Regional trends, issues and practices in urban poverty reduction

Social Protection in Asian Cities

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Social Protection in Asian Cities

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An introduction to Urban Poverty in Asia and the Pacific

In Asia and the Pacific, approximately 641 million people live on less than $1 a day. In line with Goal 1 of the Millennium Development Goals, they are referred to as the "absolute poor". Using this global poverty line makes it easy to measure and compare numbers of poor, The number of people living on less than $1 a day place an important role in the advocacy work for increased and sustained efforts to eradicate absolute poverty in the world, as called for in the Millennium Declaration.

A global poverty line based purely on income does, however, also have disadvantages. The global poverty line of $1 a day has to be adjusted to local conditions (and possibly even to the types of poor) which are not easy to define. More importantly, poverty is not just a matter of low income.

Amartya Sen's publication Development as Freedom defines poverty as the deprivation of basic capabilities that provide a person with the freedoms to choose the life he or she has reason to value. The capabilities include good health, education, social networks and command over economic resources as well as influence on decision-making that affects ones life etc. Income is important because it allows a person to develop capabilities and it results from putting the capabilities to use, but it is only a means to live a valuable life.

Consequently, ESCAP defines poverty as having three inter-related and inter-locking aspects: (a) lack of regular income and employment opportunities – this could also be expanded to purchasing power, (b) lack of access to services such as health, education and water, and (c) lack of political power, participation, dignity and respect. This way of looking at poverty is in line with the definitions by other organizations.

A multi-dimensional definition of poverty, whereby all deprivations are inter woven, may make it, however, more difficult to objectively and quantifiably measure people's poverty. Some will argue that calculating, for example, the 'cost of exclusion' is a practical way to measure a social good. Others will argue that measuring the 'cost of exclusion' shifts the emphasis of the social and political aspects of poverty into a monetary dimension, thereby reducing poverty to a monetary issue.

This "reductionist" approach to poverty has serious implications for poverty reduction and social protection policies. If the conditions and manifestations of poverty in urban areas is intrinsically different from that of rural areas, then it follows that the social protection measures and approaches needed must be also different. Unless policy-makers understand the true nature, causes and manifestations of poverty, they will not be able to design effective social protection policies and programmes to address poverty. Therefore, it is important to determine how best (for the sake of poverty reduction) poverty can be measured

Urban poverty in Asia and the Pacific

Diversity is perhaps the most striking characteristic of the Asian region; this includes *inter alia* geographic, demographic, economic and developmental differences among countries of the region. This volume includes case studies from countries[1] representing three Asian sub-regions. These are North and North-East Asia, South-East Asia as well as South and South-West Asia.

Geographic diversity

As shown in Figure 1, in 2005 the land area of countries in the sub-regions[2] ranged from its smallest countries including the Maldives (300 square km), and Singapore (676 square km), to its largest countries including India (2,969,342 square km) and China (9,306,132 square km). Stretching from the tropics to the Northern hemisphere, Asia includes both the highest elevation in the world (the Himilayas in Nepal) as well as very low levels of elevation (such as the low lying river deltas of South-East Asia).

Varying Demographics

In 2005 the majority of the region's population was found in South and South-West Asia where some of the countries with the largest populations were found (India with 1,134,403,140 people in 2005, as well as the populous countries Indonesia and Bangladesh); two of the smallest populations are also found here (Bhutan with 637,010 and the Maldives with 295,300). The sub-region is also characterized by having the highest average annual rate of population growth (1.66% from 2000 to 2005) as well as quite high population density (361 people per square kilometre).

The next most populous region is North and North-East Asia where the population is dominated by China, the most populous country in the world (1,312,978,860). Despite the large size of its population, the sub-region's population growth is quite slow, averaging 0.62% annually. Population density is low in China (139 people per square kilometre) and thus the sub-region's average is also quite low at 131.5.

South-East Asia is less populous with 557,669,010 people in 2005. Its population is growing quite quickly (1.41% annually) but the population density is low (129 people per square kilometer).

With an enormous land mass and such a large share of the world's population the region not surprisingly home to numerous ethnic groups as well as religions including Hinduism, Buddhism, Confucianism, Shintoism, Islam, and Christianity.

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[1] China, India, Pakistan, Indonesia, the Philippines and Viet Nam.
[2] As defined by UN ESCAP.

Table 1 Population Size, Land Area, Population Density and Growth in Asian Countries

Sub-region or Country	Population size in '000s		Land Area in km2		Population Density (popn per km2)		Rate of Population Growth	
	1990	2008	1990	2008	1990	2008	1990	2008
East and North-East Asia	**1,343,912**	**1,546,920**	**11,762,902**	**11,763,650**	**114.25**	**131.5**	**1.28**	**0.52**
China	1,149,069	1,336,311	9,597,970	9,597,865	120	139	1.39	0.58
DPR Korea	20,143	23,867	120,539	120,540	167	198	1.49	0.32
Hong Kong, China	5,705	7,279	1,080	1,100	5,282	6,617	1.13	1.01
Japan	123,537	127,938	377,802	377,911	327	339	0.37	-0.02
Macao, China	372	484	17	28	21,388	17,290	3.23	0.63
Mongolia	2,216	2,654	1,571,688	1,570,225	1	2	2.54	0.94
Republic of Korea	42,869	48,388	99,260	99,259	432	487	0.96	0.34
South-East Asia	**440,574**	**579,835**	**4,494,277**	**4,492,406**	**98**	**129**	**1.91**	**1.28**
Brunei Darussalam	257	398	5,770	5,770	45	69	2.87	2.07
Cambodia	9,698	14,697	181,027	181,045	54	81	3.53	1.76
Indonesia	182,847	234,342	1,904,651	1,904,604	96	123	1.68	1.17
Lao PDR	4,076	5,963	236,856	236,806	17	25	3.05	1.76
Malaysia	18,103	27,027	329,751	329,753	55	82	2.84	1.71
Myanmar	40,147	49,221	676,556	676,571	59	73	1.63	0.87
Philippines	61,226	89,651	299,995	299,997	204	299	2.38	1.92
Singapore	3,016	4,490	680	699	4,436	6,424	2.42	1.21
Thailand	54,291	64,316	513,102	513,133	106	125	1.24	0.68
Timor-Leste	740	1,193	14,869	14,869	50	80	2.71	3.27
Viet Nam	66,173	88,537	331,028	329,306	200	269	2.25	1.33
South and South-West Asia	**1,249,903**	**1,739,861**	**7,668,115**	**7,668,301**	**163**	**227**	**2.29**	**1.55**
Afghanistan	12,659	28,226	652,207	652,164	19	43	4.28	3.98
Bangladesh	113,049	161,318	144,000	144,000	785	1,120	2.33	1.67
Bhutan	547	667	46,984	46,999	12	14	0.96	1.28
India	860,195	1,186,186	3,287,203	3,287,290	262	361	2.18	1.47
Iran (Islamic Rep.)	56,674	72,212	1,745,416	1,745,087	32	41	2.63	1.41
Maldives	216	311	300	300	719	1,037	3.19	1.8
Nepal	19,114	28,757	147,179	147,180	130	195	2.45	1.99
Pakistan	112,991	166,961	796,102	796,115	142	210	3.1	1.87
Sri Lanka	17,114	19,394	65,609	65,610	261	296	1.28	0.49
Turkey	57,345	75,830	783,609	783,529	73	97	1.84	1.27
Source: www.unescap.org.								

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Varying levels of Economic Prosperity and Growth

The region includes countries of all levels of economic prosperity ranging from that of Myanmar or Nepal to Australia or Japan. Rates of economic growth vary as well, but for the most part the region has extraordinarily high rates of economic growth in recent years. China recorded the highest rates (an average of 10.6% annual growth in per capita GDP in purchasing power parity from 2005 – 2008). Growth was also rapid in the highly populous country of India (7.1% over the same period). Rates were highest in South-East Asia (6.4%) followed by East and North-East Asia (6.3%), and South and South-West Asia (5.8%). This contrasts the much lower rates

in other regions of the world (3.5% in Africa, 3.9% in Latin America and the Caribbean, 2.3% in Europe and 1.0% in North America).

Table 2 Gross Domestic Product in Purchasing Power Parity

Sub-region or Country	GDP in 2005 PPP dollars per Cap		Rate of growth in GDP in 2005 PPP dollars per Cap			
	1990	2008	1990-1995	1995-2000	2000-2005	2005-2008
East & North-East Asia	**3,866**	**8,487**	**4.2**	**3.3**	**4.8**	**6.3**
China	1,099	5,511	10.9	7.6	8.9	10.6
Japan	25,953	31,484	1.2	0.8	1.2	1.3
Mongolia	2,332	3,297	-4.3	1.6	5.1	8.1
Korea, Republic of	11,383	25,498	6.7	3.5	4.0	3.8
South-East Asia	**2,362**	**4,635**	**5.2**	**1.1**	**3.6**	**6.4**
Brunei Darussalam	49,438		0.3	-1.1	-0.2	
Cambodia		1,760		4.9	7.4	6.8
Indonesia	2,077	3,674	6.2	-0.7	3.3	4.7
Lao People's Democratic Republic	947	1,986	3.4	3.7	4.5	5.9
Malaysia	6,646	13,139	6.7	2.3	2.7	3.8
Myanmar	345		4.3	6.4	8.0	
Philippines	2,385	3,244	-0.1	1.8	2.5	3.5
Singapore	23,855	45,553	5.7	3.5	3.2	1.4
Thailand	3,769	7,120	7.3	-0.3	3.9	3.5
Timor-Leste		740			-4.0	1.2
Viet Nam	902	2,574	6.1	5.6	6.1	6.3
South and South-West Asia	**1,734**	**3,318**	**2.4**	**3.1**	**4.3**	**5.8**
Bangladesh	680	1,233	2.3	3.2	3.7	4.9
Bhutan	1,669	4,395	5.5	4.2	4.6	9.3
India	1,208	2,747	3.1	4.0	5.4	7.1
Iran (Islamic Republic of)	6,254	10,783	1.7	2.4	4.0	5.0
Maldives		5,087		6.2	4.7	8.4
Nepal	710	1,028	2.6	2.3	1.2	2.3
Pakistan	1,678	2,444	2.0	0.8	2.5	3.8
Sri Lanka	2,018	4,215	4.2	4.3	2.9	5.9
Turkey	7,806	12,264	1.4	2.3	3.1	3.8

No data available for Democratic People's Republic of Korea or Afghanistan. Source: GDP in 2005 PPP per Capita from www.unescap.org. Rates of growth of GDP in 2005 PPP per capita calculated using data from www.unescap.org.

Uneven Poverty Reduction

Asia's remarkable growth has contributed to significant poverty reduction, although it has been highly uneven within and between countries. In recent years the region has made remarkable strides in poverty reduction, however poverty persists and improvements vary widely among and within countries. As shown in **Table X** poverty[3] reduction has been most rapid in East and Northeast Asia falling from 60.14% in 1990 to 15.93% in 2005; this largely reflects the reductions in China where the majority of East and Northeast Asians reside. Reductions have

[3] As measured by the share of the population living on less that $1.25 a day.

been enjoyed in South-East Asia as well (from 39.15% in 1990 to 18.86% in 2005) and although to a lesser extent, in South and South-West Asia (46.99% in 1990 to 35.51% in 2005).

Despite great achievement in reducing poverty, the problem persists; in 2005 the region was still home to about 60% of the world's poor who live on less than $1.25 a day. The subregion with the largest total number of people living in poverty is South and South-West Asia (589,597,100 in 2005). This reflects in large part the high poverty rate and large population size of India (41.64% and 1,134,403,140 in 2005), but it is also consistent with the high levels of poverty in countries such as Afghanistan, Bangladesh and Pakistan. Despite the relatively low headcount poverty rate for North and North-East Asia the total number of people living in poverty in that sub-region is quite large and was about 242,529,800 in 2005; this is due to the large size of the population of China. The total number of people living in poverty in South-East Asia was 105,176,400 in 2005. Development levels as measured by the Human Development Index[4] range from a very high level with Japan ranked at the 10th highest level of development in the world to Afghanistan which is ranked 181st (the 2nd lowest level of development in the world).

[4] UNDP's composite measure of health (human life expectancy), education (adult literacy rate and school enrollment rates) and economy (gross domestic product per capita).

Table 3 Percentage Population Living on Less than $1.25 a day and Human Development Index

Sub-region or Country	Percentage		Human Development Index	
	earliest	latest	Value 2007	Rank 2007
East and North-East Asia	**60.14 (1990)**	**15.93 (2005)**		
China	60.2 (1990)	15.9 (2005)	0.77	92
Japan	-	-	0.96	10
Mongolia	18.8 (1995)	22.38 (2005)	0.73	115
Republic of Korea	-	-	0.94	26
South-East Asia	**39.15 (1990)**	**18.86 (2005)**		
Brunei Darussalam			0.92	30
Cambodia	48.6 (1994)	40.19 (2004)	0.59	137
Indonesia	54.3 (1990)	21.4 (2005)	0.73	111
Lao PDR	55.7 (1992)	43.96 (2002)	0.62	133
Malaysia	3.22 (1984)	0.54 (2004)	0.83	66
Myanmar			0.59	138
Philippines	34.9 (1985)	22.62 (2006)	0.75	105
Singapore			0.94	23
Thailand	21.92 (1981)	0.4 (2004)	0.78	87
Timor-Leste	52.94 (2001)		0.49	162
Viet Nam	63.7 (1992)	21.45 (2006)	0.73	116
South and South-West Asia	**46.99 (1990)**	**35.51 (2005)**		
Afghanistan			0.35	181
Bangladesh	66.77 (1991)	49.64 (2005)	0.54	146
Bhutan		26.23 (2003)	0.62	132
India	51.26 (1990)	41.64 (2005)	0.61	134
Iran (Islamic Rep.)	4.19 (1986)	1.45 (2005)	0.78	88
Maldives			0.77	95
Nepal	68.4 (1995)	55.12 (2003)	0.55	144
Pakistan	66.46 (1987)	22.59 (2004)	0.57	141
Sri Lanka	19.96 (1985)	13.95 (2002)	0.76	102
Turkey	1.32 (1987)	2.72 (2005)		

No data for cells marked with a -. No data for DPR Korea, Hong Kong, China, Macao, China, and Myanmar.
Sources: Headcount Poverty from unescap.org. HDI from
http://hdrstats.undp.org/en/indicators/display_cf_xls_indicator.cfm?indic_byyear_id=87.

Importance of Urban Issues in Asia and the Pacific

In 2008 49.9% of the world's population lived in urban areas. As shown in Table 4 below the share of the population living in urban areas[5] is much lower in the three Asian sub-regions considered in this volume. It is highest in East and North-East Asia at 46.9% followed by South-East Asia at 46.5% and finally South and South-West Asia where only 32.7% of the population

[5] It is important to acknowledge that the definition of urban varies widely from country to country and across time, so cross country and inter-temporal analysis is problematic.

is urban. The two largest countries, China and India have relatively small shares of the population living in urban areas (43.2% and 29.5% respectively).

Urban issues are important, because, although the share of the population living in urban areas is low, the rate of urban population growth is quite high. Service provision often can not keep up with the rate of urban population growth which results largely from rural to urban migration. At the global level urban population growth was 2% in 2008, however, as shown in Table 4, the rate was higher in the three sub-regions considered. Urban populations of South-East Asia grew by 3.1% in 2008, South and South-West Asia by 2.6% and East and North-East Asia by 2.3%.

Table 4 Urban Population Share and Growth

Sub-region or Country	Urban share of population		Annual urban population growth rate	
	1990	2008	1990	2008
East and North-East Asia	**33**	**46.9**	**4**	**2.3**
China	27.4	43.2	4.9	2.7
DPR Korea	58.4	62.6	1.8	0.9
Hong Kong, China	99.5	100	1.6	1
Japan	63.1	66.4	1.2	0.3
Macao, China	99.8	100	3.3	0.6
Mongolia	57.0	57.1	2.5	1.2
Republic of Korea	73.8	81.5	3.3	0.6
South-East Asia	**31.6**	**46.5**	**4.2**	**3.1**
Brunei Darussalam	65.8	74.8	4	2.7
Cambodia	12.6	21.5	3.5	4.8
Indonesia	30.6	51.6	4.9	3.4
Lao PDR	15.4	21.8	5.4	3.7
Malaysia	49.8	70.2	4.5	3
Myanmar	24.9	32.6	2.4	3
Philippines	48.8	65.0	4.8	3.1
Singapore	100	100	2.4	1.2
Thailand	29.4	33.2	2.1	1.7
Timor-Leste	20.8	27.8	5.1	4.9
Viet Nam	20.3	27.8	4.1	3.1
South and South-West Asia	**28.0**	**32.7**	**3.5**	**2.6**
Afghanistan	18.3	24.0	5.9	5.7
Bangladesh	19.8	26.4	4.8	3.4
Bhutan	7.2	12.1	4	4.2
India	25.6	29.5	3.2	2.4
Iran (Islamic Rep.)	56.3	68.5	3.6	2.2
Maldives	25.8	31.0	3.3	3.4
Nepal	8.9	17.2	6.2	5.0
Pakistan	30.6	36.1	3.9	3.1
Sri Lanka	17.2	15.1	0.4	0.5
Turkey	59.2	68.7	4.1	2
Source: http://www.unescap.org/stat/data				

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Urban issues are likewise important for countries in the three sub-regions, because many of the world's most populous and densely populated urban agglomerations are located there. In 2007 five of the world's ten largest megacities were located in North-East and South Asia; these were Tokyo with a population of 35,676,000 million people, Mumbai (18,978,000 people), Delhi (15,926,000), Shanghai (14,987,000), Kolkata (14,787,000), and Dhaka (13,485,000). All of these cities are projected to grow rapidly and by 2025 four of them (Tokyo, Mumbai, Delhi and Dhaka) are expected to be the most populous cities in the world and seven of the world's ten largest cities will be located in South and North-East Asia[6]. With the rapid urbanization of Asian countries complex problems associated with poverty, marginalization and exclusion have become more pervasive among its urban population. Such problems are not new; they have been well described in the literature[7]. Nevertheless they persist and remain unresolved.

Urbanisation and poverty in Asia – definitions and measurement

The dollar a day poverty line originated in the poverty lines that were widely disseminated for the first time through the World Bank's *World Development Report 1990*[8]. The calculations were done by Ravaillon and others and are described in full in Ravaillon et al (1991)[9]. The description given in the *World Development Report 1990* is that authors needed a way to describe poverty across countries and therefore had to adjust national poverty lines. The authors chose two universal poverty lines by inspecting National poverty lines converted to constant 1985 PPP prices; the National poverty lines of 32 countries with varying levels of development were considered. $275 per person per year and $370 per person per year were chosen; the former is based on the poverty line of India and the latter is based on the poverty lines of several low income countries including Bangladesh, Egypt, India, Indonesia, Kenya, Morroco and Tanzania. It is interesting to note that the report itself recognizes that: "This global poverty line is inevitably somewhat arbitrary." Despite the arbitrary nature the measures were later dubbed the "dollar a day" and two dollar a day poverty lines and have become the standard international measure of poverty upon which many decisions are based. The dollar a day measure is in fact among the targets for the First Millennium Development Goal.

Criticisms of the dollar a day headcount measure of poverty abound[10]. Attempts have been made by the World Bank to improve upon the measure in response to these criticisms. Perhaps the most important revision, while still using a money metric poverty measure was made in 2007 by Ravaillon, Chen and Sangruala[11]. The authors adjusted for cost of living differentials between urban and rural locations using data on consumption from World Bank's PovCalNet and information on cost of living from World Bank's Poverty Assessments together with data on urban population from the UN world urban population. Poverty headcount and ratios were calculated using separate poverty lines for urban and rural areas in 87 countries grouped in the

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[6] *UN Habitat (2008). State of the World's Cities 2008/ 2009: Harmonius Cities (London, Earthscan).*
7 Sattherwaite, David. ; ; and .
8 World Bank, 1990. World Development Report 1990. Oxford University Press, Washington DC.
[9] Ravaillon, Martin, Gaurav Datt and Dominique van de Walle, 1991, "Quantifying Absolute Poverty in the Developing World," *Review of Income and Wealth* 37: 345-361.
[10] Sattherwaite, D… criticized lack of adjustment for cost of living differential.
[11] Ravaillon, Martin, Shaohua Chen and Prem Sangruala, 2007. "New Evidence on the Urbanization of Global Poverty" *World Bank Policy Research Working Paper 4199*, April 2007.

following regions: East Asia and the Pacific, Eastern Europe and Central Asia, Latin America and the Caribbean (LAC), Middle East and North Africa, South Asia[12], and Sub-Saharan Africa. Two rural poverty lines ($1.08 and $2.15 a day at 1993 ppp, commonly referred to as one and two dollar a day lines) were used.

The Poverty Assessments provided information on the urban-rural cost of living ratio. Urban poverty lines were calculated for each country for which data exists. For those countries without cost of living information the regional average is used. The urban equivalent to the $1.08 rural line is approximately $1.40 for countries in East Asia and the Pacific and South Asia. Lower income countries had higher urban-rural cost of living ratios likely due to the greater extent of market fragmentation in low income countries. Household data from 87 countries spanning 1993 – 2002 (208 surveys, 157 consumption expenditure and 51 income) were used to estimate rural and urban poverty rates and headcounts. Although, poverty was found to be mainly rural and even more so than in previous measures, the decline in rural poverty has been greater than the decline in urban poverty. At the dollar a day line, regression analysis is used to compare the rate of urbanization of the whole population to that of the poor. Results show that the poor are urbanizing faster than the population as a whole. When China is removed from the analysis the share of urban poor is much higher and the urbanization of poverty is faster. For East Asia and the Pacific rates of urban poverty (largely reflecting the low poverty rate and large population reported by China) were about 5% in 1993 and had declined to about 2% in 2002. China's urban poverty of 3% declined to about 1% over the same period. Rural poverty is much higher for both the region of East-Asia and the Pacific and for China. Such low rates of urban poverty stand in stark contrast to the data from South Asia which show the region's urban poverty being about 35% in 1993 and declining to 32% by 2002.

