



URBANISATION POLICIES

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HOUSING FOR ALL

ISSUES - FRDI BILL

TRIPLE TALAQ

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Triple Talaq Law

GS 1

- **Salient features of Indian society**
- **Government policies**
- **Welfare schemes for the vulnerable sections of the society**

Intro

- **Supreme Court has already declared, and correctly, that the practice of talaq-e-biddat, or instant divorce of a Muslim woman by uttering the word 'talaq' thrice, is illegal and unenforceable.**
- Its consequence is that the husband's marital obligations remain, regardless of his intention in pronouncing it.
- The Centre's proposal is to make **instant triple talaq an offence punishable with three-year imprisonment and a fine.**

Why Criminalization will not help women?

1. **Not a sufficient deterrent**
 - It is **well established that criminalising something does not have any deterrent effect on its practice.**
2. **Civil issues should not be criminalised**
 - Since marriage is a civil contract, the procedures to be followed on its breakdown should also be of civil nature only
 - **Civil character of children custody and allowance of marital law must be preserved.**
3. **Alternate available**
 - When **existing laws, under Section 498A of the Indian Penal Code or provisions of the Protection of Women from Domestic Violence Act, 2005, already allow the prosecution of a husband for inflicting physical or mental cruelty, emotional and economic abuse, and for deprivation of financial resources.**
 - In the best interests of justice to Muslim women is to **invoke a secular law that already exists:** Protection of Women from Domestic Violence Act (PWDVA), 2005. Parliament should pass a law unambiguously stating that the very utterance of

the words “talaq, talaq, talaq” would amount to “domestic violence” as defined in the PWDVA.

- PWDVA was conceived as a law that ensures speedy relief — ideally within three months — to an aggrieved woman: Right to stay in the marital home, protection against violence, right to maintenance etc

4. Maintenance and children future be affected in case of jail to husband

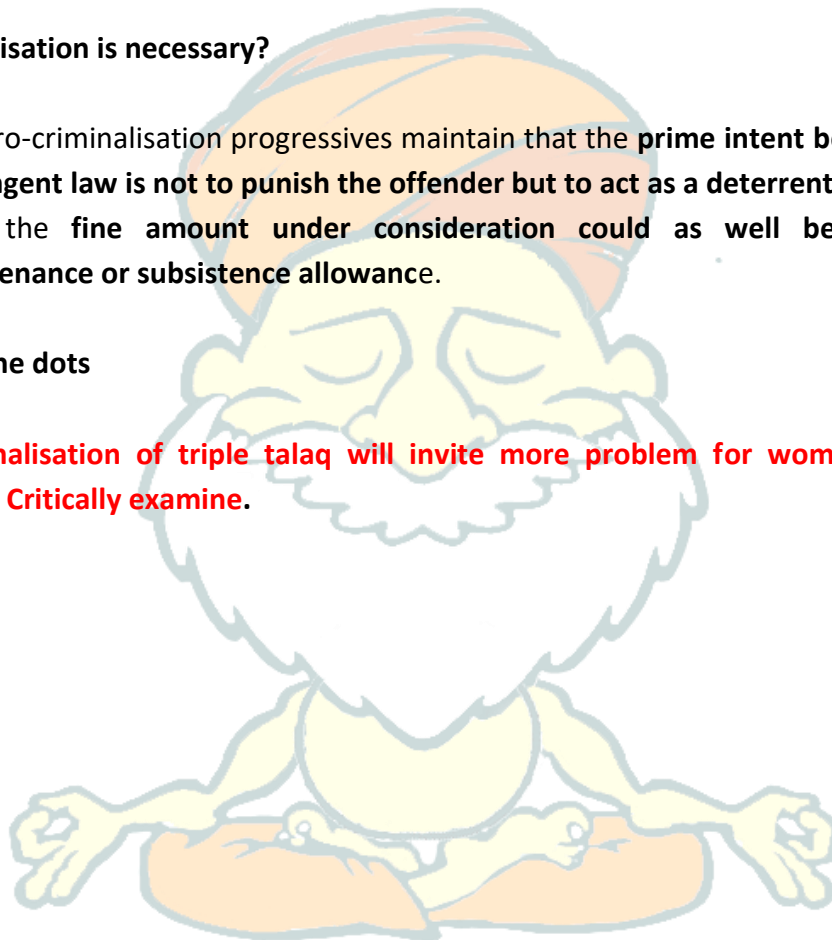
- Criminalising it risks defeating the objective of preserving the husband’s legal obligations, and the payment of maintenance.

Why criminalisation is necessary?

