Income Group. The allocation for other interventions has remained stagnant (Table 17.1).

**Table 17.1: Different Components of Pradhan Mantri Awas Yojna, Urban (PMAY)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| PMAY-Urban | 2015-16 (A) | 2016-17 (BE) | 2016-17 (RE) | 2017-18 (BE) |
| Credit Linked Subsidy Scheme (CLSS)-I for Economically Weaker Section(EWS)/ Lower Income Group (LIG) | 200.1 | 475 | 475 | 400 |
| Credit Linked Subsidy Scheme (CLSS)-II for Middle Income Group (MIG) | … | … | … | 1000 |
| Credit Risk Guarantee Fund Trust (CRGFT) | … | 15 | 15 | 15 |
| Institutional Dev. For Inclusive Urban Governance, Building Material and Technology Promotion Council (BMTPC) and National Building Organisation (NBO) | 17.6 | 10.1 | 13.1 | 11.8 |
| Other Items of Central Component | 45.9 | 69.9 | 45.6 | 55 |
| Scheme for drinking water supply for slums affected with Japanese Encephalitis and Acute Encephalities Syndrome (JE/AEs) | … | 5 | … | 10 |
| Other Items of States/UTs Component | 1224 | 4500 | 4387 | 4551 |
| Total PMAY- Urban | 1487 | 5075 | 4936 | 6043 |

*Source:* Compiled by CBGA from Union Budget, 2017-18

As can be seen in the above table, the main emphasis of MoHUPA has been on provision of housing for the urban poor, Pradhan Mantri Awas Yojna (PMAY)-Urban being the flagship scheme for this intervention. However, the progress in this scheme, which was talked about a lot after demonitisation, has not been significant (see Box 17.1). The expenditure on housing as well as livelihood for urban poor has declined over the years as shown in table 17.2

**Box 17.1: Progress under Pradhan Mantri Awas Yojna, Urban (PMAY)**

|  |
| --- |
| Pradhan Mantri Awas Yojna, Urban (PMAY) was launched on 25th June, 2015 with the target of providing housing for all by 2022. All the States and UTs except for Delhi and Lakshdweep, are covered in this scheme. As per the latest progress report, 3,833 cities were included and 2,691 projects in 1,748 cities were under consideration with a total estimated cost of Rs. 72,031 crore. The share of central assistance approved is Rs. 19,633 crore out of which only Rs. 4,464 crore has been released so far.  The physical progress shows that out of the total target of 13, 28,295 houses, only 9,435 have been completed so far and 2, 13,187 were still under progress. The small number of houses completed was restricted to six states only (Andhra Pradesh, Chhattisgarh, Gujarat, Karnataka, Tamil Nadu and West Bengal) out of which 3,439 were in Gujarat alone. |

*Source:* *Pradhan Mantri Awas Yojana* (Urban) - Housing for All State wise Progress, Monitoring report dated 3rd Jan 2017, MoHUPA

**Table 17.2: Expenditure/Budgetary Provisions for Major Schemes under Ministry of Housing and Urban Poverty Alleviation (Rs. crore)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| MoHUPA | 2012-13 (A) | 2013-14 (A) | 2014-15 (A) | 2015-16 (A) | 2016-17 (BE) | 2016-17 (RE) | 2017-18 (BE) |
| PMAY (Urban)\* | 1937 | 2256 | 1959 | 1487 | 5075 | 4936 | 6043 |
| NULM | 794 | 725 | 703 | 269 | 325 | 334 | 349 |

*Note:* \*Expenditure for 2012-13 and 2013-14 is for BSUP & IHSDP under JNNURM and RAY; *Source:* Compiled by CBGA from Union Budget, various years

Besides housing, the other component in urban development is infrastructure which comes under the MoUD. There is a continuous growth in the expenditure/allocation for urban development over the 12th Five Year Plan period (Figure 17.2). The recent increase can be attributed to the metro rail projects which account for more than 50 percent of the total budget of the Ministry.

**Figure 17.2: Total Expenditure/Budget Outlay for the Ministry of Urban Development (Rs. crore)**

*Source:* Compiled by CBGA from Union Budget, various years

The initial push for Smart Cities Mission seems to have taken a back seat as there is no visible physical or financial progress in this scheme. The allocation for this mission has been slightly increased from Rs. 3,216 crore in 2016-17 (BE) to Rs. 4,000 crore in 2017-18 (BE). However, this is a decline if compared with the revised estimates of 2016-17. Atal Mission for Rejuvenation for Urban Transformation (AMRUT) has also seen only marginal increase in allocation. The allocation for National Heritage City Development and Augmentation Yojana (HRIDAY) has declined from Rs. 200 crore in 2016-17 (BE) to Rs. 150 crore in 2017- 18. It is noteworthy that the actual expenditure under the scheme in the earlier years has been very low (Table 17.3).

**Table 17.3: Expenditure/Budgetary Provisions for Major Schemes under Ministry of Urban Development (Rs. crore)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| MoUD | 2012-13 (A) | 2013-14 (A) | 2014-15 (A) | 2015-16 (A) | 2016-17 (BE) | 2016-17 (RE) | 2017-18 (BE) |
| Mission for development of 100 smart cities | 3420\* | 5303\* | 1026 | 1484 | 3216 | 4676 | 4000 |
| Atal Mission for Rejuvenation for Urban Transformation (AMRUT) | 1069 | 2702 | 4080 | 4884 | 5000 |
| National Heritage City Development and Augmentation Yojana (HRIDAY) | .. | .. | 0.9 | 27.2 | 200 | 200 | 150 |

*Note*:\*Expenditure for 2012-13 and 2013-14 is for sub-missions UIG and UIDSSMT under JNNURM which were related to infrastructure development in urban areas; *Source:* Compiled by CBGA from Union Budget, various years.

There is a clear push for developing infrastructure in the urban areas. However, the pace for providing basic amenities to urban poor has not kept up. The allocation for National Urban Health Mission has reduced from Rs. 950 crore in 2016-17 (BE) to Rs. 752 crore in 2017-18 (BE). Similarly, the allocation for *Swachh Bharat* Mission (Urban) has remained unchanged at Rs. 2,300 crore in 2017-18. Emphasis on infrastructure at the cost of basic amenities will increase inequalities between the rich and the poor and will make cities less inclusive and unsustainable over time.