With the exception of China, all areas covered in this volume experienced an increase in the urban share of poverty. The urban share of the poor in East Asia and the Pacific was about 6.5% in 1993 and is estimated to have increased to about 6.8% by 2002. In South Asia urban dwellers represented about 22% of the poor in 1993 and 25.2% in 2002. The rate with which the poor are urbanizing is however slow enough that it will take many more decades for poverty to cease to be a mainly rural phenomenon.

Most recently the country level poverty lines were adjusted to reflect increased cost of living[13]. National level estimates are available for headcount poverty based on $1.25 a day; these are presented in the previous section. Headcount poverty measured for rural areas using a rural poverty line and urban areas using an urban poverty line is available for some countries. Among East Asia, South and South-East Asia they are available for 4 countries; these are China, India, Indonesia and Nepal. Values are shown in the table below. Interestingly, when using the same poverty line for both rural and urban areas rural poverty is consistently higher in all four countries; however, this does not hold for all countries once the poverty line is adjusted to reflect higher cost of living in urban areas. In India rates of urban poverty are significantly higher than rural poverty rates when adjustments are made for the higher cost of living in urban areas. In Indonesia urban and rural poverty rates are largely the same once the adjustment is made. This

[12] The World Bank definition of South Asia includes the countries considered in this volume as South-East Asia.
[13] Insert reference from Ravaillon.

result suggests that the widely held perception that poverty is more pervasive in rural areas may be incorrect.

Table 5 Headcount Poverty by Rural-Urban Split Using $1.25 per day and Cost of Living Adjusted Urban Poverty – Selected countries

Country	Sector	Poverty Line	mid 80s*	mid 90s*	2005
China	*rural*	*1.25*	81 (84)	79 (94)	26
	urban	*1.25*	28 (84)	13 (94)	2
		*1.71***	67 (84)	30 (94)	6
India	*rural*	*1.25*	58 (83)	52 (94)	44
	urban	*1.25*	48 (83)	41 (94)	36
		*1.71***	70 (83)	63 (94)	56
Indonesia	*rural*	*1.25*	65 (84)	47 (96)	24
	urban	*1.25*	56 (84)	38 (96)	19
		*1.39***	63 (84)	44 (96)	24
Nepal	*rural*	*1.25*	80 (85)	-	-
	urban	*1.25*	51 (85)	-	-
		*1.55***	64 (85)	-	-

* Year of observation is in parentheses. ** Based on urban-rural cost of living differential from Ravaillon, Martin, Shaohua Chen and Prem Sangruala, 2007. "New Evidence on the Urbanization of Global Poverty" World Bank Policy Research Working Paper 419

Lack of Indicators of Income Poverty and Well-being at the City Level

City level data is rarely available, however it does exist. The ADB Cities Databook contains a set of very detailed indicators describing conditions of Asian cities; unfortunately the work is not on-going. The most widely recognized source of city level data related to urban poverty is provided by UN Habitat; they are the GUO indicators which are presented in the State of the World's Cities Report. Unfortunately there is limited description provided of methodologies used by various cities to produce such estimates.

Household surveys used by government ministries to conduct National Censuses, Socio-Economic Surveys, Demographic and Health Surveys typically provide provincial or state level data, sometimes with rural-urban split, but they rarely provide data at the city level. A relatively new technique known as small area estimation has been developed; it uses econometric techniques to combine Census data with Socio-Economic Survey data and thereby obtain estimates of income poverty and other measures of poverty and well-being at the sub-national level without having to conduct a nationally representative survey. Participatory approaches at the local level involving focus groups, individual interviews, transect walk and other methods to gain qualitative descriptions of poverty by the poor themselves are often used to supplement conventional data sources or to measure the effectiveness of anti-poverty programmes.

Definitions of what is urban vary over time and from country to country. The size and density of a population may be considered appropriate for the definition, however, with migration and other rural urban linkages the distinction is blurred. Table 6 below presents definitions of urban areas for selected countries of Asia; they vary widely from country to country.

Table 6 National definitions of urban population – Selected countries

East and North-East Asia	
China	Up to 1982: total population of cities and towns. Cities had to have a population of at least 100,000 or command special administrative, strategic, or economic importance to qualify as cities. Towns were either settlements with more than 3,000 inhabitants of whom more than 70 per cent were registered as non-agricultural or settlements with a population ranging from 2,500 to 3,000 of whom more than 85 per cent were registered as non-agricultural. For the 1990 census: (1) all residents of urban districts in provincial and prefectural-level cities; (2) resident population of "streets" *(jiadao)* in county-level cities; (3) population of all residents' committees in towns. For 1996 and 2000: Not available.
Mongolia	Capital and district centres.
Republic of Korea	Places with 50,000 or more inhabitants are usually considered urban. However, the reported proportion urban from the census actually refers to the total population of *dong*, the administrative division for urban areas, rather than places.
South-East Asia	
Cambodia	Municipalities of Phnom Penh, Bokor and Kep and 13 additional urban centres.
Malaysia	Gazetted areas with their adjoining built-up areas and with a combined population of 10,000 persons or more.
Myanmar	Not available.
Philippines	All cities and municipalities with a density of at least 1,000 persons per square kilometre; administrative centres, *barrios* of at least 2,000 inhabitants, and those *barrios* of at least 1,000 inhabitants which are contiguous to the administrative centre, in all cities and municipalities with a density of at least 500 persons per square kilometre; and all other administrative centres with at least 2,500 inhabitants.
Singapore	City of Singapore
Thailand	Municipalities. In 1999, 981 sanitary districts were reclassified as *Tambon* municipalities and data for proportion urban were adjusted retrospectively.
Viet Nam	Places with 4,000 inhabitants or more.
South and South-West Asia	
Afghanistan	Sixty-three localities.
Bangladesh	Places having a municipality *(pourashava)*, a town *(shahar)* committee or a cantonment board. In general, urban areas are a concentration of at least 5,000 persons in a continuous collection of houses where the community sense is well developed and the community maintains public utilities, such as roads, street lighting, water supply, sanitary arrangements, etc. These places are generally centres of trade and commerce where the labour force is mostly nonagricultural and literacy levels are high. An area that has urban characteristics but has fewer than 5,000 inhabitants may, in special cases, be considered urban.
India	Towns (places with municipal corporation, municipal area committee, town committee, notified area committee or cantonment board) and all places having 5,000 inhabitants or more, a density of not fewer than 1,000 persons per square mile or 390 per square kilometre, pronounced urban characteristics and at least three-fourths of the adult male population employed in pursuits other than agriculture.
Indonesia	Municipalities *(kotamadya)*, regency capitals *(kabupaten)* and other places with urban characteristics.

Source: World Urbanization Prospects: The 2003 Revision

Poverty may be defined as having three inter-related and inter-locking aspects: (a) lack of regular income and employment opportunities – this could also be expanded to purchasing power, (b) lack of access to services such as health, education and water, and (c) lack of political power, participation, dignity and respect. This way of looking at poverty is similar to that of Amartya Sen as he described in *Development as Freedom.*

In defining urban poverty we therefore face the inherent difficulties in defining urban areas as well as the challenges in defining poverty. Putting these two loosely defined terms together to form the term urban poverty it is all the more clear that the concept is quite fluid.

Table 7 below depicts dimensions of the rural, rural-urban and urban experience which impact the lives of the poor.

Table 7 Living conditions of urban population

	Percent of Urban Population							Thousands living in slums			Annual slum population growth rate	
	with access to improved water	with access to improved sanitation	with sufficient living area	with durable structures	living in slums							
Region/ Country	2001	2001	2001	2001	1990	2001	2005	1990	2001	2005	1990	2001
East and North-East Asia												
China	94	66	--	--	44	38	33	137,900	178,300	174,700	2	2
Hong Kong	99	99	--	--	--	--	--	--	--	--	--	--
Japan	--	--	--	--	--	--	--	--	--	--	--	--
Mongolia	77	45	--	--	68	65	58	870	940	870	1	1
Republic of Korea	--	--	--	--	37	37	--	11,700	14,400	--	--	--
South-East Asia												
Brunei	99	99	--	--	--	--	--	--	--	--	--	--
Cambodia	53	52	--	--	72	72	79	870	1,700	2,310	6	6
Indonesia	91	84	--	87	32	23	26	18,000	20,900	28,200	1	1
Laos	59	57	--	--	66	66	79	420	710	970	5	5
Malaysia	99	99	--	--	--	--	--	--	--	--	--	--
Myanmar	88	83	--	--	31	26	46	3,110	3,600	7,060	1	1
Philippines	92	87	72	95	55	44	44	16,300	20,200	22,800	2	2
Singapore	100	100	--	--	--	--	--	--	--	--	--	--
Thailand	89	98	--	92	20	2	26	2,000	250	2,060	-19	-19
Timor-Leste	--	--	--	--	--	--	--	--	--	--	--	--
Vietnam	81	70	100	92	60	47	41	8,100	9,200	9,200	1	1
South and South-West Asia												
Afghanistan	19	7	--	--	98	99	--	2,500	4,900	4,600	6	6
Bangladesh	99	44	57	60	87	85	71	19,000	30,400	25,200	4	4
Bhutan	86	65	--	--	70	44	--	60	70	50	1	1
India	92	67	79	90	61	55	35	131,200	158,400	110,200	2	2
Iran	99	56	--	--	52	44	30	17,100	20,400	14,600	2	2
Maldives	100	100	--	--	--	--	--	--	--	--	--	--
Nepal	85	20	66	65	97	92	61	1,600	2,700	2,600	5	5
Pakistan	96	88	41	76	79	74	48	26,400	35,600	26,600	3	3
Russian Federation	--	--	--	--	--	--	--	--	--	--	--	--
Sri Lanka	91	95	86	--	25	14	--	900	600	350	-4	-4
Turkey	--	--	--	--	23	18	16	8,000	8,000	7,600	--	--

Source: http://www.unhabitat.org/stats/

At 174,700,000 in 2005 China had the largest number of slum dwellers of any Asian country despite having a low share (33%) of its urban population living in slums (low relative to other countries in the region). The large number of slum dwellers was due to the large size of its population and the somewhat high rate of urbanization thereof (43% of China's population is urban). India was home to 110,200,000 slum dwellers (35% of its urban population) in 2005; although a sizeable amount, this is less than the size of the slum dwelling population in China due both to India's population being smaller and less urbanized than that of China. Most other countries in this volume had a higher share of their urban population living in slums (41% in Viet Nam, 48% in Pakistan, and 44% in the Philippines); each of those countries varied in the degree to which they were urbanized (Viet Nam at 28%, Pakistan 36%, and the Philippines 65%). Indonesia is one of the region's more urbanized countries with 52% of its population being urban in 2005; a relatively low share of that population (26%) lived in slums in 2005.

Urban poverty and social protection: A case for broadening the agenda

International agency and donors approaches to urban poverty have gone through a number of cycles. The dominant discourse of the 1990s was the neo-liberal conviction that greater economic opportunity and access to capital is a fundamental basis of poverty reduction, particularly in urban areas. Nonetheless, a market-based approach to urban poverty has proven to be a narrow framework – both for policy and understanding.

Without a broad and robust understanding of poverty in particular contexts we are unlikely to adequately define urban poverty or to design effect interventions. No two experiences of poverty are the same, and the multiplicity of causes and contexts are unlikely to be addressed through standardised social protection instruments[1]

Despite the World Bank linking poverty to 'powerlessness and voicelessness, and vulnerability and fear'[2] in *Voices of the Poor*, the extent of a shift in urban policy and social protection *practice* has been uneven. Key development continue to portray and understand urban poverty as fundamentally an economic plight which can be measured, quantified and compared across communities, cities and States. Despite the outward adoption of Sen's ideas there has been little compelling evidence in a shift in policy direction or thinking on urban poverty.

Nevertheless examples do exist where donors, development agencies, governments (local and national) and civil society have combined to develop participatory approaches in defining and assessing poverty at a local level. Such efforts are time consuming and involve developing partnerships, but also offer a more sustainable and inclusive approach to urban poverty over time. The scaling up of the Baan Mankong programme in Thailand, which builds on local capacities in tackling housing poverty is an example of this approach. The Baan Mankong programme shows a willingness to engage with local communities and to act on their concerns[3].

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[1] UNESCAP 2007 Facing the challenges of urbanisation (ESCAP/CPR(4)/4), December.
[2] Narayan, D. 2000. *Voices of the Poor*, p5.
[3] Boonyabancha, S. 2005. 'Baan Mankong: going to scale with "slum" and squatter upgrading in Thailand'. *Environment and Urbanization* 17,1.

In contrast, the weaknesses of not using data collection and analysis *with* urban poor communities in order to creating a learning environment and build capacity have been raised by Marcus and Asmorowati[1]. In examining the World Bank's Urban Poverty Project (UPP) in Indonesia the authors found that the measurements used did not effectively capture the complexity of urban poor livelihoods (or the poorest themselves). The resulting project failed then to impact on the lives of the poor. This resulted in conflict and the failure to establish sustainable and locally owned institutions.

One of the opportunities and challenges from an examination of urban poverty at scale is the role of local government and organisations, including communities themselves. Local government can play a catalytic role in terms of working with communities, NGOs and central government in access to affordable services at scale, in data gathering, in building effective partnerships and enhancing social protection and in enhancing voice and participation. The quality of governance is an important factor in poverty reduction and there are several lessons in the region from which to learn and share.

As stated in the Jakarta Declaration[2], an important role for ECSAP lies in the sharing of good practices in defining and measuring poverty. There are today a number of initiatives resulting in better quality data which tell us more about urban poverty and which can potentially lead to more effective evidenced-based planning solutions. Often these also empower and build the capacity of those involved in the process. As understanding poverty is linked to appropriate measurements there remains an important role in working towards a synthesis of indicators which are more dynamic and inclusive. As a regional organisation ESCAP is well placed to facilitate and share information and experience in order to strengthen understanding and action on urban poverty in the Asia-Pacific. It has a key role to play in assisting its member countries towards a more dynamic and reflexive set of practices in order to deal with the significant urban challenges to come.

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[1] Marcus, A. and S. Asmorowati 2006. 'Urban Poverty and the Rural Development Bias: Some notes from Indonesia'. *Journal of Developing Societies* 22: 145.

[2] UNESCAP 2006. Confronting Poverty Reduction in Asia and the Pacific (E/ESCAP/1365, April.

Social Protection for Rural-Urban Migrants to Large Cities in Vietnam

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Introduction

Any discussion about migration, migrants' well-beings and social protection in Vietnam should take into account the so-called *ho khau*, or the household registration. For over five decades, the household registration has been used by the government to control population and their mobility by binding a person's whereabouts with his or her economic, social and political entitlements.[1] During the war time and the period when the economy was centrally managed, the household registration proved to be an effective mechanism that helped the government to mobilize humans for national objectives and to assure relatively efficient distribution of resources and welfares. Since the market reforms, often known as *doi moi*, initiated in the mid-1980s, the function of the household registration in controlling the mobility of people has been gradually declined due to the rapid growing of employment opportunities in the non-state sector. Yet, *ho khau* of any person remains the prerequisite for his or her access to housing ownership and key public social services. As a result, a migrant who does not have a *ho khau* is exposed to multiple institutionalized vulnerabilities and risks.

This paper examines social protection problems that rural-to-urban migrants face due to their residental status as temporary residents at urban centers. It starts with a profile of migration situation in Vietnam that highlights urbanization trend, followed by a section that examines common vulnerabilties of migrants in four areas of employment, housing, education and health care at receiving communities, using both secondary and primary data from a number of surveys. The third section is a short review of key social policies and institutionalized practice of the central and local governments in which entitlements are household registration based and their implications for social protection of migrants. This section and the previous one show that unauthorized migrants in the cities are often trapped in a poverty circle sustained by their marginalization status as temporary residents and the non-portability of their entitlements. The

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[1] Each household is given a household registration book (*so ho khau*) which lists the names, sex, date of birth, occupation of all household members and their relationship with the household head. In principle, no one can have his or her name listed in more than one household book. All residents are exclusively categorized into five groups, namely:

- KT1: Residents (including both non-migrants and migrants) with permanent household registration at place of current residence;
- KT2: Intra-district migrants who have permanent household registration at the province/city of current residence;
- KT3: Migrants who do not have permanent registration at the place of current residence but have temporary registration for 6-12 months with the posibility of extension;
- KT4: Migrants who do not have permanent registration at the place of current residence but have temporary registration for 1-6 months;
- Non-registered residents: Those who do not belong to any of the above caterory.

Despite recent relaxation, conditions for changing status from temporary to permanent residents are strict, requiring migrants to have formal employment, home ownership, and in residence for at least three years.

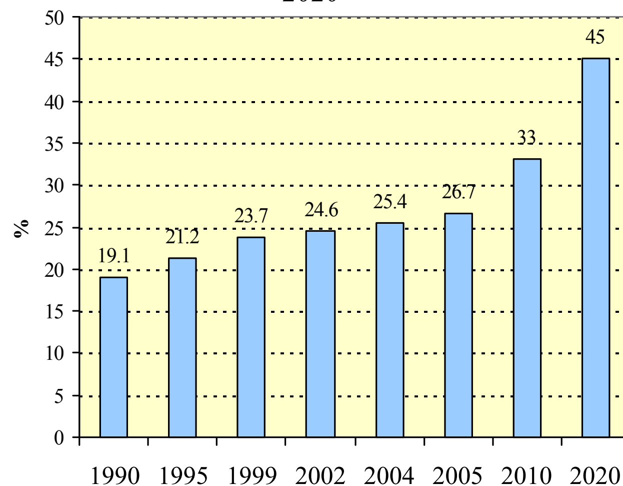
last section provides some policy lessons and program recommendations. Given the abolishment of the household registration is possible only in the long run, the paper suggests a new approach to transform this system from a measure of migration prevention to a mechanism for social protection.

Migration in Vietnam at a glance

Over the past decade, Vietnam has rapidly accelerated into the rank of the fastest growing economies in Asia, with the annual growth rate remained around 7-8%. Only with the impact of the recent global crisis that this rate has decreased to about 6.5% for the year 2008. One integral process of the overall economic development has been the steady increase in migration. Results of the recent census show that up to 6.5% of the population aged over 5 migrated (4.5 million people) between 1994-1999. Of those migrants, about 1.5 million (33.3%) were rural-rural, 1.2 milion were rural-urban (26.6%), 1.2 million were urban-urban (26.6%), and 0.4 million were urban-rural migrants (8.9%) (Koesveld, 2001). Indeed, many types of migration such as the short-term, temporary and seasonal ones, were not included in these figures (Dang et al., 2003).

In overall, out of eight major socio-economic regions of the country, six lost population through migration, while the Central Highland and the Southeast reported positive net migration. Provinces with highest number of out-migrants were those in the North Central, one of the poorest regions in the country. Migration flows consisted of mainly young adults. The cohort aged 20-24 had migration rate that was double that of the general population. Large number of migrant was urban-bound, or those coming to work at expanding industrial zones, due to better employment opportunities in these areas (GSO & UNFPA, 2005). Cities like Hanoi and Ho Chi Minh witnessed a rapid increase in proportion of residents who were rural-urban migrants. According to the census, for the period 1994-1999, the net migration was 115 thousand people for Hanoi and 410 thousand people for Ho Chi Minh City, implying migration rate of 4.29% for the former and over 8% for the later (Dang et al., 2003). By 1999, 23.5% of the population was urban, up from 19.4 percent ten years earlier. By 2004, this figure was 25.8%. Population projection show that the share of urban population would be about a third in 2010 and 45 percent in 2020 (Koesveld, 2001). Indeed, these figures do not take into account unregistered migrants who are highly visible in life but invisible in state statistics. One conservative estimation shows that in 1997, there were 200,000 spontaneous migrants in the city of Hanoi and four time higher in number in Ho Chi Minh City (Dang et al., 2003).

Figure 1: Urbanization trend in Vietnam, 1990-2020



Micro-level analysis of migration show that migration is among key household and individual strategies for achieving economic security for most of migrants and their families, or even for social upward mobility for a minority of them (Dang, 2008). Migration has been potential for poverty alleviation and development of their left-behind and sending communities. In the receiving areas, migrants provide sustained labor force to satisfy the labor needs in various economic sectors (Le et al, 2005). But migration is also associated with social costs of being away from family and the social support networks, formal and informal, at home communities. Yet, in overall migrants remain very adaptive to the new working and living environments, as most of them considered difficulties and problems of their geographical dislocation are offseted by better income compared to the levels they are able to make at home areas (Le & Bach, 2008).

Although the government has recognized that migration is an essential part of poverty alleviation and development, it nevertheless remains concerned about the perceived migration's negative impacts. Key concerns include the pressures made by rural-urban migrants on already overloaded infrastructures and public service systems in urban areas, urban disorder and crime, environmental damage, and the resultant labor shortage in rural places of origin. In response, government has erected barriers, most notably the household registration system (*ho khau*), aimed at increasing additional costs borne by migrants, apart from relocation costs in order to discourage spontaneous movements (Nguyen Thang, 2002). This has created institutionalized risks and disadvantages for migrants, adding to the problems they already face as poor and often unskilled workers.