- The pro-criminalisation progressives maintain that the **prime intent behind enacting a stringent law is not to punish the offender but to act as a deterrent.**
- Also, the **fine amount under consideration could as well be awarded as maintenance or subsistence allowance.**

Connecting the dots

- **Criminalisation of triple talaq will invite more problem for women than solve them. Critically examine.**



Issues relating to FRDI bill

GS 2

- Government policies

GS 3

- Indian Economy – Mobilisation of resources

FRDI Bill provisions

- The FRDI Act defines the resolution mechanisms being pushed by the government as **an alternative to recapitalisation.**

1. Creation of independent Resolution Corporation

- At the centre of the new scheme is the creation of a **new independent corporation that would take over the task of resolution of bankruptcy in banks, insurance companies and identified “systemically important financial institutions” (SIFIs).**
- The Resolution Corporation will **also take over the task of insuring bank deposits, compensating depositors up to a specified maximum amount (at present Rs.1 lakh) in case of bank failure.**

2. Classification of financial institutions

- As part of its responsibilities, the **corporation is to be mandated to classify the financial institutions under its jurisdiction under different categories based on risk of failure**, varying from “low” and “moderate” (where the probability of failure is marginally or well below acceptable levels) to “material” or “imminent” (implying failure probabilities that are above or substantially above acceptable levels) and, finally, critical (being on the verge of failure).

3. Imminent firms under the radar

- In cases of **financial firms placed under the material or imminent category**, the **Resolution Corporation is to be given the power to:** (i) **inspect the books** to obtain information on assets and liabilities; (ii) **restrict the activities of the firm** concerned; (iii) **prohibit or limit payments** of different kinds; and (iii) **require submission of a restoration plan to the regulator and a resolution plan** to it, if necessary involving a merger or amalgamation.

4. Critical firms to be taken over

- In cases **identified as critical**, the Resolution Corporation will **take over their administration and proceed to transfer their assets and liabilities through merger or acquisition or liquidation with permission from the NCLT**.
- Closing all options, the law **prohibits recourse to the courts to stay the proceedings at the NCLT** or seeking alternative routes to resolution.
- Since liquidation involves compensating stakeholders according to their designated seniority, depending on the net assets available, any stakeholder can be called upon to accept a “haircut” or loss, including holders of deposits more than the maximum amount insured against loss.

Need for bail-in clause in FRDI bill

- The biggest challenge for a government launching a “bail-in” attack on deposits is that **depositors can promptly withdraw their money from the bank by demanding cash**.
- Such an event **can lead to severe bank runs and destabilise the banking system because bank deposits are only fractionally backed by actual cash**.
- There are fears that it will enable banks to be ‘bailed in’ by depositors’ funds rather than being ‘bailed out’ by taxpayers (or potential buyers).
- **The need for a specialised regime to cope with large financial firms on the verge of going bust is well-understood especially since the global financial crisis of 2008.**
- As a resolution tool for stressed financial firms, the **bail-in clause** has been the subject of much debate, but it remains the least well-established across the world.

Need for Resolution Corporation

- **RBI has used the powers available under the Banking Regulation Act to deal with bank failures and weaknesses in case of private sector banks.**
- The **Deposit Insurance and Credit Guarantee Corporation (DICGC) schemes have been used only to a limited extent in case of commercial banks** but they have been used extensively to protect depositors of weak and failing urban cooperative banks.
- **The RBI has no powers of resolution in case of public sector banks.** Under the existing legislation, there are no legal provisions for the RBI to resort to options such as receivership, bad bank-good bank, bridge bank etc.
- **The proposed bill gives such options to the Resolution Authority.**
- **Financial Resolution Corporation — envisaged as an agency that will classify firms according to the risks they pose, carry out inspections and, at a later stage, take over control. This was recommended by the Financial Sector Legislative Reforms Commission (FSLRC) headed by Justice B N Srikrishna.**

- **The Resolution Corporation that the Central government is planning to set up through an Act of Parliament can result in a clean-up of banks and other financial institutions, with serious consequences for even common depositors.**

Composition of board

- The general direction and management of the affairs and business of the Resolution Corporation will vest in a board, which will consist of a chairperson; one member each representing the Finance Ministry, the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI), the Insurance Regulatory and Development Authority of India (IRDAI), and the Pension Fund Regulatory and Development Authority (PFRDA); three whole-time members; and two independent members to be appointed by the Central government.

Functions

- The board will have the **power to order amalgamation, merger, liquidation and acquisition of any bank, including State Bank of India (SBI) and other nationalised banks, RRBs, cooperative banks and payment banks, and any insurance company, including Life Insurance Corporation of India (LIC) and other general insurance companies**, if, in its judgment, the institution concerned (bank or insurance company) has got “imminent” or “critical” risk to its viability.
- The **corporation, which will be under the Finance Ministry, will be empowered to hand over any such institution to another entity, public or private.**
- It will be **authorised to order discontinuation of service of employees or transfer of their employment or reduction of their remuneration upon such “resolution”.**

Issues with the bill

1. Scrapping of DICGC

- The Bill proposes the **scrapping of the Deposit Insurance and Credit Guarantee Corporation (set up in the early 1960s in the aftermath of the collapse of two banks), which guarantees repayment of bank deposits up to Rs. 1 lakh in case a bank is liquidated.**

2. No amount stated to be returned to depositors

- **A new Resolution Corporation under the Finance Ministry will steer financial entities out of the woods and offer a similar cover for deposits.**