Risks and vulnerability associated with migration

This section presents some empirical evidences that highlight critical issues related to rural-urban migrants in today Vietnam. Data used for the analysis is drawn from the 2008 Migration Impact Survey (2008 MIS) and other secondary migration data sets available in Vietnam.

Who are the KT4 migrants?

The KT4 migrants are among those most vulnerable at the urban settings. For migrants of the KT3 status, most already have formal employment and they are at least protected by the Labour Code. The KT4 group consists mostly temporary or seasonal labourers with no or low skill who migrate from the countryside to urban areas to find works in the informal sector or manufactures.

Indeed, who those migrants are can partly explain where and how they are incorporated into the urban labour market as well as the types of risks and vulnerabilities they face due to their geographical and social relocation. Empirical data of the 2008 Migration Impact Survey help us to understand some key features of this migrant group and their situation. The survey randomly sampled over 5500 migrants of all types, of them 767 migrants are of KT4 registration status currently residing in Hanoi and Ho Chi Minh City.[1] The majority of them (73 percent) were born and grew up in the countryside, with few have previous migration experiences, particularly working and living in urban settings (14 percent changed residence once and only 3 percent changed more than once before coming to the cities). Yet, the need to find a paid job is critical,

[1] The survey was carried out in two sending provinces (Thai Binh, Tien Giang) and two receiving cities (Hanoi, Ho Chi Minh City).

explaining the move of close to 70 percent of the respondents (the second main reason is for schooling in the cities, accounting for 15 percent of the respondents). Given close to a half of the migrants (44 percent) are from poor households, migration has been commonly adopted as a strategy for survival. But even for the non-poor families, sending some members to cities to work is expected to bring about needed cash income to pay for various expenses that can hardly covered by the sales of the agricultural products alone. Typically, household members who migrate are young (43 percent aged between 18 and 20; 88 percent aged between 15 and 30) and in relatively good health conditions (90 percent). Both men and women go, with nearly a half (49 percent) are unmarried. In fact, more female migrants (56 percent) are found in the survey sample. It reflects the availability of employment opportunities for women in the urban areas. Female migrants often find jobs in urban service sector, petty trade, and labour intensive industries for export that hire mass number of female workers.

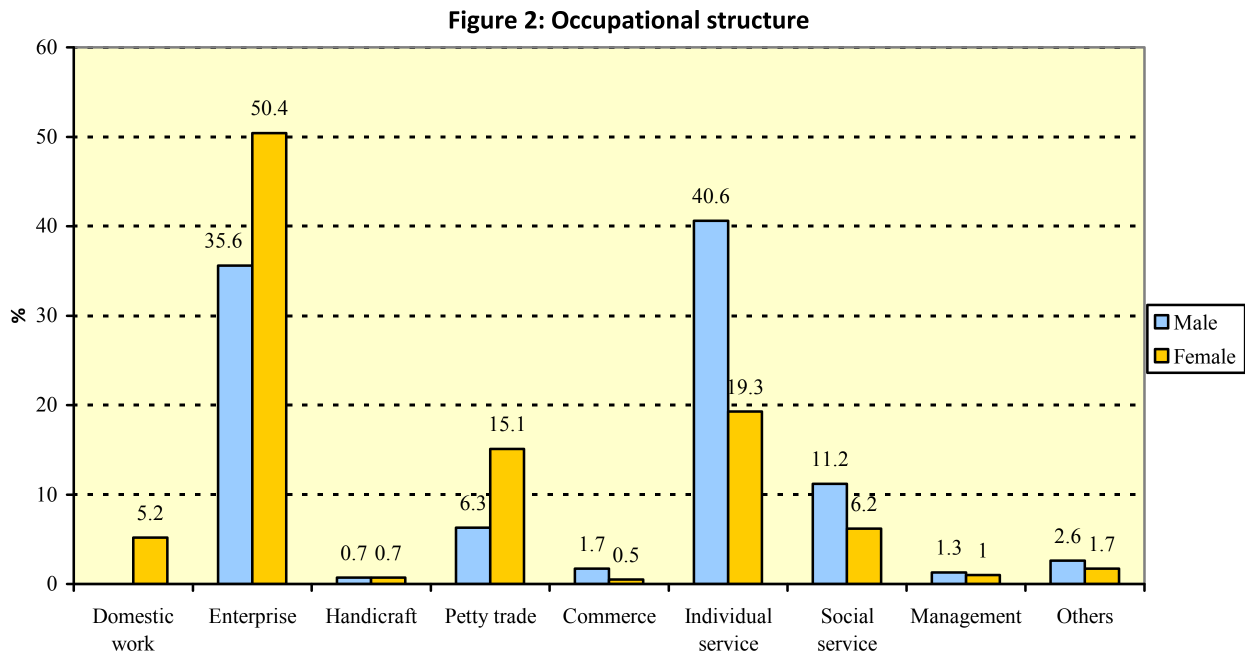
One important feature of the group of the KT4 migrants is their low level of education attainment. Only 17.6 percent of them have education higher than secondary level. Of the rest, up to 13 percent have education at the primary level; 39.3 percent at the lower secondary level; and 30.1 percent at the upper secondary level. Quite few respondents experienced trainings that can help them to find skilled jobs. Out of 767 respondents, only 14 or less than 2 percent had vocational training (electricity, cooking, mechanics, hair dressing, tailoring, car driving, motorbyke repair, shoe repair, etc.). Clearly, with rural background, no urban experiences, poor education and no working skill, access to decent jobs for the KT4 migrants is severely limited. As presented below, they are instead drawn to work as low-paid labourers employed sporadically in the expanding informal sector that is unregulated by the country's Labour Code and other social policies.

Employment

From a stagnant economy of the 1980s, market transition has resulted in unprecedented economic growth at the rate of 7-8 percent per annum consistently since the year 2000. Only in 2008, as the global crisis spreading globally that Vietnam has faced a decrease in the growth rate to 6.5 percent. Most of the growth is recorded in the private sector which produces the majority of employment. Less measurable is the growth of the informal sector, albeit its boom can be observed, particularly at the large urban centers. Job opportunities of this expanding sector is the major drive of rural-urban migration (Bach and Le, 1995). Various studies have come to the same finding that almost all migrants can find employment upon the first few weeks of arrival in the cities. Data of the 2008 MIS show that only 5 percent of the KT4 migrants were unemployed at the time of the survey. Similar findings are also found in other studies. For example, a survey of 2,600 migrants in Hanoi and Ho Chi Minh City show that only 2.3 percent of respondents in the former city and 4.4 percent of the later were unemployed (Guest, 1998). Another survey of 917 migrants in Hanoi, Da Nang, and Ho Chi Minh City in 2004 (Social Protection of Migrants Survey – SPMS) highlights the high rate of economic activity among the migrants: 48 percent of migrants found employment within the first day of their arrival; 80 percent within a week; 100 percent within 3 months (Le and Bach, 2008).

The very high level of employment found among migrants hides the fact that since the majority of rural-urban migrants are those with low or no skill, they often have to accept employment that are not easily considered by local residents, particularly the so-called 3D-jobs (i.e. dirty,

dangerous, and difficult). Clearly, labor force segmentation at the Vietnamese cities is getting wide in which migrants are less likely than the local residents to work in high status occupations with better pay and benefits (Guest, 1998). In contrast, migrants are more likely to be employed as semi-skilled and/or unskilled workers in either private or informal sectors, including foreign-invested enterprises such as garment or shoe factories, with lower pay and less or no benefit.



The 2008 MIS survey provides data that illustrate in more details the occupational structure of the KT4 migrants who moved to live and work in Hanoi and Ho Chi Minh City. As we can see from Figure 2, a significant number of the migrants found employment in small enterprises (36 percent for males and 50 percent for females) of which many are in the informal sector. Private services account for employment of 41 percent of male migrants and 19 percent of the female migrants. Types of service are diverse, including electrician, restaurant cook, shop keeper, security guard, parking lot keeper, photocopy service, hair dressing, motorbike driver, porter, shoe shining, janitor, to name just a few. Understandably, more female migrants (15 percent) work in petty trade, mostly as street vendors, compared to male migrants (6 percent). Clearly, migrant has formed an important segment of the urban labour market. Yet their incorporation reveals not only their employment disadvantages but also risks and vulnerabilities that are typical of an expanding but unprotected labour market.

Under the Vietnam Labour Code, labourers in paid employment must be provided with labour contracts by their employers, and these contracts must be written.[1] These contracts provide some level of protection for employees, for example, guaranteeing that labourers should receive salaries which should not be under the minimum level defined by the government, be protected by the Trade Union, or have other entitlements such as working hours and overtime, work safety,

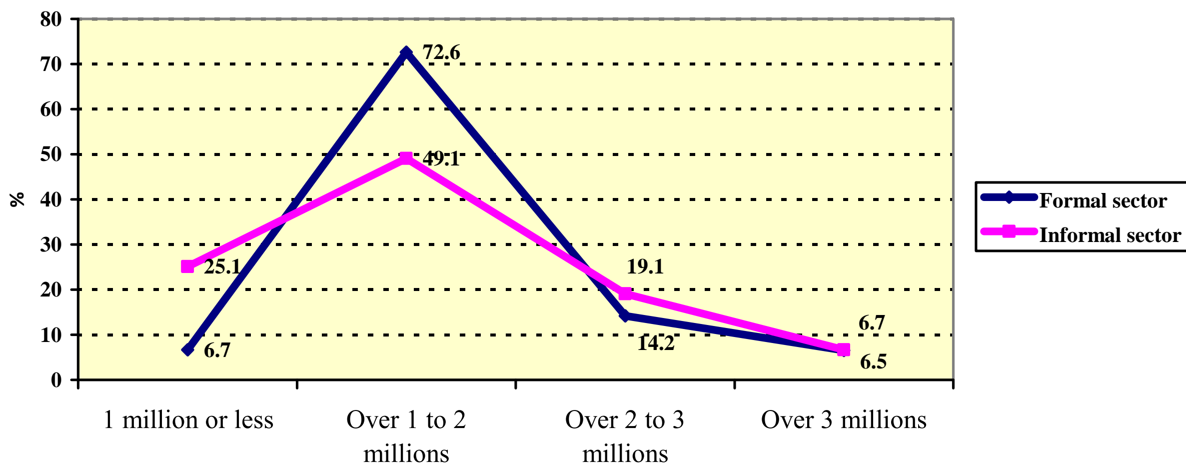
[1] Under special conditions such as domestic work or temporary employment of a duration of less than 3 months, a verbal contact is allowed.

holidays, maternity leave, social insurance, etc. Yet, data of the 2008 MIS show that 46 percent of the migrants in the sample do not have labour contract. The situation is much worse in the informal sector where the figure is over 90.

But even where contracts were available, migrants are more often provided with less benefits, compared to the local residents. For example, according to the findings of the HCMS survey, there were large differences between spontaneous migrants and non-migrants in the benefits that respondents believed they could receive. For example, while almost one quarter of female non-migrants were confident that that they were entitled to maternity leave, only 7% of spontaneous migrants had the same belief. Or of waged workers, 93% of non-migrants reported that were eligible for paid leave while only 52% of migrants reported so. Similar differentials were also reported for payment for sickness benefits, labour and social insurance, and pension rights. Temporary migrants were even less likely to receive work-related benefits than were other types of migrants (Guest, 1998). Finally, without a labor contract, migrants are also subjects to high turn-over rate. Data from another survey (SPMN survey) give the number of 2.6 years of work in average for 33 percent of migrants at small urban enterprises. Lack of job security is therefore a major concern of 24.7 percent of the migrants in this survey sample (Le et al, 2005).

The absence of labor contract put migrants in particularly vulnerable situation. Low income is probably the major trait that characterizes the migrants' employment disadvantages. For the entire group of the temporary migrants, 14 percent earn just up to one million *dong* per month, or less than 2USD per day. The bulk of the migrants (63 percent) make between one and two millions (60 to 110USD per month, or 2 to 3.7USD per day). Another 16 percent receive from two to three millions *dong* (110 to 166USD per month, or 3.7 to 5.6USD per day). There is less than 7 percent of the migrant can earn more than three millions *dong* per month. In overall, the median of income of the KT4 migrants is just one and a half of million *dong*, or about 83USD per month.

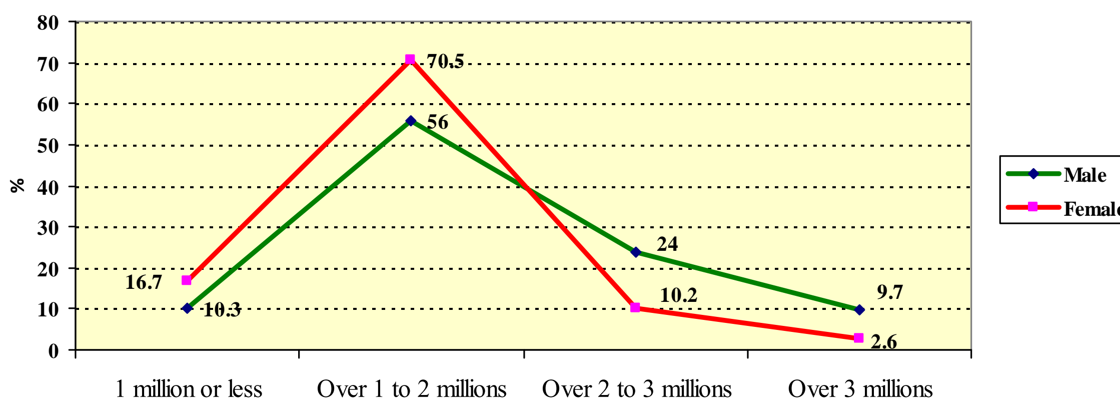
Figure 3: Monthly income of migrants in formal and informal sectors



Comparison of the subgroups of the migrants show considerable differentials in income, with those working in the informal sector earn much less than the migrants employed in the formal

job. For example, while nearly 73 percent of the migrants of the latter group earn between two and three millions *dong*, only a half of the migrants in the former group do. One in four migrants working in the informal sector is found in the lowest income group. For the migrants in the formal sector, the figure is less than seven percent. However, for both groups, quite few migrants can earn more than three millions *dong* (see Figure 3).

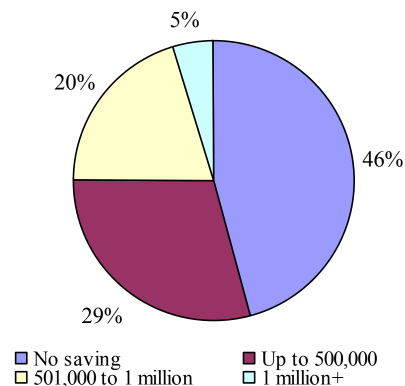
Figure 4: Monthly income by sex



Inequality in income is also profound between the male and female migrants. The median of income for the male migrants is two millions, while that of the female migrants is one and a half million. One in every five male migrants earns between two and three millions versus one in every ten females. Nearly 10 percent of the male migrants make over three millions *dong* per month, while for the female migrants, it is less than 3 percent.

Because of their generally low income, the level of saving among the KT4 migrants is frustrating. Data of the survey shows the mean and median of monthly saving of the migrants are 390,000 *dong* (24.4USD) and 200,000 *dong* (12.5USD) respectively. The situation is particularly worse for those working in the informal sector, as close to a half of the migrants (41.5 percent) have no saving at all; 58.2 percent save up to 500,000 *dong* (31USD), and only one person out of 287 of those 44migrants have a saving of 1 million *dong* (62.5USD). Figure 5 illustrates the percentage of the migrants having different levels of saving per month.

Figure 5: Monthly saving



The lack of sufficient saving means that migration key objective (i.e. to support left-behind families) is not realized for most of the migrants. Further, any saving, even small, that the migrants try to make is a cut into their own well-being and social protection at the cities.

Not only low wage but the lack of work-related protection and other benefits also characterize jobs performed by the bulk of the KT4 migrants. In overall, one in three migrants (33 percent) in the KT4 sample reported being exposured to toxical substances related to their works. As a result, one in five migrants (19%) have experienced sick leave by the time of the survey. Close to one in five migrants (17 percent) considered their job to be 'dangerous', with more males than females reported so (24 versus 11 percent). The work 'dangers' include possibility of work accidents (faced by 44 percent of the migrants; and one in every twenty migrants, or 5.5 percent, have already had accidents); even life-threatening tasks (11 percent); rapid deterioration of health (19 percent); exposure to chemical substance (26.5 percent); and frequent contact with violent persons (8.5 percent). Even in this situation, only one in five migrants have accident insurance provided by employers. Regarding social insurance, for those working at informal jobs, only 5 percent is covered.

Housing

Another major difficulty that the KT4 migrants face at the destination is accommodation. As spontaneous migration is discouraged by the government, housing policy creates barriers to temporary migrants to purchase and possess dwellings at the place of destination. As reflected in the data collected in the 2008 MIS, almost all the migrants (93 percent) have to rent a dwelling place. Only 3.5 percent of them own the place, and another 3.5 percent live with friends or relatives. This figure is quite close to the finding of the 2004 Vietnam Migration Survey that shows nearly 90 percent of KT4 migrants lived in rented dwellings. It is a typical situation found in the large urban centers and the industrial zones, often locating along city outskirts, that most of migrants coming for employment, either in private or informal sector, seek accommodation in the so-called boarding houses. The houses can be owned by employers or by local residents. Of the former, these accommodations are built to house employees whose rent is often deducted from their salary. Of the later, the boarding houses are often additions or rooms within existing homes that a homeowner rents by day or month. Living conditions at the boarding houses are at minimum. Typically, a migrant must share a room with other migrants. In overall, the average area that migrants live in is about 3-4 square meters per person, and 2.5 square meters per person in some places (Vietnam Net, 1st November 2004). Homeowner provides him or her only a bed with mat, pillow and blanket (for winter only), and a mosquito net. It is now common that ceiling fan is also provided, but there is usually no in-door flush toilet and bathroom, and migrants have to share these facilities with other migrant tenants or local residents. Results from another survey in 2004 (named Survey on Social Protection of the Most Needy – SPMN) of 917 KT4 migrants show that close to 30 percent of them lived onsite at workplace, of them most are construction workers working in the private housing construction market. Living at worksite is found to be convenient for those migrants, as they do not have to pay rent. However, conditions at constructions site is highly unsuitable for living. Clearly, while migrants can pay a minimum or nothing for lodging, the cost of these living arrangement directly cut into their other assets, mostly their health (Le and Bach, 2008). There are even migrants who sleep on the streets, in parks, or under bridges.

The data of the surveys give more insights into the dwelling problems. The first issue of concern regards housing type, quality, and amenities. Compared to local residents, migrants are less

likely to reside in permanent houses[1]. For example, data of the 2004 VMS show the proportion of non-migrants living in permanent houses is over twice that of migrants (35 percent compared to 16 percent respectively). In contrast, the percentage of non-migrants living in semi-permanent[2] or simple houses[3] is only a half of that of migrants (6 percent compared to 13 percent).

The situation is even worse regarding the KT4 migrants, as 85 percent reside in semi-permanent or temporary dwellings, and only 15 percent are in permanent houses. House quality is generally not only an important indicator of the level of economic well-being of a household but also a factor strongly influencing the health status of its members (Nguyen and White, 2007). Poor houses mean unfavorable physical conditions preventing the residents from direct exposure to natural or hygiene conditions that may negatively affect their health, for example bad weathers or pollution. For example, results from a small-scaled survey done by Cu Chi Loi with total of about 600 rural-to-urban migrants in three cities and provinces of the South of Vietnam (including Ho Chi Minh City, Long An and Binh Duong Provinces) in 2004 indicate that 60 percent of migrants are living in badly built houses, and 10 percent of migrants are living in houses like shelters that are not good enough to keep bad weather out. The data of the 2008 MIS survey show that up to 14 percent of the KT4 migrants have to use toilet outside of the dwellings, and only 24 percent have access to pipe water which is of good quality. The rest have to use either rain water or waters from wells. And while gas has become an increasingly common source of cooking energy, up to 17 percent of the migrants still use coal, kerosene, wood, straw for cooking. Source of water, type of toilet, and cooking energy have some correlations with health conditions as piped water and flush toilet mean better hygiene conditions for household (Nguyen, 2008).

Not only migrants live in houses of low quality, they also have fewer possessions and amenities which are other indicators of their worse-off economic status. The 2004 VMS survey listed a number of amenities, such as radio, television, telephone, refrigerator, sewing machine, washing machine, and motorcycle as some measures of economic well-being of the sampled households. Data collected show much lower level of possession of all these amenities among migrant households compared to households of local residents. For example, the percentages of migrant households possessing motocycles and television are 47 percent and 52 percent compared to 78 percent and 88 percent respectively for local residents.

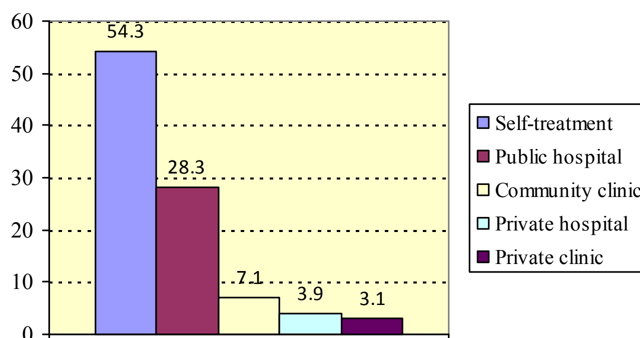
Health and access to health care

Issues of health of migrants and their access to health care services have been discussed in some previous studies. The major argument is that the relationship between migration and health is contradictory, i.e. while migrants are believed to be more exposed to health risks compared to non-migrants, the former also tend to have good health due to the selective effect (Nguyen and White, 2007; Nguyen, 2008). Data of the 2008 MIS also confirm this selective effect: when being

[1] Permanent houses are defined here as one- or multi-storey houses which are built in bricks with solid roof (tile/concrete roof).
[2] Semi-permanent houses are often defined as those with walls made of bricks/wood/wood frame and with roof made of tile/cement-mortar roofing/mental roofing ect. or houses constructed of equivalent materials, but of low quality and not solid enough to last and to survive heavy storms or typhoons.
[3] Simple/temporary houses are those built by simple composition and even less solid materials. Walls are usually made of dirt/leaves/woven sheets (not built of bricks or wooden frame) and roof of bamboo/leaf/oil-paper…ect

asked to rank their own health, 86 percent of the KT4 migrants considered themselves in good health, and 4 percent in very good health. Still, there has been increasing evidence showing that migrants are less healthy than the population they join (Ha and Ngoc, 2001). For example, a study found that being a rural-to-urban migrant, compared with being a non-migrant, had a negative effect on almost all health dimensions, and that this effect was maintained after controlling for a number of socioeconomic factors (Van Landingham, 2003). Among migrants, other reseachers show that not only migrants have worse health than non-migrants, health status of migrants deteriorates faster than that of non-migrants (Nguyen and White, 2007). Obviously, hard works in mostly 3-D jobs, poor living conditions and lack of regular and quality health care are major reasons that make migrants' health deteriorated. Thus, while being selectively healthy, close to one in five migrants (17 percent) in the 2008 MIS sample had sick leave of at least one day during the last 12 months of the survey. In average, a migrant in the sample had 5 days of sickness, reflecting its severity. The longest period of sickness across the sample is 60 days.

Since most of rural-urban migrants are poor, they had difficulties to access health care service. As the migrants are foreign to their place of destination, they are usually not familiar with the local health care systems and locations of health clinics; hence, they face more difficulties in seeking and using health care services. In fact, it is usually found that migrants have poorer health seeking behavior and lower use of health services than the native population, when they are not likely to have a lower need of care. Numerous studies have documented much lower health expenditure among migrants, compared to non-migrants, more difficulties in accessing health care services, and the underutilization and delayed utilization of formal health services among migrants (Bolini and Siem, 1995; Leclere et al, 1994; Ell and Irma, 1998).
A study in Vietnam recommended an assessment of whether migration *per se* can result in reduced access to health services, or whether other migration related variables, such as life in urban migrant squatter settlements, may have the same effect on health service access (Guest, 1998). The study noted that one of the main reasons why spontaneous migrants are worse off than non-migrants may not be the lack of access to services, even for those without legal registration in the city, but rather the cost of such services, as unregistered migrants are obliged to use private services while legal residents have access to public services.



Evidence from Vietnam in general shows less favorable health utilization behavior among migrants, than non-migrants, after becoming ill. It was found that among those who became ill, migrants who move to urban areas are more likely to have non-preferable health behavior, i.e. they are more likely to do nothing or to self-medicate rather than using health care services, than urban non-migrants. There is also a tendency that other groups of migrants to urban areas, including returning migrants and migrants from urban-to-urban areas, are more likely to do nothing relative to using health services or self-medicating than urban non-migrants (Nguyen, 2004). Findings from the 2008 MIS data provide

further insights into the use of health services among temporary migrants. As presented in Figure 6, more than a half of the migrants who experienced sickness at the cities did not go to get health care service but self-medicated. One reason is because many may not find their sickness serious enough to be treated by professionals (reported by 69 percent of those who did not use health care services). But also the migrants cannot get services because of the high costs that they are likely unable to pay (reported by one third of the migrants). There is a clear gap in terms of service use. While about 28 percent of the migrants who got sick were able to go to public hospital, only 7 percent went to community health care centers. Services at these clinics are often poor, and patients are often local residents. Quite few migrants used private health care services, mainly because of their high costs.

Education of children

49.2 percent are boys and 50.8 percent are girls. Of them 89.2 percent aged 18 years old or less. 58.9 percent are living together with the KT4 migrants. Of them only 42.6 percent are going to schools.

***Ho khau* in social policies and institutionalized practices**

At the highest level, the first Constitution in Vietnam in 1946 confirmed, among various rights, the freedom of all the citizens to move and reside anywhere within and outside the country's territory (Article 10). It also stated the equal economic, social and political rights of all citizens (Article 6) Subsequent revisions of the Constitution in 1959, 1980 and 1992 also reconfirmed the rights to move and reside (Article 28 in the Constitution 1959 for example)[1], while improving other rights that are relevant to migrants. Specifically, the Constitution in 1959, while reconfirming the state commitment to compulsary free-of-charge primary education, emphasized the rights to education of all the people (Article 33). It also added others rights entitled to all, notably the rights to work (Article 30) and to welfare (Article 31).

The Constitution endorsed by the National Assembly in 1980 reiterated freedom to move and reside '*in accordance to the Laws*' (Article 71). Other relevant rights such as rights to work, skill upgrading, safe working conditions (Article 58), welfare (rest, convalesce, social insurance) (Article 59), education (Article 60) were reconfirmed and expanded. In addition, the Constitution stated the rights to free-of-charge health care to all the citizens (Article 61), and rights to housing (Article 62).

The Constitution in 1992 is considered to be most comprehensive in which rights of migrants were made more deliberately. Again, the rights to migrate and reside of the people was mentioned (Article 68).[2] Others rights mentioned in the previous Constitution were reconfirmed and detailed with some new rights and obligations. Article 52 confirms equal rights of every citizen; Article 55 - rights to work; Article 56 - working conditions and welfare; Article 57 - freedom to do business; Article 59 - rights to education; primary education is compulsary and

[1] The difference between the Constitutions 1946 and 1959 regarding migration is that while the former stated the rights to mover and to reside within and outside Vietnam, the later excluded movement outside of the country.
[2] Migration abroad from Vietnam and to Vietnam was allowed '*in accordance to the Laws'*.

free of charge; Article 61 - rights to health care; Article 63 - gender equality rights; Rights 65 - care and protection of children.

Yet, at the lower level, different laws, ordinances, decrees, circulars, and instructions issued by the government create barriers to rural-urban migrants to realize their rights protected in the Constitutions. These barriers and their impact on migrants with some details are presented below.

Household registration

- The most serious policy is the Decree 108/2005/ND-CP dated on August 19, 2005 which denies spontaneous migrants to cities to have permanent household registration as long as they have not resided continuously for at least three years. Without permanent household registration, migrants are barred from other rights granted to them by the Constitution and other laws.

Employment

- The rights to work is among the basic rights of every citizen as confirmed by the Constitution. The Labour Code also provides that rights to work is delinked from having a permanent household registration. Yet in cities like Hanoi and Ho Chi Minh city, recruitment practices of the state authorities and public organizations continue the requirement of permanent household registration. Enterprises also give priority to local labor force. In fact, sometimes pressure comes from city authorites who want to address the problems of redundacy of labor who are permanent residents. Labor recruitment of enteprises with foreign investment is often undertaken through Department of Labor, Invalids and Social Welfare (DOLISA) which is likely to introduce only local laborers. Since 2003, however, these enterprises have rights to directly recruit laborers, as provided by the Laws of Enterprises and the admendments of the Labour Code. Still, high requirements on labor skills prevent the majority of migrants to access to employment at these enterprises.

- Other local policies and practices also negatively impact access to the formal labor market of migrants. For example, in 1998, the People's Committee in Ho Chi Minh City drafted a “Proposal on Management of Migrants" requiring migrant workers to have some minimum skills in order to be legally accepted; and firms employing migrant workers should make a contribution of 5% of wages paid to migrant workers to the so-called “welfare funds” of the City; the bearing of this cost was ultimately passed on to migrants themselves. In fact, many employers also tried to avoid signing a long-term contract with migrants as required by law, in order to save costs on social and medical insurance paid for employees. (Nguyen Thang, 2002).

- In Hanoi, the People's Committee of the city issued the “Temporary Regulation on Restoring the Order and Managing Migrant Workers Coming to Hanoi in Search of Jobs” attached to Decision No. 3189 dated 26 August 1995. The regulation requires that labor migrants to Hanoi should have a letter of reference from the authority of place of origin, a temporary work permit valid for 3 months and renewable to be paid every time it is issued or renewed; and identification card (Nguyen Thang, 2002).

- The Decree 103/2003/ND-CP issued on September 12, 2003 by the government regarding the issuance of work permit for health care professionals and pharmacists does not require applicants to have permanent household registration. Yet at the large urban centers of Hanoi, Da Nang, and Ho Chi Minh City, only local residents are able to apply for this work permit in health care and pharmacy.

Loan and credit

- As holders of temporary registration status, migrants are barred from access to loans of the national fund supporting employment. As clearly defined in the Joint Circular 13/1999/TTLT-BLDTBXH-BTC-BKHDT issued on May 8, 1999, the Joint Circular 06/2002/TTLT-BLDTBXH-BTC-BKHDT issued on April 10, 2002 by MOLISA, Ministry of Finance, Ministry of Planning and Investment, and recently the Decision 71/2005/QD-TTg issued by the Prime Minister, households applying for loans should have a permanent household registration as a precondition.

- Similarly, the Decision 475/NHCT-QD issued on january 30, 1991 by the General Director of the Bank of Industry and Commerce states that only families having permanent household registration at districts/provincial centers where the Bank located can get access to credits provided by the Bank for enterprises and households. This provision effectively excludes all migrants who do not have KT1 and KT2 status.

Education

- The Circular 22/2005/TTLT-BLDTBXH-BTC-BGDDT was issued on August 10, 2005 by MOLISA, Ministry of Finance, and Ministry of Education and Training in order to guide the implementation of the Decision 62/2005/QD-TTg of the Prime Minister on August 8, 2005 regarding universalization of primary education nationwide. For poor and disadvantaged pupils, the government provides financial support to cover textbook and learning aids. Yet one requirement is that those pupils should have permanent household registration, making temporary migrants falling short from the category of policy beneficials.

- Toward universalization of lower secondary education, a new advancement objective of education progress in Vietnam, the Circular 17/2003/TT-BGDDT issued on April 28, 2003 by the Ministry of Education and Training to guide the implementation of the Decree 88/2001/ND-CP issued on November 22, 2001 by the government defines that all pupils successfully completed primary education should be accepted to lower secondarty schools at localities where they have permanent household registration or temporary registration from 6 months and above. Migrants with KT4 status are therefore not eligible to enroll at local public schools, with an exception that when those schools do not have enough students according to the class-size norms of the Ministry of Education and Training. The present situation of over-crowded schools at urban centers means that almost all migrant students are not able to enroll.

- Some related policies designed for education development are also excluding temporary migrants. The Decision 1134/2001/QD-NHNN issued on September 26, 2001 by the Governor of the State Bank on loans for students of colleges and universities, vocational

and technical schools allows only students with permanent household registration (provided that their performance meets average scores). The Decision 26/2001/QD-BGDDT issued on July 5, 2001 by the Minister of the Ministry of Education and Training defines clearly that target group of students for universalization of lower secondary education should include those aged between 11 and 18 who have completed primary education, having permanent or long-term temporary household registration at the locality.

- For students who want to go for vocational schools, colleges and universities, they can register to take entry exams only at localities where they have permanent household registration, according to the provisions of the Decision 07/2005/QD-BGDDT issued on March 4, 2005 and the Decision 05/1999/QD-BGDDT issued on February 23, 1999 by the Minister of the Ministry of Education and Training.

Health care

- On May 16, 2005, the government issued the Decree 63/2005/ND-CP on health insurance. The Article 17 defines that people having health insurance have rights to select one of primary health care establishments at place wheres they permanently reside or places designated by their employer. Beyond these places, their health insurance is not valid.

- The Circular 02/2005/TT-UBDSGDTE issued on June 10, 2005 by the National Committee of Population, Family and Children allows the exemption of health check and treatment of children aged below 6 with perrmament household registration or who actually reside at the locality. Yet, in practice, for children with no permament household regisatrtion, birth certificate of children and certification from the local authority that those children are actual reside in the area must be presented in order to get the exemption.

Others social and political rights

- Temporary migrants of KT3 and KT4 status are paying much higher prices for electricity and pipe water consumption compared to local residents. It is a requirement that when apply for electricity and pipe water services, permanent household registration should be presented to receive normal price services. However, this practice varies according to localities.

- In Hanoi, the People Committee of the city allows only residents with permanent household registration to buy and sell land and housing in the city territory and to have land/house ownership sertificates. Temporary migrants with KT3 and KT4 status are not allowed to have these rights.

- Household registration is required in order to have birth cirtification for newborns in addition to marriage license of parents (Decree 83/1998/ND-CP). Without birth certificate, children are not able to register for schooling at public schools in the city, free health check and treatment at place of residence.

- Similarly, at many localities, permanent household registration is required for marrying couples to get marriage certificate.

- The laws require that citizen aged 17-27 should register to local authority at place of residence for military service, with or without household registration. Yet, asking for household registration remain a practice at many locality, preventing temporary migrants to claim this rights.

In short, the design and execution of social policies and programs in Vietnam remain residence-based, leaving mobile or unregistered residents out of access to services and resource allocation. Without having a permanent household registration, migrants face real problems of accessing to certain services.

Policy lessons and program recommendations

The above analyses suggest a number of policy and programme implications to help reducing their risks and vulnerabilities at place of destination through providing a social protectio

1. Spontaneous migrants should be a target of social policies, employment and social service programs. The government should introduce social security systems to manage the new and growing risks attached to work-related incidents, unemployment and public health hazards;
2. Social protection for mobile population is urgently needed to turn migration into a positive factor in poverty reduction and development;
3. National poverty alleviation and social protection programs should provide access to care and services regardless of where a person live;
4. The government should allocate resources based on where services are used, rather than where a person is supposed to live, thus realigning social protection programs with the reality of new market flexibility;
5. The current household registration system, if not to be abolished, should be changed from its purpose of monitoring movement and restricting access to services to one that encourage participation in national and local development programs;
6. There should be a government agency responsible for coordinating activities of ministries dealing with social protection for migrants;
7. There should be a nexus between programs supporting migrants and poverty alleviation/rural development;
8. There should be a system of labor market information system accessible to all migrants.
9. Social facilities and services such as housing, sanitation and transport must be improved to accommodate population growth and in-migration;
10. Small and intermediate urban centers which can attract migrants should be preferable to unrestricted growth of large cities to the point where the issue of migration becomes difficult to manage;
11. Policies must reflect different types of migrants and address varying needs;
12. Migrants must be given a voice.

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The mobility patterns of rural-urban migrants and their social protection in China: Beyond the extension of urban-based approaches

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Introduction

Rural-urban migration has been one of the major aspects of socioeconomic transformation in China since the late 1970s. At the time of the 2005 1 per cent population sample survey, the number of migrants in China reached the enormous size of 147 million, most of whom worked and lived in the cities. While such massive migration flows have played important roles in poverty reduction for migrants and their families in China, migrants may easily fall into new poverty again given many risks they face in the migration process (Wang 2005; Lin and Zhu 2009). Thus, the establishment and promotion of social protection for rural-urban migrants should be regarded as an integrated part of general poverty reduction efforts, and paid more attention in theoretical exploration and policy making.

However, the conventional practices of social protection in China are not well prepared to meet the newly arising needs of social protection for rural-urban migrants. On the one hand, these migrants are not entitled to the social benefits and security only provided to a small proportion of privileged people under the conventional urban *Hukou-* (household registration) based social welfare system (Cook 2002); on the other hand, the highly mobile nature of rural-urban migrants makes it difficult for their needs for social protection to be met by the simplistic approach of extending the residence-based old social welfare system. Furthermore, the socioeconomic characteristics of rural-urban migrants are rather different from those of local residents of the destination areas. Migrants often have unstable jobs and low income, leave some of their family members behind in their places of origin, and therefore have different needs of social protection from those of local residents of the destination cities. All this poses more challenges to the conventional policies and practices of social protection in China, and calls for new policies and measures to tackle the challenges.

Based on review of relevant literature and a survey of 600 rural-urban migrants and subsequent in-depth interviews with them, their employers and officials of relevant government departments in early 2009 in Fuzhou, the capital city of Fujian Province, this paper tries to contribute to the understanding of the complexity of mobility patterns of rural-urban migration and its implications for social protection of rural-urban migrants in China. The survey covered 600 rural-urban migrants, half of whom worked in industrial, trade and service enterprises with more than 100 employees in Fuzhou's major industrial zones and commercial areas, and half of whom worked in informal sectors as street vendors, motor-bike-taxi drivers, porters, day labourers, and informal employees in small enterprises. The quota-sampling method was used for the selection of the respondents for both formal and informal sectors, and a sampling framework with stratification across major occupational categories of migrants' employment was developed to guide the sampling process. The in-depth interviews covered 6 government officials in relevant government departments, including Departments for Labour and Social Insurance of Fujian Province, Department of Education of Fuzhou Municipality, Department of Construction of

Fujian Province, and 3 migrant employers and 18 migrants in both formal and informal sectors. The paper will analyze the characteristics of rural-urban migrants and their migration process and the complex and diversified needs of social protection arising from such characteristics, assess the current approaches of social protection for rural-urban migrants in such context, explore the theoretical and policy implications of the analysis, and put forward some policy recommendations to improve social protection for rural-urban migrants in China.

Social protection for rural-urban migrants in China: the extension of urban-based approaches

The needs of rural-urban migrants and their families for social protection manifest in many aspects of their work and life, especially in their employment and income, social insurance, housing security, and children's education. As widely documented in the literature, the employment of migrants is typically insecure and unstable, and their access to employment opportunities is still unequal to local residents of the destination cities (Wang and Zhang 2006; Cook 2008; Du and others. 2008). Their income levels are generally lower compared to local urban residents, and they often have to work excessively overtime (Zhu 2007). The coverage of social insurance for rural-urban migrants is still rather low, as confirmed by numerous studies (NBS 2006; Project team of the Ministry of Labour and Social Security 2006b; Zhu 2007), and they are excluded from almost all sources of government subsidized housing provision. They have very few choices in meeting their housing needs in the destination cities, and their housing conditions are generally poor in terms of both size and quality (e.g. Wu 2002; Lin and Zhu 2008). Furthermore, migrant children often do not enjoy equal access to and equal treatment in the public education system of the destination cities (Zhao 2003; Xie and Zhu 2004; Liang and Chen 2007). Children left behind by their migrating parents also face great difficulties and are in great need of social protection too (Duan and Yang 2008; Xiang 2007).

These needs of social protection for rural-urban migrants and their families have been increasingly recognised by the whole society in China, and various efforts in the forms of policies, insurance programmes, and other practices have been made to meet such needs. So far, extending the coverage of the conventional urban-*Hukou-* and residence-based social welfare system or its post reform variation to rural-urban migrants is the dominant approach. In a way, migrants are regarded as newly added members of the urban society, and various efforts have been made to integrate them into the urban society so that they can enjoy the same rights and benefits of local urban residents.

Thus in terms of employment and income, there have been gradual policy changes from restricting and controlling rural-urban migration and migrant employment in the cities to encouraging rural-urban migration and treating rural-urban migrants equally in urban employment, through the release and implementation of various government documents (Song and others 2002; General Office of the State Council 2003; Liu 2005; The State Council 2006; Song and Hou 2007). These documents undermine the institutional basis for the discriminatory treatment of rural-urban migrants in urban employment, and have significantly improved migrant access to employment opportunities in many migrant destination cities (Drafting group of the final report on rural-urban migrant workers 2006). The promulgation of the minimum wage standards, and the promulgation of the Law of the People's Republic of China on Employment

Contracts at the beginning of 2008, provides further protection for rural-urban migrants in terms of minimum wages, overtime work, working contracts, etc. (Hong 2003; Liu 2007; Standing Committee of the People Congress, PRC 2007). Governments at various levels have taken measures to abolish unreasonable fees imposed on rural-urban migrants, and directly intervened to solve the problems of delayed payment and payment in arrears to rural-urban migrant workers (National Development and Reform Commission and Ministry of Finance 2001; General Office of the State Council 2003; National Development and Reform Commission and others 2004; Liu and Zhou 2007). All this has led to the effects of migrants enjoying increasingly more rights in terms of employment and income, which used to be limited to local residents in the destination cities. Furthermore, various policies have been made and measures have been taken to ensure that children of rural-urban migrants have equal access to education opportunities and are treated equally in the destination cities, and great progress has indeed been made in this regards (Zhu and others 2005; The State Council 2006), although less has been done to solve the problems of the left-behind children of rural-urban migrants (Duan and Yang 2008).

Similar approach has been taken to extend the coverage of the existing urban social insurance system to rural-urban migrants, so that they can be directly included into the system (Peng and Qiao 2005). The social insurance programmes of this kind mainly cover the areas of old-age insurance, and insurance against work-related injuries and major diseases, and have only limited coverage for general medical insurance and unemployment insurance (Zhu and Chen forthcoming). In recent years, attempts have been also made in some migrants' destination cities, including Fuzhou and Xiamen in Fujian, to include rural-urban migrants into the existing urban housing security system, so that they can enjoy the benefits of various housing benefits provided to local urban residents, such as low-rent housing, affordable housing, and the public reserve fund for housing (e.g. Lai 2007). Although there have been efforts to provide social insurance and housing security for rural-urban migrants by establishing relatively independent programmes tailored for the needs of rural-urban migrants, they have been implemented only on a trial basis in a few places (Peng and Qiao 2005; Du and others 2008; Luo 2008).