- The **silence of the Bill on the extent of deposits to be guaranteed is a key source of concern**, and may necessitate the need to revisit the existing Rs. 1 lakh deposit guarantee, which hasn't been revised since 1993.
3. **Categorisation will precipitate failure instead of solution**
- Since mere categorisation in the **"material" or "imminent" category** will send out a signal, banks so designated can become the target of a run, as **depositors fearing failure would want to move out their deposits**. Instead of resolving the problem of vulnerability to failure, the mechanism may actually precipitate failure.
4. **No recourse for employees in case of resolution plan**
- The restoration and/or resolution plan, to be acceptable, may "force" a financial firm to accept amalgamation or merger.
 - This would have implications for parties that are not responsible for the state of the firm, including officers, employees, creditors and small shareholders.
5. **Conflict between resolution corporation and firm under scrutiny may arise on resolution plan**
- To start with, **while the Resolution Corporation and the regulator concerned will determine whether a financial firm is to be placed in the "material" or "imminent" category**, the task of **working out an acceptable restoration or renewal plan rests with the firm under scrutiny**.
 - That is, the responsibility of restoring viability is that of the bank, insurance company or SIFI, with the regulation and resolution authority retaining the right to determine whether it has managed to reduce the probability of failure.
6. **Against the rationale of serving the masses**
- Creation of the Resolution Corporation goes **against the spirit of nationalisation of banks in 1969 when it was decided that public sector financial institutions should serve the masses**, besides the marginalised and underprivileged sections of society, **and not be concerned with earning huge profits** at the cost of the ordinary masses.
 - **Financial Stability Report of the RBI** states that out of the total non-performing assets (NPAs), **88.4 per cent is the creation of large borrowers with loan exposure of Rs.5 crore and more**. 12 large borrowers constitute 25 per cent of the NPAs.
 - **56 RRBs spread over 600 districts, with around 23,000 branches**, rendered excellent service to the rural people by **lending almost 80 per cent of their total advances to the poor and the marginalised**.

- Besides, **cooperative institutions, including 370 Central Cooperative Banks with around 14,000 branches and 93,000 primary agriculture cooperative societies, extended real service to the common man.**
- Despite stiff competition from private insurers, the **LIC ranked number one in terms of market share and service in the life insurance sector.** The LIC contributed Rs.14,23,055 crore to the 12th Five-Year Plan, which was double the Rs.7,04,151 crore it contributed to the 11th Plan.

7. Overriding powers

- Bill seeks to **place the entire financial structure of the country at the mercy of the government.**
- The Resolution Corporation has been **given powers that override those vested in the RBI, the Central Vigilance Commission (CVC) and even the Central Bureau of Investigation (CBI).**
- Besides, the **measures taken by the corporation cannot be challenged in court, including the Supreme Court.**

8. Privatisation of banks

- Besides, the Bill also proposes to amend the SBI Act in order to insert a clause for its liquidation. This has given rise to apprehensions that in due course the government might even take recourse to privatisation of the SBI. The clause says:
- The fears about the SBI have arisen because a few weeks before the Union Cabinet cleared the Bill, the **SBI was designated as a “systemically important financial institution (SIFI)”.**
- In the Bill, the criteria for designating an institution as a SIFI could depend upon its size, complexity, nature and volume of transactions with other financial service providers, interconnectedness with other financial service providers, nature of services provided by the financial service providers and whether they are difficult to substitute, and such other matters as may be prescribed.
- **Once an institution has been designated as a SIFI, it comes under constant scrutiny of the corporation.**
- The Bill proposes that **every institution so designated shall, within a period of 90 days from the publication of the order of designation submit a restoration plan to the appropriate regulator and a resolution plan to the corporation**
- What this means is that a SIFI continues to be under close scrutiny by the Resolution Corporation, which may initiate action against it at any given time—order its acquisition or amalgamation or liquidation.

- Liquidation may be ruled out in the case of the SBI, but handing it over to another entity is a real fear. Besides the SBI, ICICI Bank and HDFC Bank have also been designated as SIFIs.

9. Interference in the general functioning

- **Resolution Corporation can transfer an insurance company to another service provider, decide the performance incentive for the chairman and executives of an insurance corporation, become a receiver, and remove managerial and other persons from office.**
- The corporation will also have the power to supersede the board of directors of an insurance corporation. The corporation can also become a liquidator.

FRDI adheres to global standards

1. Global norm

- **It is important to have a resolution authority with sufficient legal powers to explore a variety of options for resolution, without recourse to the sovereign's budget, under any circumstance.** In the case of large and complex financial firms, regulators insist on living wills.
- **In addition to capital reserves** and provisions that create a buffer against losses, regulators can also require banks to issue a special category of debt instruments that have a loss-bearing capacity or bail-in provisions.
- **In many countries where such laws have been already enacted, there is a bail-in provision as well.** These include the UK, Canada, Australia, and EU— but, in some cases, deposits have been excluded from the purview of bail-in.

2. Financial Stability Board Recommendation

- During the **global financial crisis, many governments had to use taxpayers' money to bail out banks** deemed “too big to fail “.
- Thus, under the auspices of the **G20 Financial Stability Forum**, it was **recommended that each jurisdiction should have clear legal provisions for dealing with the resolution of financial firms.**
- Such firms cannot be dealt with under the normal bankruptcy laws. They **operate with public funds — as deposits or insurance premium or contribution to pension funds or money invested by public in units of mutual funds — and in debt instruments issued by non-banking financial companies.**
- There needs to be clarity on how the assets of the financial firms can be used to settle different types of debt liabilities.

Why keep deposits out of the bail-in?

- In a country like India, where there has not been any banking crisis and where the public needs to have a safe place where they can invest their savings rather than keeping it under the mattress or buying gold, depositors need to have safety of funds.
- **FSDC Group had suggested that bail-in clause should exclude bank deposits.**
- The Group recommends that the bail-in framework should cover the capital instruments (additional Tier 1 and Tier 2) as well as other unsecured creditors
- **Deposit liabilities, inter-bank liabilities, and all short-term debt, which if subjected to bail-in can induce financial instability,** would be excluded from bail-in.
- Public trust in the banking system is the most important condition for financial stability.

Way forward

1. Use bail in sparingly

- Bail in **should typically be used where continuing a firm's services is considered vital but its sale is unviable — not as a lazy default option.**
- If lenders don't believe that a bail-in plan would salvage a firm, triggering the clause could end up causing a run on the bank instead of preventing one.
- With its thrust on initiatives such as the Jan Dhan Yojana and demonetisation, the government has nudged more people towards the formal banking system.
- To ensure that those gains are not lost, the **government must communicate more clearly the rationale behind the bail-in provision, and the circumstances in which it may ultimately be used, if at all.**

2. Enhance the deposits to be returned in case of bankruptcy

- Most importantly, it **must enhance the amount of bank deposits that will remain safe under the new dispensation.**

3. Lesson from Financial Stability Board

- This resolution framework is merely the replication in the Indian context of a regime recommended by the **Basel-based Financial Stability Board (FSB)**
- The **FSB was established in the aftermath of the global financial crisis of 2007-08, which was centred round the United States, the United Kingdom and Europe.**

- However, in those jurisdictions, the **resolution of the post-crisis problem of potential insolvency of banks came through government purchases of equity and liquidity infusion by Central banks, unlike the FRDI Bill.**

Connecting the dots

- **Critically analyse if bail in clause required in contemporary banking systems.**

Class–Caste Differences in Access to Agricultural Credit in India

GS 1

- **Social empowerment**

GS 3

- **Inclusive growth**

Intro

- Credit is an important mediating input for agriculture to improve productivity.
- **Strengthening formal credit is one of the important tools in the target set by the Government of India (GoI) in 2016 to double farmers' incomes by 2022.**
- Union Budget 2017–18 announced a credit target of `10 lakh crore and 60 days of interest waiver on farmers' loans from the cooperative credit structure.
- The ratio of agricultural credit to agricultural gross domestic product (GDP) has increased from 10% in 1999–2000 to around 38% by 2012–13.

Why agri-credit is essential?

Social mobility for agri-class

- The provision of credit is of **vital importance in achieving social mobility for the population engaged in agriculture.**

Majority have small piece of land

- In India, around **86.4% of farmers are in the smaller farm-size category (≤ 2 hectare)** and majority of them are from socially marginalised castes.
- While access to formal credit for the agricultural sector is crucial for its growth, the issue of inclusiveness in terms of class and caste in access to credit is also important.

Building capital in agriculture

- Formal credit can be used to maximise the yield at a given level of capital stock. It can be used for building up capital stock—irrigation facilities, machines, and so on—and to replace informal credit associated with high interest burden.

Issues

Big farmers procure most credit

- The land size-based class, by virtue of the size of the land, tends to influence the access to credit from both formal and informal agencies. The bank officers carry out banking in the village through the rich farmers.
- Hence, it is not just the collateral that made the difference, but the access to the bank bureaucracy by large farmers
- The flow of agriculture credit has not been inclusive as the share of marginal and small farmers in agricultural credit disbursed has declined, **despite the increasing capacity of marginal farmers to absorb credit compared to large farmers.**
- Households belonging to the self-employed in agriculture (does not include casual labour in agriculture) from rural areas whose land is above 0.1 hectare (**AHH**) obtain cash credit from various agencies, only 20% of AHHs got loans from cooperatives and about 18% got loans from scheduled commercial banks (SCBs).
- Only around 18% of AHH loans across all the class and caste groups from formal agencies are long-term loans that can be used for capital asset creation such as land development, irrigation, buildings, new machines, and so on.

Caste factor in accessing credit

- Farmers' access to formal agricultural loans depends also on their caste. While commercial banks do not discriminate against lower caste farmers in lending, cooperative banks do, as they are prone to interest group capture at the local level
- The cash loan per hectare land from all the credit agencies (formal and informal) decreases as farm size increases, but increases as we go from socially marginalised (ST, SC and OBC) caste groups to privileged caste group.

- So in terms of cash loan per hectare, credit agencies are seen to lend less to the AHHs from marginalised castes that indicates that caste based discrimination is prevalent in agricultural credit access in India.

Informal credit still dominant, but not available for lower castes

- The informal credit agencies dominate the agricultural credit market as **majority of AHHs still depend on professional moneylenders (PMLs) (22%), relatives and friends (17%),** and others.
- In case of informal agencies, where the **smaller farm-size class has relatively higher access;** this is not seen for the marginalised castes. Higher dependence on PMLs for credit by the smaller farm-size class results in higher exploitation since they charge higher interest rate.