An important step in the above efforts has been the gradual establishment of institutional bases for social protection of rural-urban migrants. This has enabled rural-urban migrants, who would otherwise be excluded from the pre-reform *Hukou*-based rural-urban dichotomous social welfare system, obtain rights and entitlements to work and live in their destination cities. Significant progress has been made in this regard, especially since the new century; and this is particularly evident in migrants' equal access to urban employment. As demonstrated by our data from the survey in Fuzhou, the proportions of our respondents who thought that their non-local *Hukou* status did not affect their employment opportunities, affected their employment opportunities slightly, and affected their employment opportunities serious were 81.16%, 17.68% and 1.16% respectively, suggesting that discrimination against migrants in terms of employment is no longer a major issues, although 14.33% and 19.33% of the respondents still though that they were in disadvantaged position when looking for employment opportunities in government departments and institutional units respectively. Our in-depth interview of officials from Departments for Labour and Social Insurance of Fujian Province confirms the above survey results from a different angle. According to the officials, all the regulations treating rural-urban migrants differently in terms of employment, even that in government departments and institutional units, have now been abolished. In reality there may still be some discrimination

against migrants at the local level due to protectionism, however there is now no institutional and legal basis for such discrimination (In-depth interview record of the authors No.1, May 2009).

However, as we will see below, the above efforts are not an adequate response to the needs of rural-urban migrants for social protection. Data from Fuzhou survey suggest that rural-urban migrants are still not well protected in some important aspects of their work and life. In terms of employment, only 35.67% of our respondents signed contracts with their employers. Even if respondents in the informal sectors are excluded, this proportion is still only 62.00%. Furthermore, the coverage of our respondents by old-age insurance, medical insurance, unemployment insurance and insurance against work related injuries were only 21.67%, 60.17%, 8.17% and 14.33% respectively. 91.33% of our respondents did not enjoy any government subsidized housing benefits, and 47.13% of the respondents' children who migrated with their migrants were not able to be admitted to public schools in the destination cities, and 54.35% of those who were able to be admitted to the public schools in the destination cities needed to pay extra fees. All this suggests that more still needs to be done to strengthen the efforts of social protection for rural-urban migrants.

Further extension of the urban-based social welfare system or its post-reform variations into rural-urban migrants is certainly one way to go, and there is indeed potential to be tapped in this regard. However, the mere extension of urban-based social protection programmes cannot fully meet the needs of rural-urban migrants. As mentioned in the introduction section, the highly mobile nature of rural-urban migrants, and their distinctive socioeconomic characteristics, create needs of social protection that are different from local urban residents of their destination cities, and this can only be met by new social protection programmes. In fact, the aforementioned inadequacy of social protection for rural-urban migrants reflected in the Fuzhou survey is closely related to migrants' needs for new approaches of social protection, and better understanding of their mobility patterns is crucial for the exploration of such new approaches. In the following section we will first examine the mobility patterns of rural-urban migrants, and then explore their implications for the needs of rural-urban migrants for social protection.

Understanding mobility patterns of rural-urban migrants: implications for social protection

Conventionally, rural-urban migration has been often conceptualized as a one-way flow from rural places of origin to urban places of destinations (Zhu and Chen forthcoming). In the case of China, although there has been a long recognition of the circular nature of rural-urban migration, this is often attributed to the hindrance caused by China's *Hukou* system, which makes it almost impossible, or at least difficult, for rural-urban migrants to settle down in the cities (e.g. Chan and Zhang 1999; Solinger 1999; Liang 2001). In other words, without the hurdles caused by the *Hukou* system, most rural-urban migrants would settle down in the cities, and an implicit implication of such understanding of rural-urban migration is that rural-urban migrants' integration into the destination urban society, including its social benefits and security system, would be the solution to their needs for social protection.

However, such simplistic conceptualization of rural-urban migration in China has been increasingly challenged by recent studies. Recent evidence suggests that the one-way process of

leaving rural areas and settling down in the cities does not conform to not only the migration reality, but most migrants' intention in China. In fact, a substantial proportion of rural-urban migrants choose to return to their hometowns or remain in circulation for a prolonged period of time, even without hurdles like the *Hukou* system, and their final destinations are not always the cities where they are currently living and working (Zhu 2007; Zhu and Chen forthcoming; Ren 2007; Fan 2008). Furthermore, the migration patterns and settlement intentions of rural-urban migrants are determined not only by their *Hukou* status, but also by other factors at both the demand (employer) and supply (migrant) sides of the labour market, and certain conditions associated with China's current stage of development (Zhu 2007; Zhu and Chen forthcoming). Our 2009 Fuzhou survey provides further evidence confirming such new understanding of mobility patterns of rural-urban migrants.

Mobility patterns of rural-urban migrants: beyond the conceptualization of rural-urban one-way flows

Examining the Fuzhou data from the 2009 survey and in-depth interviews under the conceptual framework treating rural-urban migration as a multi-directional process, several important points can be made concerning the mobility patterns of rural-urban migrants in China.

First, as can be seen from Table 1, the diversification of the migration flows was an important feature of the rural-urban migrants covered in the survey. When answering the question 'if you have free choices, what is your long-term plan?', 42.17% of the respondents chose to continue to work in their current destination cities for a while and then return to the hometowns, 19.17% of the respondents chose to settle down in their current destination cities, 8.83% of the respondents chose to continue to work in their current destination cities for a while and then move to other cities, 7.83% of the respondents chose the answer 'others', and 22.00% of the respondents felt difficult to make decision. This suggests a multi-way diversification process of the respondents' migration flow, and it is noticeable that instead of settling down in the destination cities, going back to their hometowns was still the most common choice for the respondents. It is also noticeable that 22.00% of the respondents, which was the second largest group of them, did not make up their mind, suggesting that it is not an easy decision to make regarding the future of their migration. These figures confirm the necessity of going beyond the simplistic analytical framework that conceptualizes the migration process as an origin (rural) to destination (urban) one-way process.

Table 1 The settlement intention of the respondents (%)

The respondents' settlement intention	Migrants from the formal sector (N=300)	Migrants from the informal sector (N=300)	All migrants (N=600)
Settling down in the current destination city	22.67	15.67	**19.17**
Continuing to work in the current destination city for a while and then move to another city	11.00	6.67	**8.83**

Continuing to work in the current destination city for a while and then return to the hometowns	33.00	51.33	**42.17**
Continuing to circulate between places of origin and destination	9.00	6.66	**7.83**
Difficult to make decision	24.33	19.67	**22.00**
Total	**100**	**100**	**100**

Source: the 2009 Fuzhou survey of the authors.

Question may be raised as to whether the above low settlement intention of the respondents in their current or future destination cities is caused by the hindrance of the *Hukou* system and other related institutional constraints, and this question can be answered by our second point concerning the respondents' choices on *Hukou* transfer. As can be seen in Table 2, when answering the question in the Fuzhou survey 'if you are qualified (allowed) to transfer the *Hukou* of your family to the destination, what would be your choice?', the proportions of those who chose to transfer the *Hukou* of the whole family to the destination or to transfer only their own *Hukou* to the destination accounted for 24.03% and 7.83% of the respondents respectively, and the majority of the respondents chose to keep the *Hukou* at the place of origin. When the question was changed to 'if having the destination's *Hukou* is conditional on giving up the land at the place of origin, what would be your choice?', both the proportion of those choosing to transfer the *Hukou* of the whole family to the destination and that of those choosing to transfer only their own *Hukou* to the destination declined significantly (see Table 3), while those choosing to keep the *Hukou* at the place of destination increased correspondingly. It is also noticeable that some respondents felt difficult to make decision on this issue, and the proportion of them also increased when the decision was conditional on giving up the land at the places of origin. Since *Hukou* is widely regarded as the biggest hurdle for rural-urban migrants to settle down in their destination cities, the reluctance of our respondents to transfer it from rural places of origin to urban places of destination, especially when this is conditional on abandoning their land, suggests that apart from settling down in the cities, the decision of our respondents to keep circulation or return to hometowns were also out of their own choices, reflecting their migration and settlement intentions according to their own will and conditions. In fact, it is understandable that the majority of the respondents were reluctant to transfer their *Hukou* and move completely to the cities, since transferring *Hukou* from the place of origin to the place of destination, especially when this is conditional on giving up land at the place of origin, implies a complete abandonment (often irreversibly) of the migrant's bilocal status, which has enabled them to benefit from the best of both the rural and the urban worlds (Zhu and Chen forthcoming).

Table 2 The respondents' choices on *Hukou* transfer (%)

The respondents' choices on *Hukou* transfer	Migrants from the formal sector (N=300)	Migrants from the informal sector (N=300)	All migrants (N=600)
Transfer the *Hukou* of the whole family to the	21.00	27.00	**24.00**

destination city			
Transfer only the *Hukou* of the respondent to the destination city	10.00	5.67	**7.83**
Keep *Hukou* at the place of origin	49.33	56.00	**52.67**
Difficult to make decision	19.67	11.33	**15.50**
Total	**100**	**100**	**100**

Source: the 2009 Fuzhou survey of the authors.

Table 3 The respondents' choices on *Hukou* transfer conditional on giving up the land (%)

The respondents' choices on *Hukou* transfer	Migrants from the formal sector (N=300)	Migrants from the informal sector (N=300)	All migrants (N=600)
Transfer the *Hukou* of the whole family to the destination city	12.67	18.33	**15.67**
Transfer only the *Hukou* of the respondent to the destination city	5.00	2.33	**3.67**
Keep *Hukou* at the place of origin	59.33	62.34	**60.83**
Difficult to make decision	23.00	17.00	**19.83**
Total	**100**	**100**	**100**

Source: the 2009 Fuzhou survey of the authors.

Apart from the above two points regarding the diversified decisions of rural-urban migrants on their final migration destinations and *Hukou* transfer, another important point concerning their mobility patterns is their job instability. Among our respondents, most of them had the experiences of changing work units and places. In fact, 14.33% and 17.33% of them had the experience of changing their jobs for three times and more than four times respectively since they started the migration process. Their job instability is also reflected in the status of their working contract. As already mentioned, only 35.67% of our respondents had signed contracts with their employers, suggesting that the jobs of most respondents were insecure. Futhermore, as can be seen from Table 4, among those respondents who did signed a contract, only a very small proportion of them had a contract on a long-term basis, suggesting the temporary nature of their jobs. As we have argued elsewhere (Zhu 2007), although the fact that most rural-urban migrants do not have local *Hukou* status of their destination cities may contribute to their unstable and temporary nature of employment, it is mainly caused by the instability of the labour market per se, which cannot be changed easily in the near future. Our in-depth interviews with two factory owners and subsequent field observation in Fuzhou further confirmed such argument. In factory

A, the number of employees had reached 1600-1700 before the financial crisis; however at the height of the financial crisis in February 2009, this number dropped to 1000. When we conducted the interview in July 2009, the factory was in the process of recovering from the effects of the financial crisis and the number of its employees was increasing again (In-depth interview record of the authors No.11, July, 2009). In Factory B, the minimum wage was 1500 Yuan per month before the financial crisis, but it dropped to only 1000 Yuan per month in early 2009 (In-depth interview record of the authors No. 4, May, 2009). Such job and income instability makes it necessary for rural-urban migrants to move frequently, and this makes it even more difficult for them to settle down in the destination cities.

Table 4 Length of the respondents' working contracts (%)

Length of the working contracts	Migrants from the formal sector (N=300)	Migrants from the informal sector (N=300)	All migrants (N=600)
Less than 3 months	0.54	0.00	**0.47**
3-6months	3.76	0.00	**3.27**
6-12 months	27.96	57.14	**31.78**
1-3 years	52.15	25.01	**48.60**
3-5 years	8.60	7.14	**8.40**
More than 5 years	2.15	0.00	**1.87**
Casual contracts	4.84	10.71	**5.61**
Total	**100.00**	**100.00**	**100.00**

Source: the 2009 Fuzhou survey of the authors.

All the above evidence from the Fuzhou survey and in-depth interviews demonstrate that the mobility patterns of rural-urban migrants in China are much more complicated than the one conventionally perceived, and that migrants' multi-local status, their differentiation in the direction of their migration flows, and their job instability feature strongly in their migration process. It may be noted in the above tables that there are differences in mobility patterns between migrants from the formal sector and those from the informal sector, which can not be analyzed in detail in this paper due to the limit of space; however, their general patterns are similar, and their differences are consistent with the fact that migrants from the informal sector are in even more unstable conditions and more inclined to return home in the long run. Clearly, the current urban- and residence-based approach of social protection for rural-urban migrants, which is based on the conceptualization of rural-urban migration as a one-way flow, is not compatible with the above mobility patterns. As we will see from below, such mobility patterns of rural-urban migrants have important implications for their social protection.

The needs of rural-urban migrants for social protection reexamined: inadequacies of current approaches

The above mobility patterns of rural-urban migrants provide a new context in which migrants' needs for social protection can be reexamined. As we will see below, the needs of rural-urban migrants for social protection are much more complicated than commonly perceived, and the current urban- and residence-based approaches are rather inadequate, in such a context. This is mainly reflected in the following aspects.

First, the most serious limitation of current urban- and residence-based approaches of social protection is their incompatibility with the highly mobile nature of rural-urban migrants. This is particularly evident in migrants' social insurance status. As we have seen earlier, apart from medical insurance, the coverage rates of our respondents in the survey by various social insurance programs were rather low. In fact, the surprisingly high coverage rate of our respondents by medical insurance cannot be taken at the face value either, because it was very much contributed by the fact that 44.67% of those covered by medical insurance participated in new rural corporative medical insurance. If they had been excluded, then the proportion of those who participated in urban-based medical insurance programs would have accounted for only 16.00% of the respondents. In general, the current urban- and residence-based approaches can only offer social protection in the form of various social insurance programmes to a small proportion of rural-urban migrants.

While the above limitation of social insurance programmes for rural-urban migrants can be attributed to many factors, including the low income level of migrants, their lack of awareness for the necessity of social insurance, and the fact that the premium level of current social insurance programmes is too high in relation to migrant income and the benefit level of these programmes is too low and insignificant for their later life (Cao and Su 2007), another key factor contributing to the limitation is the non-portable nature of these programmes. As pointed out in the literature and confirmed by our interviews with migrants, their employers and relevant government officials, under current arrangement, migrants cannot take the insurance benefits with them when they move from one place to another, making the insurance invalid in their later life. Furthermore, when they withdraw from the insurance programmes, they can only take away their own contribution to the insurance funds; however the contribution of their employers will remain in the funds of the cities they used to work (Gao 2006; Li and Yang 2007). As we will demonstrate later, this issue is being actively addressed by governments at various levels in China; however, before a satisfactory solution is offered to migrants, it has significant negative effects on migrants' participation in various social insurance programmes. In fact, many migrants who had joined the programmes subsequently withdrew from them, and it is widely reported that the non-portable nature of the social insurance programmes were very much responsible for such situation (Song 2007). In our interview with the manager of the factory A mentioned earlier, she told us that she tried to persuade migrant workers in her factory to participate in social insurance programmes on the assumption that the portability issue will be resolved in the future, but achieved little success because migrant workers were obviously not convinced (In-depth interview record of the authors No.11, July, 2009). Clearly, portability is an issue of top priority among those to be resolved to meet the needs of rural-urban migrants for social protection.

The second related limitation of current urban- and residence-based approaches of social protection is their neglect of migrants' distinctive needs of social protection, which arises from their unsettled nature and is different from those for local urban residents. This is particularly

evident in migrants' needs for housing security. China's current urban-based housing security system is basically composed of the components of affordable housing, low-rent housing, and the public reserve fund for housing, which are provided to local urban residents meeting certain socioeconomic conditions. As our survey in Fuzhou shows, 91.33% of our respondents had no access to any of the above components of the housing security system, suggesting that they were in a greatly disadvantaged position in their destination cities. However, this cannot lead to the simplistic inference that extending the existing urban housing security system to rural-urban migrants is the answer. As we can see from Table 5, according to the answers of our respondents to the question 'what are the most important measures that the governments and /or your employers can take to protect the housing security of rural-urban migrants', providing rental subsidy, providing low rent housing, and providing free accommodation by employers ranked the first, second and third respectively, followed by providing loans and preferential treatment in taxation, providing entitlement to 'affordable housing', providing entitlement to the public reserve fund for housing, setting up housing standards for migrant dormitories, and providing housing for migrant couples by employers. Again there were some differences between migrants from the formal sector and those from the informal sector, but the general patterns of their selections were similar, although understandably housing benefits available to local urban residents were more attractive to those from the formal sector. These results suggest that among the three main components of the conventional urban-based housing security system, only low-rent housing is what rural-urban migrants most need, and more housing security measures specifically targeting rural-urban migrants need to be developed. As we have demonstrated elsewhere (Lin and Zhu 2008), the housing needs of rural-urban migrants are different from local urban residents of their destination cities. To most rural-urban migrants, due to their unsettled nature and bilocal status, reducing the costs of housing is the top-priority; and they have little incentive in investing in stable, high quality housing in the destination cities, which is the priority of local urban residents. Therefore, exploring new approaches suitable for the distinctive needs of rural-urban migrants caused by their mobility is an important aspect of improving social protection for them.

Table 5 Needs of the respondents for social protection in housing security (%)

Measure for protecting housing security of rural-urban migrants	Migrants from the formal sector (N=300)	Migrants from the informal sector (N=300)	All migrants (N=600)
Providing free accommodation by employers	37.67	23.67	**30.67**
Providing housing for migrant couples by employers	14.33	12.33	**13.33**
Providing low rent housing	31.00	45.00	**38.00**
Providing rental subsidy	61.00	68.33	**64.67**
Providing entitlement to 'affordable housing'	26.00	14.00	**20.00**
Providing entitlement to the public reserve fund for housing	23.67	12.67	**18.17**
Providing loans and preferential treatment in taxation	25.33	19.67	**22.50**

Setting up housing standards for migrant dormitories	10.33	20.67	**15.50**

Source: the 2009 Fuzhou survey of the authors.
Note: more than one answer can be chosen by the respondents.

The third limitation of current urban- and residence-based approaches of social protection is their neglect of migrants' diversified needs caused by their differentiation in their final migration destinations. As revealed early, migrants do not always want to settle down in their destination cities; consequently, urban- and residence-based approaches of social protection do not suit those migrants who choose to remain circulating between the places of origin and destination for prolonged period of time, or have the intention of going back to hometowns. This is reflected in Table 6 showing our respondents' selection of the types of social insurance programmes. Contrary to the common perception, when asked 'what are the best type of social insurance programmes you would like to choose so that your future life will be secured', only 33.17% of our respondents chose to join the existing urban social insurance programmes; however 24.83% and 34.33% of the respondents chose to join the social insurance programmes designed according to the characteristics of migrants, and the social insurance programmes designed for rural residents at their hometowns respectively. It is noticeable that the proportion of migrants from the formal sector choosing to join the existing urban social insurance programmes is higher than that of those from the informal sector. This indicates indirectly that increasing job security may increase the effectiveness of urban- and residence-based social insurance programmes for rural-urban migrants; however, given the fact that job insecurity and high mobility are still unavoidable in most migrants' foreseeable future (Zhu 2007), developing non-urban and residence-based social insurance programmes is an important aspect in improving social protection for rural-urban migrants in China.

Table 6 The respondents' selection of the types of social insurance programmes (%)

Types of social insurance programmes	Migrants from the formal sector (N=300)	Migrants from the informal sector (N=300)	All migrants (N=600)
Joining the existing urban social insurance programmes	42.00	24.33	**33.17**
Joining the social insurance programmes designed according to the characteristics of migrants	27.00	22.67	**24.83**
Joining the social insurance programmes designed for rural residents at their hometowns	24.00	44.67	**34.33**
Going back to hometowns if having great difficulties at the	7.00	8.33	**7.67**

places of destination			
Total	**100.00**	**100.00**	**100.00**

Source: the 2009 Fuzhou survey of the authors.

The necessity of developing non-urban and residence-based social protection programmes is also reflected in the flowing tables showing our respondents' selection of the types of old-age insurance programmes and medical insurance programmes. As can be seen in Table 7, when asked 'what is your preferred way of old-age support', the proportion of those who chose to participate in the urban-based old insurance programmes was rather low, although such proportion is higher for migrants from the formal sector. In fact, many respondents still envisaged to rely on their children or their savings for their life when they get old, and one third of them simply did not have any plan for their old-age life. In Table 8, it is noticeable that when asked 'what is the preferred way of medical insurance if the premium is paid partly by your employer and partly by yourself', the proportion of those from the informal sector choosing to join the new rural corporative medical insurance programmes was close to 50%. The proportion of those from the formal sector choosing to join the new rural corporative medical insurance programmes was much lower, however there was still nearly half of them who did not choose to join the medical insurance programmes for urban employees. These results demonstrate not only the inadequacy of current urban-based social insurance programmes and the necessity of developing non-urban and non-residence based social insurance programmes, but also the important role of the places of origin in the design of social insurance programmes for rural-urban migrants. In fact, as 42.22% of our respondents chose their hometowns as the final destination of their migration, it is not surprising that a large proportion of rural-urban migrants would prefer to join social insurance programmes based in their hometowns. Such needs have been often ignored under the conceptual framework treating rural-urban migration as a one-way process, however our survey results in Fuzhou and the related previous studies show that they should no longer be neglected and be paid more attention.

Table 7 The respondents selection of ways of old-age support (%)

Types of old-age support	Migrants from the formal sector (N=300)	Migrants from the informal sector (N=300)	All migrants (N=600)
Participating in the urban-based old insurance programmes	25.00	8.00	**16.50**
Participating in new rural old-age insurance programmes	10.33	12.67	**11.50**
Relying on children	12.00	18.66	**15.34**
Relying on savings	20.67	27.00	**23.83**
No plan for the time being	32.00	33.67	**32.83**
Total	**100**	**100**	**100**

Source: the 2009 Fuzhou survey of the authors.