Interest Rates differential for caste and class in both formal and informal lending

- Interest rate differences are minute in case of loan borrowed from formal agencies across farm-size class and caste groups except for AHHs from the SC group who pay slightly high interest (9%) on loans from SCBs.
- However, there appear substantial differences in interest rate on loans from informal agencies across both farm-size class and caste groups.

Value of Land and Other Assets

- The credit worthiness of a household inter alia depends on the value of owned land and other assets.
- The average owned agricultural land in hectares increases from socially marginalised castes (SC: 0.8, ST: 1.0, and OBC: 1.1) to the privileged caste (Others: 1.4).
- The caste-wise differences are large by “per hectare land value” that increases sharply from socially marginalised castes to privileged castes; this is seen across all the farm-size classes.
- Part of the reason may be due to differences in irrigation levels (56% for SCs and 60% for others), soil quality, and so on.
- There are also remarkable differences in value of other assets such as agricultural machinery and implements, livestock and poultry, buildings, and transport equipment owned by AHHs between the caste groups among all the farm-size classes.
- Hence, it can be argued that the class–caste wise differences in access to credit by AHHs from both formal and informal agencies may be due to their lower owned-asset values compounded by social discrimination.

Connecting the dots

- **Agricultural credit is often beset with class and caste differentials which impedes capital growth in agriculture. Examine.**

WTO meeting outcomes and India's stance

GS 2

- **Global groupings and their impact on India's interests**

GS 3

- **Direct and indirect subsidies**

Intro

- Previous rounds of ministerial meetings have resulted in very little progress.
- The last 'low-hanging fruit' the WTO was able to garner for its members was the **Trade Facilitation Agreement at the Bali ministerial in 2013**. While this came as a lifesaver for the WTO in 2013, it had **been on the cards since the Doha Development Agenda in the 2001 ministerial**.
- The **2015 ministerial in Nairobi was not very successful**.

Areas where WTO faltered

1. Nature of the original agreements

- The **original agreements have been one-sided denying full potential of global trade to be realised by the poor countries**.

2. North-South divide

- As a result, the north-south divide which persisted after the centuries of colonialism could not be bridged.

3. BRICS emergence as an alternative and lobby

- **Aggression of the BRICS lobby on subsidies, agriculture and food security**

4. Negotiations became extreme

- From secret anteroom negotiations and the subtle ways of global diplomacy, **today, countries are quick to state their extreme negotiation positions publicly**—seemingly more for the benefit of their constituencies at home.
- This makes negotiations more cumbersome.

5. **Dispute settlement mechanism suffering and thus interests of small countries**

- The dispute resolution mechanism, which has been **in place since the WTO's inception in 1995**, has served its purpose well.
- It **has been a great leveller and has enabled smaller countries like Barbados and Antigua to take the US to the Dispute Settlement Body (DSB) and prevail**. It has been widely hailed as the biggest success of the WTO.
- **WTO dispute settlement mechanism involves consultations, panel proceedings, appellate body proceedings, and implementation and enforcement. US has refused to participate in the appointment of new judges to the appellate body.** Members are usually appointed by consensus, and the US is a major participant.
- The **delays will compel WTO members to look for other solutions, potentially elsewhere.**
- **Outside the WTO system, weaker countries will be disadvantaged.**

6. **Trump's America First protectionism**

- **US policies will have long-term effects on global trade.**
- **Scrapping the Trans-Pacific Partnership agreement**
- **Undermining the North Atlantic Free Trade Agreement**

7. **Weakened EU after Brexit**

- Add to this mix a **weakened EU** and a Britain with a dire need to either be part of a robust multilateral system or have its own trade agreements.

India's position

1. **Liberalisation of agriculture and services trade**

- **As India's exports are stagnating while imports continue to increase, India is pushing hard for further liberalisation of agriculture and services trade.**
- Though it has been caught in a difficult situation as **no outcome would be possible** in these two areas **unless all members agree**. Thus India will have to play ball with developed countries on new issues to secure their support to ensure farm and services negotiations are not abandoned.

2. Consequent trade pacts bilaterally

- There **will be now added pressure on India to sign bilateral and regional trade pacts**. However, that is not going to be easy.
- India has been trying to cut a bilateral free trade pact **with the European Union**. It **wants India to lower customs duty on automobiles, wines and spirits**.
- **Securing a free trade pact with the US would be even more difficult for India**, with American president Trump openly following a protectionist policy to please his core political constituency.

3. Free movement of professionals with EU and US

- **India stands to gain from any agreement on free movement of professionals**. However, the EU is seeking **quid pro quo** in areas like legal services.
- As **US has tightened H-1B visa rules** under the Trump presidency, it looks **unlikely that it will generously accept India's demand for allowing free movement of professionals under mode 4 of the WTO services agreement**.