Table 8 The respondents selection of types of medical insurance (%)

Types of medical insurance	Migrants from the formal sector (N=300)	Migrants from the informal sector (N=300)	All migrants (N=600)
Joining the medical insurance programmes for urban employees	54.33	28.33	**41.33**
Joining new rural corporative medical insurance programmes	26.00	48.33	**37.17**
No plan for the time being	19.67	23.33	**21.50**
Total	**100**	**100**	**100**

Source: the 2009 Fuzhou survey of the authors.

The necessity of developing hometown-based social protection programmes for rural-urban migrants is also reflected in the educational needs of migrant children's. As our data suggest, while 57.36% of our respondents had children migrating with them to the destination city, almost equal proportion of migrants (56.82%) had children left behind in their hometowns. It is important to note that when asked why they left children at their hometowns, the three most important reasons were 'no capability to afford the too high tuition fees at the destination city' （40.68%）, 'no economic capability to afford the too high living costs in the city（36.44%）', and 'job instability' （29.66%）[1]. While the first reason can be attributed to the lack of resources and migrants' unequal access to them at the destination cities, the other two reasons are mainly related to migrants' socioeconomic characteristics, which make it necessary for them to rely on their resources at their hometowns, and desirable to leave some family members at the places of origin. Such need is in turn reflected in the fact that the majority of our respondents (57.83%) were not willing to give up their land at their hometowns in exchange of various urban-based social insurance programmes. Therefore, keeping some part of family members and resources at the places of origin is a rational choice of many rural-urban migrants in China, and new hometown-based approaches of social protection should be developed to meet such needs.

Seeking new approaches for social protection of rural-urban migrants: some theoretical consideration and policy recommendations

In recent years, the disadvantaged situation of rural-urban migrants has attracted great attention in China. Governments at various levels, and other circles of society, have made great efforts to improve migrants' working and living conditions and provide social protection to them, and significant progress has indeed been made in this regards. However, as we have seen from previous sections, these efforts have often been made under the conceptual framework treating rural-urban migration as a one-way flow; in accordance with such a conceptual framework, much of the theoretical exploration concerning rural-urban migrants' social protection has been based on the theoretical framework of social integration and exclusion, focusing on the role of the *Hukou* system in hindering the integration of migrants into the destination cities(e.g. Solinger 1999; Zheng and Huang Li 2007). Correspondingly, policies concerning social protection of

[1] The respondents could give 3 reasons

rural-urban migrants have been mostly developed along the line of extending the entitlements to the urban- and residence-based social welfare system and its post-reform variations to rural-urban migrants. As demonstrated in previous sections, the above conceptual and theoretical framework and policy orientation are inadequate bases for developing the best practices of social protection for rural-urban migrants. Such inadequacies suggest that more solid theoretical basis and better policy making are needed in providing social protection to rural-urban migrants in China.

In terms of the more solid theoretical basis for social protection of rural-urban migrants, one important implication of our research results is that the theoretical framework of social integration and exclusion at its current form can only capture the situation of a limited group of rural-urban migrants in terms of their social protection. Under such a theoretical framework, the lack of social protection for rural-urban migrants is attributed to the *Hukou* system and the related institutional arrangements, which exclude migrants from the entitlements to urban-based social welfare system (Ren and Wu 2006). Thus the experience of China's rural-urban migrants is described by Solinger (1999) as a process of 'contesting citizenship in urban China'; and as the catch word *Shiminhua* (citizenization) in the recent Chinese literature suggests, migrants should be granted the urban citizenship (mostly in the form of local urban *Hukou* status) in their destination areas, so that the urban-based social welfare system and its post-reform variations can be extended to them.

However, as we have seen earlier, such a theoretical framework neglects the diversified nature of the migration flows of rural-urban migrants, and can only be the theoretical basis for social protection of rural-urban migrants who intend and are capable to settle down in the cities. For those migrants who need to circulate between rural places of origin and urban places of destinations, and those who will eventually return to their home towns, complete relocation to the cities is not in their best interests. In fact, contrary to the conventional wisdom, our study suggests that portability and non-urban-based programmes feature strongly in the needs of social protection of rural-urban migrants. Such needs cannot be met by the integration of rural-urban migrants into the destination cities, and therefore a more adequate theoretical framework serving as the basis for the exploration of social protection of rural-urban migrants should be developed to take into account the effects of the migration process, and the factors at both its urban and rural ends, on social protection of rural-urban migrants. Developing such a theoretical framework requires much more empirical and theoretical exploration and is beyond the scope of this paper, however, a possible starting point is to incorporate issues relating to rural-urban integration into the current theoretical framework, so that migrants' diversified migration flows and the corresponding needs in social protection can be covered. Under such a theoretical framework, the society bears the responsibility for providing social protection for rural-urban migrants, no matter where they are, and efforts need to be made not only to extend the urban-based social welfare system to rural-urban migrants, but also to gradually equalize social protection between urban and rural areas, and to make the entitlement to social protection no-residence based. In this sense, social integration of rural-urban migrants should be viewed as a process in relation to the whole society, rather than their destination cities, as commonly perceived so far.

If the above new theoretical framework can serve as a guidance, then the following policy suggestions can be made in practical policy making regarding social protection of rural-urban

migrants in China. First, providing portable social protection programmes to rural-urban migrants without relying on the old residence-based mechanism such as the *Hukou* system should be a priority in making further progress in social protection for rural-urban migrants in China. So far, portable old-age social insurance programs for rural-urban migrants have already been provided at the provincial level, which is a significant progress; however, given the fact that a large number of migrants move between the boundaries at the provincial level, this is not enough. Recently, there has been progress in the design of a new and portable social insurance programme unified at the national level, and this is a welcome development and should be closely followed and assessed (Yang 2008). Besides, so far the portability issue has been paid much attention only in the design of old-age social insurance programmes, and there has been little discussion about the portability issues of other social insurance such as unemployment insurance and medical insurance. As we mentioned earlier, many rural-urban migrants participate in new rural cooperative medical insurance based in their hometown, however such insurance program only allow migrants to get a very small proportion of medical expenses occurred outside their hometown to be reimbursed (In-depth interview record of the authors No. 5, June, 2009). Much needs to be done so that rural-urban migrants can make use of their hometown-based insurance programmes.

Second, a clear legal and institutional framework defining the rights of rural-urban migrants and obligations of governments at various levels and other social institutions should be developed at the national level to ensure the provision of social protection to rural-urban migrants. As demonstrated by our survey results, the highly mobile and unsettled nature of rural-urban migrants make it ambiguous whether it is necessary, and whose responsibility it is, to provide social protection for rural-urban migrants, when they are way from their places of origin where they have their *Hukou* registration. Since the reform era, especially the new century, significant progress has been made to establish institutional and legal framework so that the rights and entitlements of rural-urban migrants for social protection can be recognised; however, such bases are still not solid and complete. Policies and measures of social protection for rural-urban migrants are often given in the form of 'opinions' or 'guidelines'; they are not as enforceable as laws, often presented in general terms, and could be easily compromised at local level. This is evidenced by our interview with a government official, in which we were told that providing housing security to rural-urban migrants is not their routine duty, and is done on an optional rather than compulsory basis (In-depth interview record of the authors No. 10, July, 2009). To solve these problems, the notion that social protection for rural-urban migrants is a duty of the whole society rather than that of certain places where rural-urban migrants are affiliated to should be firmly established, and a clear legal and institutional framework should be developed accordingly.

Finally, establishing new financing mechanism for the portable and non-residence-based social protection programmes is another crucial issue Recently, there have been several cases of failure in the efforts of some migrant destination cities trying to grant local household registration and the related social welfare to migrants, due to the lack of capability to cover the budget. This is not surprising, as the fund allocation mechanisms, which are inherited from the era of planned economy and do not take rural-urban migrants into consideration, still play a role, and the contributory social protection programmes are not well developed. Thus, it is unrealistic to rely on the conventional state financial sources and financing mechanisms to fund social insurance

programmes for rural-urban migrants, and new ways of financing are needed (Lan and Ren 2004). This involves both the financing mechanisms for the coverage of rural-urban migrants by universal benefits or services and means-tested benefits, such as those relating to migrant children's education and minimum income protection; and the financing and benefit-payment mechanisms of contributory programmes, such as various insurance programmes. As migration is a cross-region phenomenon, the central government, and the government at superior levels, should gradually bear more responsibility in this regards. This is supported by our interview with a government officials in Fuzhou, who told us that although the central government stipulates that migrants' children should have equal access to the public schools of their destination cities, recently migrants in Fuzhou were still persuaded to send their children back home if they could be taken care of in the home towns, because the classes would be too big if migrants' children were admitted due to the shortage of educational resources. (In-depth interview record of the authors No. 9, June, 2009). To solve this problem, more financial allocation from the central or superior governments is needed, and a new financing system taking into consideration of migrants' needs should be developed to meet such needs. The new financing mechanisms should be designed in connection with the aforementioned re-defining the rights and obligations of the various parties involved, and well informed by solid knowledge about rural-urban migrants and their needs.

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State-funded training of Dibao recipients: information and subject wellbeing and informal employment in China — a case study of Tianjin

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Poverty and unemployment in China

According to Xue (2005), in China, households trapped in poverty were nearly three times more likely to come from families with unemployed members than from families without unemployed members. In the 1990s, with the reform of the state owned enterprises, the number of laid-off workers increased. These were workers who lost their jobs because the enterprises they worked in decided to reduce the number of workers in order to remain competitive in the market. The reason that these people were labelled as "laid-offs" rather than unemployed was because they still kept some connections with the state owned enterprises, usually with the latter promising to offer some welfare support in the future years. However, as greater numbers of state owned enterprises became less prosperous, laid-off workers were in essence unemployed and did not always receive the promised compensation or welfare benefits (Pan 2007). For quite a few years in the 1990s, being laid-off or unemployed had become a main reason that led to urban poverty. According to a survey carried out in Wuhan where Dibao was piloted, by the end of 1998, 65 percent of the people receiving Minimum Income Guarantee (Dibao) were laid-off workers.

There have been a number of reforms to address the difficult life faced by laid-off workers. The first is to reduce the shock of unemployment by encouraging employers to provide unemployment packages. State enterprises that wish to lay off workers are supposed to "buy off" the rest of the working years of the workers to be laid off (maiduan gongling), i.e. to pay the workers a lump sum of money that is equivalent to the basic salaries they could have received if they had not lost their jobs. This solution is helpful for the unemployed workers who are out of jobs for a while. However, its ability to sustain a worker's life is very limited. Usually, in a worker's salary package, there are a number of elements: basic salary was only part of the total pay. Though the actual amount a worker receives when they are fired may appear to be a quite large sum at the time the deal is made, it is only a small proportion of the amount they would have received if they continued to work, not to mention the social security contribution they would receive. Given the fast growing urban income level, the buy-off money quickly becomes less valuable. Therefore, it is at most a short term support for the unemployed.

The urban Minimum Living Standard Guarantee (Dibao) is another policy to help the unemployed who are not able to find jobs and whose household income drops below the local poverty line. With the recent reform in the social security system, Dibiao recipients could also enjoy a number of favourable treatments regarding schooling, healthcare, housing and irregular cash benefits and food subsidies. As a result, some Dibao recipients found it more attractive to stay unemployed. The willingness of Dibao recipients to return to work is very low. According to a survey carried out in four districts in Beijing, only 20 percent of the Dibao recipients were willing to work even if they had the opportunity and ability to work (Civil Affairs Bureau of Tongzhou District, Beijing, 2009). Facing this situation, many cities try to introduce various incentives for workers to return to work and make it worthwhile to work. Some city governments,

such as Chongqing, offer wage related bonuses to the re-employed Dibao recipients to avoid the scenario that re-employed workers earning a minimum income end up being worse off than being a Dibao recipients. Some other city governments allow Dibao recipients to continue to receive Dibao benefits even after they start working. Also, at the community level, there are quite a few measures to introduce jobs to Dibao recipients.

Apart from the disincentives generated by the Dibao system, there are also other factors that have affected the ability and willingness of Dibao recipients to return to work. One of the most important factors is that it is not very easy for them to find new jobs, especially for those who are approaching retirement age. They are not considered to be competitive in the labour market (Solinger 2002). Therefore, unless receiving some external support, it is very difficult for people to find jobs once they are Dibao receivers.

In general, as the economy is doing well, people who are relatively young and have good education would not find it too difficult to get re-employed if they are willing to work. It is estimated that around 80 percent of the people younger than 35 and around 80 percent of people with college degrees can find new jobs after they became unemployed. However, people in the older age groups and have less education find it very difficult to get back to work. In Beijing, by the end of 2008, more than 80 percent of the unemployed people explicitly expressed their willingness to work formally, but the overall re-employment rate is below 50 percent (Beijing Daily, 25/11/2008). Of course, it is important to note that the willingness of re-employment mentioned here is jobs that are formal and employers agree to contribute on behalf of the employees the social insurances items. Therefore, there is an element of whether the Dibao receivers might find it not "worthwhile" to work.

Considering that people living on Dibao may not be totally left alone as in the past, then why it is still relevant to help them to return to work at all? Even if we do not think about the problems they may face in a society where social insurance system is still undergone major reforms and the benefits they can enjoy today may not be as generous in the future, there are also other concerns. The main concern for the people who count on the Dibao system is about the intergenerational transmission of poverty and social exclusion to the younger generation (Meng, 2003; Wang, 2008). What is also important is that Dibao recipients who can work but do not work may send a strong negative signal to the rest of the society and damage the work ethics.

From the government's perspective, pushing the Dibao recipients back to work is not only beneficial to the unemployed to become independent and socially active, but also useful to reduce the negative externalities their private decisions would have imposed on the next generation. One of the main policies adopted by the state to help people to return to the labour market is training. The idea behind the state funded training programs is, according to Chengping Tian (2006), the Minister of Labour and Social Security, to help the urban laid-off workers to gain the necessary skills so that they are able to work in different jobs in different sectors of the economy.

State funded training programs

Reemployment training was introduced in China in the late 1990s. The reform has undergone several stages. The first stage was from 1998 to 2000 and then from 2001-2003(Ministry of Labour and Social Security PRC, 2002). The target for this stage was to train 30 million laid-off workers and offer them entrepreneurial support. The targeted industries included textile, railway, military and coal industries. These industries suffered the most during the reform of state

enterprises (Ministry of Labour, 1998). As a result, about 20 million people were trained and about 16.80 million people were reported to have returned to the labour market (Hong and Zhang 2009). However, the high post-training re-employment rate can be misleading, as there is little information regarding the types of jobs that people got into and to what extent they can keep their jobs. In the second stage starting from 2005, the state announced that it would use skills training to reduce unemployment (State Council PRC, 2005). As part of this strategy, the Ministry of Labour and Social Security published 'The plan to use skills trainings to help reemployment in cities and towns'. The target was to offer skills training to 20 million laid-off workers and make sure post reemployment rate reaches 60 per cent from 2006 to 2010. At the same time, the government wanted to set up a skills verification system in 300 cities so that trainees' skills can be recognized by employers (Ministry of Labour and Social Security PRC, 2005).

There were different opinions about the performances of the training programs. According to Wan and Zhang (2008), based on a population survey carried out in Jilin Province in 2005, labour participation rate was improved by the state-run reemployment programs. They argue that training has enhanced unemployed people's competitiveness in the labour market. The results of Zhao's (2003) analyses based on data collected in Wuhan led to a similar conclusion. However, the participation rate of reemployment training programs was low. In Wuhan, the participation rate was 5 per cent in 2000 and 14 per cent in 2003 (Hou and Zhao, 1997). What is more, user surveys suggested that unemployed workers tended to report that training programs were not very useful in terms of helping them to find jobs (Qiu 2007). Also, the result could be different for different cities. Bidani et al (2004) found that training dampened reemployment prospects in Shenyang but improved them in Wuhan.

Training, employability, information dissemination and subjective wellbeing in the context of informal employment

One important characteristics of the Chinese labour market is the lack of respect for informal employment. Many people, especially those who used to work in the state sector, would not consider informal employment that does not come with formal contracts and social insurance contributions as working (Beijing Daily, 25/11/2008). Although the economic reform since the 1979 helped to establish the status of private sector and more recent reforms required private employers to offer equal social protection to the employees, informal employment, such as temporary jobs without permanent contract or jobs in the informal sectors, such as street vendors, was not recognised as proper sources of employment. This was also reflected in the state employment statistics and the setting of policy targets (Qiu, 2006). The reality is, informal employment has become an increasing important source of income (Kumar and Li 2007). Although more attention was paid to the role of informal employment in helping urban unemployed workers to resume earning activities, the assessment of training programs rarely paid special attention to its impact on informal employment[1]. Therefore, there is little incentive for the training programs to target skills that are particularly useful for informal employment.

Bearing this in mind, it is not difficult to tell that except for people who are very entrepreneurial, getting into a formal job is a priority for most people and those who have ended up in informal

[1] In the past several years, some cities introduced courses of "starting small businesses" (entrepreneurial skills) to their training programs, but it was still in the piloting stage during our survey.

sector were desperate at the time when they started to look for jobs. Therefore, it becomes relevant in the context of poverty reduction to look at to what extent training programs have facilitated informal employment. This can potentially help us to gain better understanding of how training programs have affected Dibao recipients' life and wellbeing. In the following sections of this chapter, we will first review the relevant literature and history of training in China and then discuss the framework to be used for the analyses. In the case study, we use a survey dataset with 724 officially registered long term unemployed workers in Tianjin in 2006[1].

Previous studies can offer some insight on the role of skills training. Training is not only about providing occupational skills to enhance employability. The mechanisms that training can help people to return to work can have several dimensions. The first is information dissemination which improves awareness of new employment or business opportunities (Ogbonna and Noon, 1999). The second is to provide job searching techniques, such as the training of interviewing skills, resume writing and networking (Davy et al, 1995). The third is the psychological impact. The psychological well-being of the trainees can be improved either through resilience and social skills training (Mitchell and Trickett, 1980; Steensma et al, 2006) or through social participation via taking training courses (Stolte, 2004). The last is the possibility of training to increase people's earning ability. However, whether training can improve the trainees' earning ability is not always clear (Finn, Simmonds and Department for Work, 2003). If we take into consideration the possibility of the unemployed returning to employment after training, it can be practically treated as an augment in the earning ability (Lund, 2002; Maree and Mokhuane, 2007).

Given the characteristics of informal employment, training can be particularly useful in many ways. For example, people who used to work in stable and formal jobs may not be aware that informal employment can be an alternative. Training may be able to open doors for them. Another example is that informal employment opportunities are often presented to the potential workers through informal networks, which may not be actively sought by the unemployed. Therefore, bringing the unemployed people out of their home and helping them to build up social networks can be a very important first step. In this sense, training can often be useful in facilitating this goal. Attending classes and meeting teachers and fellow students regularly can be a good way of social participation and may even lead to employment opportunities. Also, informal employment often requires a different set of skills such as entrepreneurial spirit, management, accounting and administration skills, knowledge and research skills of the markets and certain social skills to deal with street level authorities and other business owners. These skills may not be a must for employees in the formal sector.

In terms of subjective wellbeing, obviously returning to the job market and engaging in income generating activities can give people a sense of achievement. However, before these happen, keeping people motivated and maintaining hope and confidence in themselves is equally important. Whether good subjective wellbeing can be ultimately translated into employment is difficult to tell. However, not losing hope is certainly a prerequisite for job searching. If this is

[1] Some of the findings in this paper will draw on some of our previous publications (Li and Peng, 2008) and (Li and Peng, 2010, forthcoming). Most of the sampling procedures and background discussion of this paper are taken directly from the earlier texts with minor additions to give full information about the background this research. However, the analyses are adapted for the specific discussions in this paper.

the case, then training programs can play a much bigger role in helping people to return to work than just offering job skills.

The research of Tianjin

In this chapter, I will study Dibao recipients only. These people have registered with the state for being unemployed for more than six months. To avoid confusion, we exclude the small number of people who have successfully returned to formal employment and had not yet bothered to take their names off the unemployment registration. There are several considerations for selecting this group for our study. First, not all unemployed people are registered in China. The reasons behind the people who are not registered can range from completely giving up, lack of information, to inclination to rely on self-help. However, the people who actually registered for unemployment share a common feature. They are willing to find jobs and obtain official support at the beginning of unemployment. Second, since they are registered with the local authorities, their entitlement to state funded training is confirmed. Third, the relatively longer period of unemployment means that it is difficult for these people to find formal jobs in the labour market. Because they remain to be unemployed, the 'success' of the state reemployment programs to help people getting back to formal employment is not applicable for this particular group. Finally, the local authorities find it difficult to help this group of people to return to employment (Tian, 2006). Therefore, examining the barriers for these people to return to work and the roles existing policies become very important.

Tianjin is one of the four municipalities directly under the control of the central government. The total registered population is 11 million. The city is a main industrial and business centre and acted as the largest seaport in North China during the era of centrally planned economy. During the economic reform, it suffered from massive unemployment. Some unemployed people found it difficult to return to the labour market and became long-term unemployed. As the local economy became better, the local authorities targeted reemployment and the number of registered long-term unemployed people reduced over time, but it became increasingly difficult to further reduce that number (see Table 1).

Table 1 Unemployment rate and number of long-term unemployed in urban Tianjin

	2001	2002	2003	2004	2005	2006
Urban unemployment rate (%)	3.6	3.9	3.8	3.8	3.7	3.6
No. of long-term unemployed (thousands)	102.6	109.1	48.1	52.0	---	---

Source: Tianjin Statistical Yearbook (various years).