4. Public stock holding

- **Peace clause proposals** like onerous notification requirements, **restriction to staple crops** and restriction on subsidy which "distorts" trade have been **retained**.
- In addition **stock holding cannot be exported directly or indirectly**.
- A **permanent solution to the 'Peace Clause'** will necessitate making clear that **1986-88 benchmark price would be adjusted for inflation**.
- That would **give India flexibility to increase MSP for its key crops in line with movement in agriculture production costs without breaching the 10% cap**.
- **Procurement limit of 12% of production with old 1986-88 reference rate will hurt ongoing programs in developing countries**.
- It is **China that is on India's side, while US is not budging an inch from its past position that India is flouting WTO norms by procuring foodgrains from farmers at prices which violate established norms**. Pakistan has broken ranks, saying it does not need this system as it provides cash instead of subsidised food to the poorer sections of its population.

5. Domestic support

- It **does not mention Doha development agenda, without this AMS or MSP provision will be lost**.

- It seeks to **eliminate de-minimus box and development box** along with Amber and green box is detrimental to developing countries.
- **India had vowed to keep WTO focus on the Doha development agenda and prevent inclusion of new issues.**

6. Cotton subsidy

- **No action has been taken to reduce trade distorting cotton subsidy.**

7. Post MC11 program

- **No further commitment have been made on Special Safeguard Mechanism.**

Connecting the dots

- **WTO is losing its significance in mandating global trade now. Analyse.**
- **What are India's concerns in WTO negotiations? Enumerate and examine the direction of them.**

Urbanisation Policies

GS 1

- **Urbanisation and issues**
- **Role of women**

Intro

- **Since the 1970s**, urbanisation across the globe has been shaped by corporate capital under the neo-liberal policies of the state.
- **Cities are treated as consumer products** with massive private investment in real estate, corporate and public infrastructure, entertainment facilities, and security, to promote corporate urban development.
- The **urban poor, slum dwellers, and migrants are dispossessed** as a result of urban restructuring and gentrification.

Government policies

- The central government started the **Jawaharlal Nehru National Urban Renewal Mission in 2005**—which was renamed as the **Smart Cities Mission in 2015**—with the primary aim of accelerating neo-liberal urbanisation policies to promote economic growth.
- This has also led to various urban protests and movements in different parts of India related to such issues as the **restructuring of urban space, demolition of slums, displacement, and the relocation and privatisation of urban amenities.**

Migration and the problems associated

- Cities have evolved through migration, **city ward migration, and interstate migration** in particular.
- Though the Constitution guarantees **freedom of movement and freedom to settle within India as a fundamental right of all citizens (Article 19)**, migrants face **several barriers** in their ability **to access civic amenities, housing, and employment.**
- **Women migrants** are likely to **suffer more** in such situations

Right to city for migrants

- **Migration** raises the central issue of the **right to the city**: the right of everyone, to access the benefits that a city offers.
- The right to the city perspective ultimately seeks to **achieve urban transformation that is just and equitable** in contrast to urbanisation based on exclusion, deprivation, and discrimination.
- Right to the city is also **expected to unite disparate categories of deprived people under the common vision of building our future by building cities**

Cities and historical social relations

- Migration accompanied urbanisation in Western countries as cities emerged as centres of economic growth with industrialisation.
- The nature of the city has changed from an oeuvre (work of art) to a commodity that **shapes social relations, leading to unequal power, wealth, dominance, and exploitation of labour by the dominant capitalist class**
- In India, large cities like **Mumbai, Kolkata, and Chennai**, being ports, were **trade centres during colonial rule and grew into centres of factory production following industrialisation.**

- As a result, **existing social relations and hierarchies based on religion, caste, and gender came into conflict with the novel social forces generated by new cities and urbanisation.**
- However, **instead of being eroded by urbanisation, historic identities either remained intact or morphed into new forms of inequity and discrimination in the decades after independence**
- In most cities, **segregation along caste and community lines is still very prominently visible.**

Cities and gender

- **Patriarchal power relations continue** to be embedded in religious, caste, place, and gender-based identities in cities, **despite increased urbanisation and mobility.**
- The decision of whether women family members can work outside the home is often made by men.
- **Working women have to take care of both household chores and workplace duties, have little control over their salaries and wages, and are dependent on men for their movement.**
- Migration has taken women from the sphere of traditional gender relations in rural areas to a new patriarchal set-up embedded in the conjugal family system and the separation of the living space from the workplace.
- **Women migrant workers are more vulnerable to violence and exploitation in the workplace** than their male and non-migrant counterparts.
- **Gendered power relations also influence women's private lives as well as their access to and use of public spaces.**
- **Women's safety and security** are a matter of great concern in cities, and these issues take an acute form with respect to migrant women

Lack of gender sensitivity in urban planning

- **Urbanisation, as a vehicle of capital accumulation,** has been associated with an increased concentration of wealth in big cities and urban centres; **rural–urban gaps in income, wages, and employment opportunities have also widened.**
- **Exclusion and deprivation are ubiquitous in cities** as every 50 urban dweller lives in a slum and about 90% work in the socially unprotected informal sector with very low wages and salaries.
- Cities pose many challenges to women in general and migrant women in particular
- **built environment in cities and urban planning in India are not women-friendly,** which is glaringly evident in the case of public transport

- a lack of bus services at non-peak hours, roads designed without taking into account women's safety needs, and a lack of streetlights that increases crimes against women
- In general, Indian cities do not show gender sensitivity in urban planning and policies