Sampling

The survey was carried out between May and June 2006. The interviewees came from six inner city areas: Heping, Nankai, Hedong, Hexi, Hebei and Hongqiao districts. There are several neighbourhoods in each district. We selected two neighbourhoods each that had the largest numbers of registered unemployed people in the six districts. The committees of each neighbourhood held a registration list of the unemployed. We used these lists to carry out sampling. We selected 83 to 85 people who had been unemployed for more than six months from the twelve neighbourhoods. In total, 1,000 people (500 women and 500 men) were selected, and 831 valid interviewees were obtained. For the purpose of this particular paper, we do not include

the following respondents: 1) people who were working formally but did not report to the local authorities; 2) people who participated in private training. Therefore, the total number of respondents used for the analyses is 724.

The survey took place at the interviewees' homes. They were presented with a questionnaire to fill out in the interviewer's presence. The interviewer would give clarifying answers to the interviewees' inquiries. The questionnaire had seven parts: personal and family details, before unemployment, during unemployment and job searching, current living and earnings, social security coverage, social support and assistance received for reemployment.

Background of the respondents

As shown in Table 2, the interviewees were on average 43.5 years' old. The youngest was 23 and the oldest 60. There were 363 men and 361 women. Most of the respondents were married or had partners. Only 7.7 per cent did not have a partner. They were single, divorced or widowed. Most respondents had high school education or less. About one third completed secondary school or less. 55.5 per cent graduated from high school. About one in eight had higher education. 71 per cent of the respondents did not have officially recognized skills. 81.2 per cent considered themselves to be healthy. Among 18 per cent who had health problems, 36 people suffered from disabilities

Table 2 Descriptive statistics

	Count	Mean	S. D.				
Age	724	43.6	6.8	***Age by group***			
	Count	**%**		Age≤40	206	28.5	28.5
Age>50				40<Age≤44	184	25.4	53.9
No	588	81.2		44<Age≤48	152	21.0	74.9
Yes	136	18.8		Age>48	182	25.1	100.0
Sex				***Marriage status***			
Male	363	50.1		married or cohabit	668	92.3	92.3
Female	361	49.9		Single, divorced or widowed	56	7.7	100.0
Educational level				***Skills level***			
Secondary school+	230	31.8	31.8	Medium+	114	15.8	15.8
High /vocational school	402	55.5	87.3	Primary	97	13.4	28.2
Higher education	92	12.7	100.0	No skill	513	70.9	100.0
Health				***Disability***			
No health problems	587	81.2	81.2	No disability	688	95.0	95.0
In poor health	136	18.8	100.0	Has disability	36	5.0	100.0
Parents living together				***Children in education***			
Yes	190	26.2	26.2	No	258	35.6	35.6
No	534	73.8	100.0	Yes	466	64.4	100.0
Have working				***Have unemployed children***			

children							
No	634	87.6	87.6	No	652	90.1	90.1
Yes	90	12.4	100.0	Yes	72	9.9	100.0
Partner in employment				***Owe money to others***			
No	472	65.2	65.2	No	476	65.8	65.8
Yes	252	34.8	100.0	Yes	248	34.3	100.0
Sector				***Previous salary ≥1000 Yuan***			
Public sector	419	57.9	100.0	No	463	64.0	64.0
Other sectors	305	42.1	42.1	Yes	261	36.1	100.0
Large company (>1000 employees)				***Quit or fired***			
No	589	81.4	81.4	Fired	680	93.9	93.9
Yes	135	18.7	100.0	Quit	44	6.1	100.0
Unemployment compensation				***Family member's income (Yuan/month)***			
No	221	30.5		X =0	184	25.4	25.4
Yes	503	69.5		0<X≤500	192	26.5	51.9
Contract type				500<X≤1000	280	38.7	90.6
Formal (permanent)	502	69.3		X>1000	68	9.4	100.0
Termed contract/ temporary	222	30.7					
	Count	**Mean**	**S. D.**		**Count**	**Mean**	**S.D.**
Respondent's current income	724	241.0	528.6	***Family members' current income***	724	583.0	596.8
Years worked for pervious employer	722	19.0	8.5	**Income before unemployed**	722	601.9	850.5
Length of unemployment (months)	*724*	*14.7*	*9.4*				

Source: 2006 survey

About 26.2 per cent interviewees lived together with their elderly parents. About 35.6 per cent households had one or more children in education. About 12.4 per cent had working children and 9.9 per cent whose children were also unemployed at the time of the interviews. About 25.1 per cent of the respondents' partners were also unemployed in employment. The average income of the respondents per month is less than 250 Yuan per month. Their family members' average income was more than 580 Yuan per month. The income of other family members is divided into four groups (zero, under 500 Yuan, between 500 to 1,000 Yuan and over 1,000 Yuan), the distribution is shown in Table 2.

Before the respondents lost their job, the mean income was 602 Yuan per month. The interviewees came from all different sectors of the economy. However, a large proportion for the public sector (57.9 per cent) before they lost their jobs. 69.3 per cent worked as permanent employees before they lost their jobs.

The respondents had on average left their previous job 14.7 months ago. About 65 per cent of the respondents had participated in state run reemployment training programs. As expected, most respondents tried to look for jobs in the past year. As time moves on, fewer people continued to search. This could be because that they found a job, started their own business, or simply gave up. About 20 per cent of the respondents relied on the state or their previous work units to find new jobs. The rest would not follow these organized channels.

The unemployment training system in Tianjin

In the city of Tianjin, a series of training policies have been adopted to respond to the national training guideline. According to the ‘Regulations on Offering Subsidies to Free Reemployment Training Programs in Tianjin’ (Tianjin Training Centre, 2006), training schools/institutes would receive subsidies from the government. Prospective trainees should be laid-off workers from the state sector and the urban unemployed. Trainees should have registered with the local authorities and not yet received licences for self-employment. Each person is entitled to one free training course.

Training programs have several categorises. There are financial incentives attached to each program to make sure that the training programs can achieve reemployment results. The first category of training is targeted training, in which the trainees or training schools and future employers sign up agreements. Once a trainee completes the training and has passed exams, the employer will hire them. Training can be offered either by the employers directly to the trainees or by a training school. The total number of hours of each training program is longer than 80 hours. The student who wants to pass the exams should attend no less than 80 per cent of the total number of classes. If after a training program ends, the reemployment rate is higher than 60 per cent, the government will pay 300 Yuan per trainee to the school.

The second category is general training, in which neither the training school nor the trainees have the employers’ guarantee before the program starts. The courses have to be on the state designated set of skills. If a training program is longer than 100 hours, the attendance rate is higher than 80 per cent, and more than 50 per cent of the trainees pass the exams, the school can receive a subsidy of 300 Yuan for each trainee. If within half a year, more than 50 per cent of the trainees become employed, the government will give 200 Yuan to the training institute for each person who finds a job.

The third category of training, which is relatively new, is the entrepreneurship training. The program is designed to help people who want to become self-employed. The training program should be more than 100 hours and if the attendance rate is higher than 90 per cent, at the end of the program, the training institute can receive 300 Yuan per trainee. At least within one month after the program is completed, the training school is required to continue providing consultative services to the trainees. If more than 60 per cent of the trainees start their own businesses and registered as being self-employed with the necessary licences, the government will give 700 Yuan for each successfully self-employed trainee.

Several characteristics can be observed regarding the various dimensions of training policies. First, the focus of training programs is on vocational skills. The financial rewards attached to the reemployment outcomes generate incentives for schools to offer training programs that are more suitable to the demand in the job market. However, what would be counted as being re-employed is a gray area. Whether a short-term temporary job is a case of successful reemployment is not spelt out in the national policies. In practice, it is very difficult for the state to trace the employment status of a former student once he/she graduates from the school. Therefore, though there is no specific policy trying to use training programs to boost informal employment, the built-in financial incentive mechanism almost certainly generates better incentives for the schools to push students into any jobs that are available in the market. Second, there is a shortage of training program aiming at providing basic information and guidelines to help the unemployed be better prepared for the life after unemployment and understand the scenario for reemployment. Third, though participation of training programs can generate a sense of social participation, there is no training program that tries to address the psychological needs of the unemployed. Lastly, there is no specific target about the earning ability of the trainees. Therefore, it is difficult to tell by looking at the policies only.

Take up of reemployment training

The unemployed people in Tianjin are entitled to a 15-day free training course if they are able to prove eligibility. They can select from a wide range of courses, which have to be in the skills training list published by the state (Table 3). Twenty-six types of training courses are reported by the interviewees. The most popular courses are computer, flower arrangement, domestic helping and cooking. It is important to note that though the local state did not deliberately arranging courses for the informal sector, a number of training courses such as flower arrangement and domestic helping, cook, knitting are also suitable for self-employment and informal employment in the labour market.

Table 3 Courses offered by the state-funded training

Course	Count	%	Course	Count	%
Computer	219	30.3	Storage Management	1	0.1
Flower Arrangement	97	13.4	Sales	1	0.1
Domestic Helping	39	5.4	Mobile Phone Repair	1	0.1
Cook	32	4.4	Machinery Maintenance	1	0.1
Electrician	13	1.8	Knitting	1	0.1
Electronic Appliance Repair	11	1.5	Interior Decoration	1	0.1
Nutritionist	10	1.4	Hairdressing	1	0.1
Welding	4	0.6	Estate Management	1	0.1
Car Maintenance	4	0.6	Entrepreneurship	1	0.1
Massage	3	0.4	Driving	1	0.1
Beauty Treatment	3	0.4	Computer Maintenance	1	0.1
Security Guard	2	0.3	Chinese Medicine	1	0.1
Waiter	1	0.1	NA	274	37.9

Total	**724**	**100.0**

Source: Tianjin survey 2006

As shown in Table 4, 64.5 per cent of the respondents participated in the state funded reemployment programs. Women have a higher rate of participation rate than men. People with higher educational levels are more likely to participate in the reemployment programs.

Table 4 State reemployment training participation

	Total		**Sex**				**Education**			
	No.	%	Female	%	Male	%	High school+	%	Secondary school-	%
No	257	35.5	109	30.0	148	41.0	166	33.6	91	39.6
Yes	467	64.5	254	70.0	213	59.0	328	66.4	139	60.4
Total	724	100.0	363	100.0	361	100.0	694	100.0	230	100.0

Note: "Higher school+" includes high school. "Secondary school-"includes secondary school.
Source: Tianjin survey 2006.

Factors that are related to the take up of state funded training

We used a logistic regression model to examine the take up of state-funded training and its relation to other factors. The regression results are reported in Table 5.

Among the social demographic variables, age played a very important role. People who are over 50 are almost twice more likely to take the state run training course than the younger people[1]. Women were much more likely to participate in training than men.

Human capitals have worked differently. Our findings do not support the results suggested in the data from other research based on developed countries (Galasso, Ravallion and Salvia 2004; Tatmolem and Warwicensis 2000, McKenzie and Long, 1995) which suggest that people with higher prior education attainment are more likely to participate in training. This is probably because there was no official requirement on the education background of the prospective trainees. In Tianjin, however, people with primary skills levels are much more likely to take up training than people with no officially recognized skills. This is probably because the people with some skills are more aware of the importance of suitable skills in the labour market. However, people with higher skills are less likely to participate. This might have to do with the fact that they may find the training courses too easy. As expected, disability also affects training participation. However, because of the small sample size, the result is not statistically significant.

The history of employment can be relevant. People who quitted from the previous jobs are more likely to take up training, though it is not significant statistically. A possible explanation for the active participation of people having quitted their jobs in the past is probably because that instead of waiting to be fired, they tend to take a more proactive approach to their life than others.

[1] In Li and Peng (2010), we used the quartile division of age group which shows similar results but were not significant statistically.

Intuitively, when a person becomes unemployed for a longer period, he/she may be more desperate and are more willing to try different means to help them to find jobs. The result in our dataset shows a marginal relationship between the two but indeed positive.

Table 5 Binary logistic regression for training with state funded programs (dependent variable = 1. trained; 0. Not Trained)

Training	Coef.	Std. Err.	z	P>z	[95% Conf.	Interval]
Age (1.age>50; 0. age<=50)	1.94	0.49	2.64	0.01	1.19	3.18
Sex (1. M; 0. F.)	0.54	0.10	-3.43	0.00	0.38	0.77
School age child (1.yes; 0.no)	1.26	0.23	1.3	0.20	0.89	1.79
Disability (1. yes; 0. no)	0.45	0.16	-2.24	0.03	0.22	0.90
Education (high school)[a]	1.05	0.20	0.24	0.81	0.72	1.54
Education (higher)[a]	0.99	0.27	-0.06	0.96	0.58	1.67
Skill level (primary)[b]	2.05	0.56	2.64	0.01	1.20	3.51
Skill level (medium)[b]	0.88	0.29	-0.39	0.70	0.46	1.67
Quit/fired (1. Quit; 0. fired)	1.05	0.02	3.02	0.00	1.02	1.08
No. of months unemployed	1.94	0.78	1.65	0.10	0.88	4.28

Note:
Number of obs.=724 LR chi2(10)=49.19
Prob. > chi2=0.00 Pseudo R2=0.052
Log likelihood = -446.34594
Source: 2006 survey

Informal employment and training

We ask the interviewees who actually participate in the training courses whether they think the courses have been useful to them. We deliberately phrase the question somewhat vaguely so that the idea of usefulness would not be limited to job matching only. About half interviewees report that the free courses are indeed somewhat useful to them. Seventeen percent are indifferent. Another thirty percent are negative. If we further examine the response by the original skills level of the interviewees, as shown in Table 6, people at all different skills levels might find the courses useful for them. Larger proportions of people with medium or lower skill report that the courses are useful to them. However, instead of remaining indifferent, larger proportions of people with medium or lower skill also report that the courses are not useful to them at all.

Table 6 Reported usefulness of training by skill levels

	High	**%**	**Medium**	**%**	**Primary**	**%**	**No**	**%**	**Total**	**%**
Useful	7	43.8	37	54.4	44	60.3	159	52.1	247	53.5
Indifferent	6	37.5	12	17.6	14	19.2	45	14.8	77	16.7
Not useful	3	18.8	19	27.9	15	20.5	101	33.1	138	29.9
Total	16	100.0	68	100.0	73	100.0	305	100.0	462	100.0

Source: 2006 survey

Intuitively, people with high skill levels are overqualified for the basic skills trainings. The research does not find strong evidence that they are much less happy about the courses on offer than other trainees. On the contrary, people without any skills have the largest proportion of unsatisfied trainees. If we look at the reported usefulness by working status, people who are working informally report a greater satisfaction rate with the courses (Table 7). It means that they have really benefited from the courses. However, it is still difficult to tell whether the courses are useful to them because of the content of the training or because of the social network that turns out to be useful.

Table 7 Reported usefulness of training by working status (working informally and not working)

	Not working	%	Working informally	%	Total	%
Useful	96	47.5	151	58.1	247	53.5
No preference	40	19.8	37	14.2	77	16.7
Not very useful	66	32.7	72	27.7	138	29.9
Total	202	100.0	260	100.0	462	100.0

Source: 2006 survey

Regarding the reasons for non-participation, 240 people respond to this question. The results are shown in Table 8. A large proportion of the respondents are not aware that the training courses are free and say that they cannot afford the training. About twenty per cent of the respondents are not sure what they can study. Another group clearly show a sign of lacking in confidence in their learning ability, either using age, intelligence or bad mood as excuses for not studying. There is also an element of distrust in the intention of the training schools.

Table 8 Why did you decide not to take training courses?

	Count	Percent
I want to study, but I have no money.	74	30.8
I do not know what to study.	48	20.0
Even if I had studied, I would still not be able to find a job.	43	17.9
I am too old. I do not want to learn new things again.	25	10.4
I am too slow. I cannot understand anything they teach.	22	9.2
I have no time to study.	16	6.7
The schools only want to make money. I do not think I will be able to learn anything.	7	2.9
I am suffering from health problem and cannot study.	2	0.8
The schools are at inconvenient location.	2	0.8
I am depressed and do not want to study.	1	0.4
Total	240	100.0

Source: 2006 survey

Putting these results together, we can see that the information about the courses and the potentials of the unemployed people are not always well communicated to the Dibao recipients. What is more, it is not enough just to offer skills training. It is equally important to attract people with low confidence or little understanding of the prospect of their future to step into the classroom before they can really benefit from the skills on offer.

The employability outcomes of training

User evaluation of the training programs are important, however it is also important to examine whether trainees are more likely to be able to find jobs in the informal market than the non-trainees. We use a binary logistic regression to examine the relationship between participation in informal employment and five sets of variables. They are demographic variables, household characteristics, characteristics of the previous jobs, benefit received, and job searching variables. The selection of variables are based on the hypothesis that decision to work informally can be a result of financial desperation, willingness to work and the attitudinal acceptance of informal employment as an alternative to formal employment.

As shown in Table 9, what are relevant to whether a person is working informally or not are related to age group, gender, health condition, children and past and expected income levels. The directions of the correlations are as expected. Training is positively related to informal employment participation, though in this model it is not statistically significant after other variables are controlled.

Table 9 Binary logistic regression for informal employment (dependent variable = 1 for information employment)

	Odds Ratio	Std. Err.	z	P>z
Social demographic				
Age>=50 (1. yes; 0. no)	0.52	0.17	-2.01	0.05
Sex (1. male; 0. female)	0.27	0.64	4.74	0.00
Education (high school)a	1.86	0.38	2.08	0.04
Education (higher)a	1.03	0.23	-1.07	0.28
Skill level (primary)b	0.37	0.45	1.67	0.10
Skill level (medium)b	0.92	0.25	-0.88	0.38
Poor health (1. poor health; 0. not poor health)	0.38	0.17	-1.84	0.07
Disability (1. with disability; 2 without disability)	0.34	0.26	-1.35	0.18
Household characteristics				
Have school age children (1. yes; 0. no)	3.87	1.42	3.67	0.00
Have working children (1. yes; 0. no)	1.88	1.98	3.14	0.00
Have unemployed children (1. yes; 0. no)	1.73	1.72	2.91	0.00
Partner in employment (1. yes; 0. no)	1.54	0.38	3.19	0.00
Income of family members (500<x<=1000)c	1.28	0.23	0.30	0.76
Income of family members (x>1000) c	0.70	0.28	-0.74	0.46
Owe money to others (1. yes; 0. no)	0.36	0.16	-0.92	0.36
Previous employment				
Working in public sector in the past (1. yes; 0. no)	1.17	0.23	0.81	0.42
Formal employee (1. yes; 0. no)	0.80	0.26	0.62	0.54
Earned more than 1000yuan (1. yes; 0. no)	0.74	0.11	-2.99	0.00
No. of years in previous job	0.35	0.01	-1.31	0.19
Worked for a large company (>=1000 people) (1. yes;	0.96	0.19	-1.20	0.23

0. no)				
Unemployment				
Unemployment compensation (1. yes; 0. no)	0.98	0.01	-1.27	0.20
Reemployment				
Training (1. Yes; 0. No)	1.11	0.22	0.51	0.61
Using organised job searching (1. Yes; 0. No)	0.75	0.38	2.18	0.03
Expectation				
Expected income (500<x<=1000)d	1.49	0.32	1.85	0.06
Expected income (x>1000)d	0.98	0.42	1.40	0.16

Note:
1. Number of obs = 721; LR chi2(25) = 99.42; Prob > chi2 = 0.0000; Log likelihood = -361.93096; Pseudo R2 = 0.1208
2. a. Education (Secondary) is the reference category.
b. Skill level (No officially recognized skill) is the reference category.
c. “Income of family members =0” is the reference category.
d. “Expected income=0” is the reference category.
Source: 2006 survey

Gaining in earning ability after training

So far we have grouped the respondents by training participation and informal employment. Not all the informally employed have participated in training. In this part of the analyses, we only examine people who were informally employed. A series of independent variables are used in a regression model of log income. Training is included as a repressor to see whether it can help to boost the earnings of the informally employed.

Apart from demographic variables, we mainly include human capital and social capital variables in the analyses. The hypothesis is that higher education and skills level and social network may contribute to the earning ability of the informally employed. Given that the state funded training is set out to enhance employability and earning ability, we want to see whether it is the case in reality.

The income model cannot demonstrate that there is a significant correlation between state-funded training and informal income. What really mattered are age, sex, health and social networking. Interviewees older than 48 earn less than the younger interviewees do. Men on average earn more than women. This confirms the claims made by researchers on women’s unequal position in the labour market. Li and Peng (2009) have carried out more detailed analyses of the gender differences using the same dataset. People who perceive that they are in poorer health conditions also earn less than people who are less pessimistic about their health conditions. It is important to note that this is different from the usual claims that poor health is one of the most serious causes of poverty in China(Liu, Hsiao and Eggleston 1999). What is striking is the impact of socializing. People who are socially withdrawn since they become unemployed are earning less in the informal jobs.

Table 10 Multiple variable regression (dependent variable is log income)

	Co-efficient	Std. Err.	t	significance
Age40-44a	-0.061	0.081	-0.760	0.448
Age44-48a	-0.129	0.086	-1.500	0.134
Age>48a	-0.227	0.094	-2.410	0.016
Sex (1. Male; 0. Female)	0.300	0.065	4.630	0.000
Training (1. Yes; 0. No)	0.097	0.063	1.550	0.123
Education (high school)b	0.118	0.073	1.610	0.108
Education (higher)b	0.135	0.109	1.240	0.216
Skill level (primary)c	-0.094	0.082	-1.140	0.255
Skill level (medium)c	0.128	0.089	1.430	0.154
Poor health (1. Yes; 0. No)	-0.197	0.094	-2.110	0.036
Socialising (1. Not less than before; 0. Less than before)	0.270	0.062	4.310	0.000
Constant	5.901	0.103	57.480	0.000
R-square: 0.186; Adjusted R-square: 0.153				

Note:
a. Age<=40 is the reference category.
b. Education (Secondary) is the reference category.
c. Skill level (No officially recognised skill) is the reference category.
Source: 2006 survey

Psychological wellbeing of the Dibao recipients

In this section, we try to look at the role of training in improving the psychological wellbeing of the underemployed. The psychological wellbeing is observed in three ways: reported life satisfaction; and job searching efforts. The reason that we include job searching efforts as an indicator for subjective wellbeing is that we consider lack of search effort can be a result of mental health issues or poor life satisfaction. This has been discussed in Vansteenkiste et al (2005) and Vansteenkiste et al (2004).