Mobility of women

- Women are not a homogeneous group, and some are **more vulnerable** than others.
 - **poor migrant women who live in slums and work as domestic and construction workers**
- **Mobility of women is controlled** and carefully planned within this system through the normative structure of patrilocal residence
- These situations have been changing due to the rapid urbanisation of Indian society, albeit slowly.
- The **right to move** assumes enormous significance for women's well-being in an urban society.
- This requires a **paradigm shift in the ideology of a city** from being a source of gross domestic product and economic growth to a space that is environmentally sustainable, woman-friendly and inclusive

Women's migration to cities

- Due to economic growth, rapid urbanisation, and increased means of transportation and communication, the **rate of migration of women has increased as compared to men in recent times**
- **National Sample Survey Office 2010** - While most men report employment as the reason for rural-urban migration, women report marriage (60%) and relocation of the household (30%) as the dominant reasons for migration
- On the whole, **family-related migration of women has increased in the last two decades.**
- In cities like Delhi, Mumbai, Kolkata, Bengaluru and Pune, there have been increases in female migration
- As most **of these women do not work**, this shapes their relationship with the city, **especially with regard to access and use of the city space and resources**
- their contributions as homemakers and family-care providers are enormous, but seem to be structured through the continuity of patriarchal traditions transmitted from rural to urban areas

Employment pattern of migrant women

- **Less than 3% of women migrants reporting employment as the reason for migrating**
- It is important to mention that the reasons for migrating are most often reported by the head of the household, who is often a man
- **Participation of women migrants in the workforce has declined; about two-fifths of those who were either self-employed or casual workers prior to migration lost their work after moving to urban areas** as per the 64th round of the National Service Scheme - shows **some amount of defeminisation of the migrant workforce**
- While **jobs were lost due to migration**, there was **also an increase in opportunities in certain job categories**
- Some large cities have shown enormous growth in the number of female **domestic servants and construction workers employed, who are mainly migrants.**
- Some skill-based diversification and expansion of occupations are also visible. Women migrants work as salespersons, beauticians, hairdressers and in call centres.
- However, paid domestic work is the most gender distinctive feature of urban-ward labour migration
- Illiterate women have a higher propensity to migrate than illiterate men
- Emerging labour market seems to be segmented, with women migrants relegated to informal jobs with low pay and little security, for which they require few skills
- Shows that cities have become exclusionary; the patriarchal pressure to migrate continues, resulting in the increased confinement of women migrants to the home.
- Resulted in increased disempowerment and vulnerability of women migrants not only in public places but also in private spaces like the home
- Labour migration of women is largely within states, but in 2010, a significant proportion migrated from North East India in search of employment to more urbanised areas like Delhi, Maharashtra, Haryana, Gujarat, Tamil Nadu, Chhattisgarh and Jharkhand – NSSO 2010

Issues

- **Amartya Sen (2006) argues that each of us has multiple identities, so a person may suffer from multiple deprivations as well.**
- **Lack of housing is a serious problem for migrants** in Indian cities. **For single migrant women**, rental housing is expensive and working women's hostels are either unavailable or beyond reach
- **No access to safe drinking water and have to fetch water from public taps or pumps**
- **Many migrants lack proofs of identity and residence** in the city. This is the biggest barrier to their inclusion

- Children of migrants are denied their right to education as seeking admission to schools is cumbersome, and language barriers are difficult to overcome.
- Right to the city is not an exclusive individual right.
- Rather, it is a collective right, which aims to unify different exploited classes to build an alternative city that eradicates poverty and inequality and heals the wounds of environmental degradation

Conclusion

- Urban development is a state concern in India, but the central government has formulated a huge urban development programme and has given the states the opportunity to take advantage of them.
- Government policies and programmes are silent on the issue of migration and on the need to protect the rights of migrants
- Concerns related to gender and migration is not addressed, and the rights of women migrants do not find an equal place in city development plans.
- Access to economic, social and health benefits are denied because of hostile attitudes, discriminatory practices and even legal frameworks based on the “**sons of the soil**” ideology.
- The democratisation of city governance, and the political inclusion of men and women migrants in decision-making processes, are important steps to ensuring the right to the city for all, for promoting alternative urbanisation, and building cities based on the principles of freedom, human development and gender equality.
- In this light, the constitutional provisions under the 74th amendment to reserve one-third of seats for women in urban local bodies should be implemented in letter, spirit and practice
- Women should be given responsibility in planning and decision-making processes in municipal administration bodies.

Connecting the dots

- **In the light of Smart City Mission, examine the argument that cities have become merely consumer products with little space for the urban poor.**
- **Briefly enumerate the issues faced by women in modern urban environment. What steps can be taken to solve them?**
- **Why is gender sensitivity important in urban planning? Identify the areas which need distinct focus with examples.**
- **Why is mobility of women critical for the urban economy as a whole? How can the constraints be addressed?**
- **There has been defeminisation of the migrant workforce. Critically examine.**

- What are the problems faced by city migrants? Can “Right to City” be realised in its essence given present frameworks? Explain

Housing for All

GS 1

- Poverty and development issues

GS 2

- Government policies and their implementation

Intro

- The government launched the “Housing For All by 2022” programme in 2015, with the Pradhan Mantri Awas Yojana (PMAY) as a key anchor scheme.
- PMAY envisages **building 20 million urban units by 2022**.

Need for such a programme

1. Employment generation

- Affordable housing activities generate direct and indirect employment **in the medium term and sustained consumption in the long term**.

2. Contribute to GDP

- Every additional rupee of capital invested in the housing sector adds Rs 1.54 to the gross domestic product (GDP) and every Rs1 lakh invested in residential housing creates 2.69 new jobs in the economy.
- With a shared vision and clarity of purpose, all the participants in the ecosystem need to work collaboratively with a high degree of conviction and risk-taking ability.

3. Housing shortage

- The total housing shortage to be addressed is **20 million (18 million slum households and 2 million non-slum urban poor, households)**.

Challenges

1. Land constraint in urban areas

- Urban areas contribute 70% to the GDP but occupy only 4% of the land base
- In India, without adequate urban land parcels to set up housing complexes or housing schemes with private participation, meaningful supply creation will not happen.

2. Red tape for small developers

- India is largely a country of **small-scale entrepreneurs including in real estate**.
- While the establishment of the Real Estate Regulatory Authority is a step in the right direction to safeguard consumer interests, the level of **compliance and strict fund-usage conditions are onerous** for small-scale developers.

3. Archaic lending principles

- The current practice of assigning a low rating to all new companies, and slowly upgrading them over time, does not help in facilitating accelerated growth.
- By assigning high importance to traditional parameters, such as scale and vintage, before taking any exposure to new-age housing finance companies, lending institutions are not accelerating growth.

Solutions

1. Solving land issue

- Government should proactively **allow urban public land holding to be utilized for affordable housing projects**.
- The government can also explore the launch of an affordable rental housing scheme, wherein it could create a stock of affordable housing units within urban areas.
- Globally, countries such as Singapore and Sweden have huge public housing programmes that form 83% and 30%, respectively, of the country's housing stock.
- The private sector can play a role in implementing best construction practices, and in maintaining the housing stock, as is the practice in New York.

2. Support to real estate entrepreneurs

- By building a strong support system and hand-holding the real estate entrepreneurs, we could **create an ecosystem of quality developers**.

3. Upgrading lending principles through use of technology

- Since the rating drives the borrowing rate, which is a key cost for housing finance companies, such a wait and watch approach creates a bottleneck for the good companies.
- To stimulate demand, loans need to be provided at affordable rates. In order for housing finance companies to lend at affordable rates, the financing ecosystem participants, such as large lending institutions and credit rating agencies, need to evaluate the new-age credit frameworks of housing finance companies.
- In today's technology era, the credit evaluation of customers is done very differently by leveraging data and technology. For instance, tools like pincode-based customer mapping, social behaviour analytics, and technology-led fraud prevention and control, are immensely helping new-age housing finance companies to profitably lend to customers while controlling the credit risk.
- Instead, it would be immensely beneficial to rank companies on the fundamental soundness of their new-age technology-led tools/practices, and downgrade those who demonstrate weak results. Such a rating downgrade should be done swiftly in order to reflect the health of the company.

Implementation of the programme

- **Pradhan Mantri Awas Yojana-Housing for All (Urban) (PMAY-HFA [U])**, under which houses are to be provided to all eligible families/beneficiaries by 2022 in a phased manner, wherein the **union government would assist the implementing agencies through states and union territories.**

Implementation metrics

- Four programme verticals are envisaged under the mission to address the housing requirements of the urban poor, including slum dwellers, where an **eligible beneficiary can take advantage of only one of the following:**
 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 section **through credit-linked subsidies;**
 3. **Affordable housing in partnership with public and private sectors;** and
 4. **Subsidy** for beneficiary-led individual house construction or enhancement.

Features of credit-linked Subsidy Scheme

- Among the four verticals, the credit linked subsidy scheme (CLSS) has some important features that make it stand out, thereby necessitating an in-depth analysis.

1. Central sector scheme implemented by Primary Lending Institutions

- Whereas the other three verticals are centrally sponsored schemes (CSS) implemented by state government agencies and urban local bodies (ULBs)/authorities, and so on, the CLSS is a central sector scheme implemented through primary lending institutions (PLIs).
- Credit-linked subsidy is credited upfront by PLIs to the loan account of the beneficiary.
- **Housing and Urban Development Corporation (HUDCO)** and **National Housing Bank (NHB)** have been identified as the central nodal agencies (CNAs) to channelise this subsidy to the lending institutions and for monitoring the progress under this component.

2. More financial assistance

- Central assistance provided per household is the highest under the CLSS (₹2.2 lakh) as compared with other verticals (₹1 lakh for “in situ” slum redevelopment and ₹1.5 lakh for the remaining two).

3. Demand driven with limited role of government

- The scheme is demand driven with maximum scope for the household to choose the design and structure of the house.
- A beneficiary can apply for a housing loan directly or through the ULBs or local agencies identified by the state/ULBs, for facilitating the applications from intended beneficiaries.
- The **role of the state governments/ULBs is limited to being a facilitator**, verifying sanctioning of land and other documents.

Connecting the dots

- **The ambitious goal to make available houses to all is constrained with some issues. Identify them and examine how they can be tackled.**

Best Wishes!

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