Table 11 shows the factors that may affect life satisfaction. We included the variables that show training participation, reported health conditions (poor health and good health), anticipation of future employment (not working, possible, and definitely working), family relationship (worse since job loss, not worse since job loss), socialising (socialising more, socialising less). We also control the reported mood at the time of the interview to screen out the possible impact of moment of unhappiness on the interviewees perception of their life satisfaction. The results of the regression model show that people who have participated in trainings are much more satisfied with their life than people who have not participated. People who feel that they are in good health are significantly more likely to be satisfied with their life. Steady or better family relationship helps to maintain higher level of life satisfaction. Also, people who are certain that they will be able to find a job and work in the future are more likely to be satisfied with their life

than people who have totally lost hope. Finally, people who socialise more since they lost their jobs are more likely to be satisfied about their life than otherwise.

Table 11 Multivariable regression for life satisfaction (dependent variable: life satisfaction 1-10)

	Co-efficient	Std. Err.	t	P>t	[95% Conf.	Interval]
Training (1. trained; 0. Not Trained)	0.296	0.155	1.910	0.057	-0.009	0.600
Mood (1-10)	0.546	0.026	21.020	0.000	0.495	0.597
Poor health (good health omitted)	-0.336	0.196	-1.710	0.088	-0.721	0.050
Future working (possible)	0.278	0.246	1.130	0.260	-0.206	0.761
Future working (definitely working)	0.549	0.228	2.410	0.016	0.102	0.995
Worse family relationship since job loss	-0.639	0.155	-4.130	0.000	-0.944	-0.335
Socialising (more since job loss)	0.470	0.085	5.530	0.000	0.303	0.637
Constant	1.065	0.327	3.260	0.001	0.424	1.707

Note:

Source	SS	df	MS		
				Number of obs.	= 723.00
				F(7, 715) =	98.63
Model	2699.8	7.00	385.68	Prob > F =	0.00
Residual	2795.8	715.00	3.91	R-squared =	0.49
				Adj R-squared	= 0.49
Total	5495.6	722	7.61	Root MSE =	1.98

Source: 2006 survey

We only look at the job searching efforts of those who are not working at the time of the interview. Some interviewees have participated in training and some have not. We ask whether they have looked for a job in the past two weeks, one month, three months and one year. The cross-tabulation suggests that in all the different periods listed, people who have participated in training are significantly more active in job searching than the rest (Table 12).

Table 12 Job searching by training participation

	Training Participation											
Job	In 1 Year[a]			In 3 Months[b]			In 1 Month[c]			In 2 Weeks[d]		
Search	No	Yes	Total	No	Yes	Total	No	Yes	Total	No	Yes	Total
No	69	83	152	99	134	233	107	157	264	113	175	288

%	44.8	30.4	35.6	64.3	49.1	54.6	69.5	57.5	61.8	73.4	64.1	67.5
Yes	85	190	275	55	139	194	47	116	163	41	98	139
%	55.2	69.6	64.4	35.7	50.9	45.4	30.5	42.5	38.2	26.6	35.9	32.6
Total	154	273	427	154	273	427	154	273	427	154	273	427
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note:
a. Pearson chi2(1) = 8.9083 Pr = 0.003
b. Pearson chi2(1) = 9.1775 Pr = 0.002
c. Pearson chi2(1) = 5.9787 Pr = 0.014
d. Pearson chi2(1) = 3.8569 Pr = 0.050
Source: 2006 survey

Conclusion and policy suggestions

This research provides important evidence regarding the role of state-funded training on the circumstances and behaviour of the Dibao recipients. We argue that the role of training in reemployment should be examined in several dimensions: information dissemination and guidance to reemployment, outcome of reemployment, earning ability and the subjective well-being of the unemployed. This is particularly relevant for the study of informal employment.

Winkelmann (2009) used data of Germany showing that social capital is an important predictor of well-being levels of the unemployed, but there is no evidence that it moderates the effect of unemployment on well-being. In this paper, we try to examine the relationship between training, wellbeing and informal employment.

Our analyses do not support that the employability and earning ability of the trainees have been significantly enhanced by the training programs. It is important to highlight that this result is about informal employment. However, it is not a surprising result. These training courses are not designed to help people to get into informal employment anyway. Also we do not have data to show the proportion of people that have been able to get into formal employment. However, informal employment has indeed opened up new channels of self help and coping. Therefore, there is certainly room for further policy changes to provide the necessary skills for people to become self-employed. The piloting courses on how to start small businesses may be able to serve this purpose.

People who have participated in training are more likely to work informally and have reported better results in terms of psychological wellbeing. However, we need to be more cautious about the interpretation of the results. It is difficult to tell in which direction the causal relationship goes. Is it because people who are happier in nature are more likely to participate in the training programs or is it because training programs facilitate better social participation that make the life after unemployment less miserable? Certainly more research is needed in this respect.

This research offers several insights on the future reform of the training system in China. First, the focus on vocational skills training might be more useful for people who have a clear view about the sector they want to enter in the future. However, a lot of Dibao recipients (57.9 per cent) used to work for the state sector are used to stable employment and are not always comfortable with the fact that they need to take a more proactive approach in job hunting. As a

result, they do not know where to start and what might be most suitable for themselves personally. As shown in our dataset, some Dibao recipients have a strong sense of failure and do not think that they are able to find a job again and they are not confident in their ability to take up a new skill. Without being able to attract these people out of their home, there is little hope to improve the employability of these people. Therefore, supplementary training programs or tutoring services to guide the potential trainees about the prospect in their life, advice on what kinds of training may be suitable for what purposes and what they may expect to get out of the trainings can be valuable. This needs to be done when they first get registered as being unemployed. Second, the horizon of training courses can be broadened. As shown in our research, even if the training courses are not always useful. Participation in training courses is associated with greater life satisfaction. Some methods to help them improve the subjective wellbeing such as training courses or counselling services to encourage them to gain confidence and social capital can be useful.

The newly offered training program to help people to start their own businesses is an important step to recognize the importance of self employment as an alternative to formal employment. This may be the first step. Informal employment is in various forms. Unregistered self-employment, such as street businesses is only one of them. There may also be jobs that are temporarily available in the formal sector, in other informal businesses and in communities. So far, most of these informal employment opportunities are open to potential employees through personal contacts. Training programs have the potential to be transformed into useful networks. This has been achieved with the training programs related to formal employment through signing up agreements with employers. However, with informal employment, the ability of using training programs to provide trainees with more stable working opportunities so as to improve their earning ability is yet developed.

The finding that training even if not designed for people to find even informal jobs is related to the life satisfaction of the Dibao recipients has important implications on broadening the horizon of training. As shown in our regression results, subjective matters such as reported health, family relationship, confidence about the future, and social participation are all related to the level of life satisfaction. These can be important signs showing that some people might have given up. Some of these problems can potentially be avoided by bringing people back to the social life or offering training courses to teach people how to cope with these difficulties.

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Housing for the poor in a large and growing metropolis - Karachi

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Planned and unplanned housing in Karachi

Karachi is the largest urban metropolis of Pakistan, accounting for around 8 per cent of the national population, and a fifth of the country's urban population. Like many other cities of Asia, Karachi's growth has been premised on migration from rural areas, other urban centres, and from beyond national boundaries. Its diverse economic opportunities and relatively open society compared with the hinterland has attracted millions of migrants, refugees, and internally displaced persons, to seek livelihoods and security. The importance of the city as a factor in the livelihood and survival strategies of individuals and communities across the country and beyond keeps coming up in studies of poverty in the hinterland.

The diversity in the regional and ethnic backgrounds of Karachi's population is testament to its openness to outsiders, including people from the poorest and most under-developed regions of Pakistan and beyond. In the story of economic growth and poverty reduction in Pakistan, Karachi and other cities like it will certainly play a critical role. In this regard Karachi is not unlike many other comparable Asian cities – even if the dynamics of migration, opportunities for urbanization, and costs of accessing urban labour markets might be different here compared to other places.

Planned and unplanned localities

The supply of informal housing has been an important factor in Karachi's demographic expansion. Typically, the supply of planned housing has fallen behind population growth, migration and settlement. Precise estimates vary, but it can be safely surmised that well over half of the city's population resides in localities that started life as informal settlements. There are two main methods for estimating the prevalence of informal settlements. One method is topographic. Aerial or satellite images of inhabited areas have been used to measure the covered area of zones that are respectively known, *a priori*, to be planned or unplanned.[1] Smaller surveys of population density in different types of zones are then used to estimate the population in each type of zone.

A second method is to use disaggregated population census data to identify localities by their origins – planned or unplanned – and to count the population listed in each type of locality. The most recent census (Population Census 1998) was used to carry out this exercise. Data were available down to the "census charge circle" level. There were 1,268 of these in Karachi with an average current population of around 10,000 people. Out of these it was possible classify around 84 per cent by their origin. It was found that among these under two-fifth were planned, and a similar proportion were unplanned (Table 1). Another 17 per cent were thought to be mix of

[1] Hasan (1997).

planned and unplanned. The population ratios were in close correspondence with the proportion of localities.

Table 1

	Localities	Population
Planned	39.0	38.9
Unplanned	43.9	43.8
Mixed	17.2	17.3

Source: Author's calculations based on analysis of Population Census 1998 data

The division of the city into originally planned and unplanned zones requires further explanation. It is obvious, for example, that the classification of a zone as "planned" is premised on a prior definition of planni1ng and a reference period of time. Much of Karachi is relatively "new" in the sense that current occupants or their immediate predecessors can claim with some justification that they were the first inhabitants on the land that they presently occupy. Even so, ancient claims, often backed up with proof of continuous residence or documentary evidence, are also active.

Path to unplanned housing and informality

A reasonable cut-off date is 1947 when Pakistan gained its independence, and Karachi underwent a major demographic transformation. It can be argued that localities that existed legally in 1947 – either because they occupied land which was specifically acquired for planned development, or because government authorities agreed to recognize and regularize existing inhabitations – can be treated as the original stock of land or housing. Subsequent additions to the land or housing stock could be classified exclusively as planned or unplanned. As will be shown further below, this binary classification still leaves out many interested and important cases – but it can nevertheless be used as a practical starting point.

The generic story of housing development in Karachi since 1947 is that of the expansion of legal and planned settlements alongside irregular and unplanned localities. In the initial period after 1947 when Karachi witnessed a trebling of its population within a matter of a few years was marked by a proliferation of irregular settlements – even refugee camps – springing up on unoccupied public and private land. While a sub-set of the displaced people who arrived in Karachi were housed in planned or semi-planned zones of the city, a large number were left to fend for themselves.

This pattern continued over the decades – and still continues – with some variations. Successive waves of migration and displacement were accommodated in a similar manner through a mix of planned and unplanned responses. In fact, efforts at planning housing infrastructure were constantly lagging behind the steady flow of migration into the city. Zoning laws and housing regulations which had been set aside as a temporary and emergency measure morphed into a permanent arrangement.

While Karachi is bounded by the coast in one direction, its immediate hinterland consisted of semi-arid and sparsely populated areas. Local communities of pastoralist with ancient claims of

usufruct were brushed aside and the newly-formed Karachi Development Authority (KDA) became the prime municipal body for acquiring and developing land for urban use. Of the land that developed by the KDA for housing purposes however, 52.5 per cent was set aside for housing schemes. Out of this the land allocated for low income settlements comprised a mere 9.15 per cent.[1] In the meanwhile, temporary squatter settlements of displaced people started acquiring traits of permanency through successful applications for public utilities. This pattern continued to be repeated much after 1947 as further land was brought into urban use from surrounding areas, and new waves of migrants put down roots.

Unplanned origins, poverty and residential insecurity

There is a close correlation between unplanned or informally supplied land or housing and poverty. In principle this might be illustrated using statistical data on type of settlement and social and economic indicators of its residents. In fact, such data are not readily available. Some observations are relevant.

First, it is unambiguously clear that the top and bottom of income or wealth distribution are to be found, respectively, in planned and unplanned settlements. There are some exceptions. Parts of the old city of Karachi are congested but nevertheless attractive places of residence for segments of the mercantile elite. Some of these zones owe their origins to unplanned developments which were subsequently regularized. There are also some low-income housing schemes that were planned by municipal or central government to accommodate particular workers. At least when they were first settled these zones would have housed people from low-income brackets – though not perhaps the poorest.

Second, the key operational difference between different types of housing, land or settlements is the security of contract. In elite planned housing colonies as well as non-elite planned housing title is considered to be secure and is backed up with legal and political guarantees. The most prolific high-income housing developments have emerged from the military establishment which acquired land in order to allot residential plots to members of the armed services. Contractual security in these "defense societies" is premised, ultimately, on guarantees vested with the politically powerful military leadership. Other elite housing schemes are also protected against arbitrary contractual violations through being embedded in the formal legal system. At the far end of the spectrum, the poorest reside in make-shift housing which is vulnerable to contractual violations as well as state action for eviction.

Third, the actual market in housing and land is highly responsive to contractual security of ownership and tenure. Housing colonies and schemes that are thought to have strong contractual guarantees attract a significant premium. This means that over time there is a sorting of people of various income and wealth classes into housing or land of different types. There are exceptions, of course, but in general the poorer and the socially marginalized live in more insecure irregular settlements or even in the more insecure segments of relatively secure regularized settlements.

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[1] Raza, Jamil and Kazmi, (undated)

Fourth, the distinction between planned and unplanned, or regular, regularized and irregular is not discrete, but continuous. The division in the city is not a binary one between planned and unplanned, or regular/regularized and irregular settlements or housing types. There are many shades of difference in the level of regularity and security depending upon history, legal status and political backing.

Housing and social protection

Distinct outlook on rural and urban areas

There is a close but under-emphasized connection between housing and social protection. The lack of attention to housing as an explicit concern for social protection in developing countries is surprising given that housing was and remains one of the central features of social protection in most developed countries. In many of the Asian countries including Pakistan, rural housing tends to be examined, if at all, within the framework of land reforms. There is an underlying assumption that there are distinctive rural institutions through which access to housing is organized at the community level. The role of policy is often under-emphasized.

In contrast with rural areas, urban housing is explicitly viewed as a poverty-related issue. The main focus is on slums, shanty towns and migration – in other words with the living conditions of people who move into cities in the search of livelihood or security. It is true, of course, that the issues of shelter, residential security, and housing in urban areas do appear to be quite distinctive from rural areas in most developing Asian economies. Part of the distinction is, indeed, the close association of urban housing issues with migration. It is also clear that by the virtue of higher levels of concentration urban housing issues differ qualitatively distinct from rural areas where it is common to rely on individual or local community-level initiatives for key amenities and services.[1]

Social protection linkages

There are two broad (non-exclusive) ways of looking at housing and social protection, both of which are present in the context of Karachi. First, housing conditions are or ought to be of direct concern to social protection policies. Even if social protection is seen in its conventional form as the amelioration or mitigation of the effects of adverse economic shock, housing would be a key component. In broader views of social protection that incorporate the guaranteeing of certain basic minimum standards of living, the security and adequacy of housing should be regarded as central concerns. In rights-based approaches too residential security and adequacy ought to be near the top of the policy agenda.

The other linkage between housing and social protection is an instrumental one. Nearly all modern social protection instruments operationally identify their beneficiaries with reference territorial jurisdiction, and thus through fixed abode. Entitlements are almost invariably linked to an individual or family's address or place of residence. A fixed abode is a necessary pre-

[1] Typically, self-help or local initiatives suffice for the provision of water, sanitation, fuel, and even land. None of this generally possible in urban areas where there are natural limits to self or local-community provisioning.

condition for participation in virtually all formal economic, political and social activities and not just for gaining access to health, education, unemployment or pension benefits.

Karachi's contribution to broader understanding

The way in which urban housing will manifest itself as a social protection issue will vary between countries and over time. In cities like Karachi with a recent history of large-scale migration – indeed ongoing processes of migration – combined with a relatively permissive policy attitude towards informal provisioning of land, residential security is a precondition for the adequacy and quality of housing conditions. By contrast, cities where regulations concerning land use have remained firm in the face of migration, displacement and population growth, social protection policy will be more concerned about the provision of affordable housing of a minimum acceptable standard.

Karachi's experience is significant in its own right, of course, given the size and importance of the metropolis. As a point of comparison it is of value in at least three ways. The conditions that exist in Karachi are also seen to be replicated on a smaller scale in other parts of Pakistan. Much could be learnt about the future demands on social protection policy in an urbanizing Pakistan by paying attention to what happened, or is currently happening, in Karachi. The same holds true for other cities in Asia and elsewhere urban growth took a trajectory similar to that of Karachi. For other more firmly regulated cities too Karachi's experience holds relevance, as it offers a perspective on alternative historical and institutional routes to developing more inclusive cities.

In the context of Karachi, the regularization of existing unplanned housing stock, and a policy framework for the regularization of future unplanned housing, takes precedence over other issues relating to the adequacy and quality of housing conditions. As pointed out above, over half the population of the city, and an overwhelming proportion of the poor live in housing that was initially unplanned. This implies that a large part of the asset base of the poor in the city consists of property that has uncertain legal or regulatory backing. In principle this exposes the poor and the socially marginalized to two types of vulnerability. They are vulnerable to dispossession on the part of government authorities. They are also vulnerable to exploitative conditions in the housing rental and ownership transactions, since there is little legal protection for their presumed entitlements.

Paradoxically, the existence of a large unplanned and irregular sector in Karachi is itself indicative of the fact that informally acquired rights of possession or tenure do enjoy some level of protection and security. Government schemes for regularization are described in Section 3 below, and the actual process through which individuals and communities from socially marginalized groups have gained residential security are examined in Section 4.

Government schemes for regularization

Policy and political trajectory

The first major national initiative with regard to irregular settlements or *katchi abadi*s came in 1972, when the government initiated the Katchi Abadis Improvement and Regularization

Programme (KAIRP). KAIRP aimed to regularize 2,320 *katchi abadi*s across the country, with a total population of 5.5 million and to provide residents with water, sanitation, electricity, road paving and other social facilities in lieu of the payment of development charges (referred to as "lease charges").[1] The impetus for this programme had come from populist slogans of the first-ever elected government of the country.

The idea of improving and regularizing *katchi abadi*s as a solution for the low income housing shortage was incorporated in the UNDP Master Plan for Karachi which was to run from 1974 to 1985.[2] As a result, the Karachi Metropolitan Programme (KMP) was set up by the Master Plan Department and assigned responsibility for providing housing for low income groups. Some large irregular settlements in Karachi – notably the working-class Lyari quarter in the old part of the city – were regularized and formally leased under this initiative.

There were further announcements – such as one by the president in January 1978 – promising the regularization of unplanned settlements.[3] KAIRP had developed a list of 198 settlements (that existed on or before 1st January 1978) that were to be regularized. Of these, the settlements in Baldia Township (24,500 plots), Gulbahar, Old Golimar, Bhutta Village and Orangi Town became regularized Katchi Abadis, and were leased to their occupants by 1982.

The main watershed, however, was the Sindh Katchi Abadi Act of 1987 which provided a comprehensive legal and administrative framework for the process of *katchi abadi* regularization. This provincial law (which was mirrored by corresponding legislation in other provinces) came as a buttress to a political announcement on 23 March 1985 that all unplanned settlements of at least forty households that were in existence on that day would be regularized. The law led to the formation of the Sindh Katchi Abadi Authority (SKAA) which was mandated to notify, regularize and upgrade all existing *katchi abadi*s in the province within five years (from 1987 till 1992).

Process of regularizing a katchi abadi

The SKAA process of regularization requires residents of a *katchi abadi* to make an application with the authority submitting documents that provide proof of residence.[4] The authority then verifies these documents and in particular the claim that at least forty households resided at the locality on or before the amnesty date (initially 23 March 1985). The SKAA also commissions a site survey which results in the mapping and demarcation of the land area, and the identification of the legal owner. In most cases the legal owners are government agencies and departments.

The feasibility report for the issuance of notification of a *katchi abadi* includes details such as a physical survey plan illustrating the exact area and boundaries of the *katchi abadi*; and a list of occupants, together with documentary proof that they had been occupants of the land before the

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[1] Hasan (1997).

[2] The government of Pakistan and KDA set up the Master Plan Department (MPD) with the help of the United Nations (particularly UNDP).

[3] This announcement was later covered by Martial Law Orders (MLOs) 110 and 183 of 1978

[4] Such as National Identity Card (NIC), voter list, electric, gas or telephone bill, ration card, area school certificate, any license (for arms, driving etc), death certificate, birth certificate of the occupant born prior to the date fixed by the Act, or any other document(s) as required by the authority.

designated date. If approved for regularization by the Director General of the authority, development and upgrading are supposed to follow.

When all these processes are completed the locality is officially declared as a regularized *katchi abadi*. At this stage householders have the option of applying for individual lease documents for their property and are notified by the SKAA of the lease payment schedule. The payment schedule varies with the size as well as the category or 'zone' of the plot. Plots are categorized into five zones: residential, residential/commercial, commercial, amenities, and those for religious uses.[1] Under the regulations only leased individual possession is protected, and unleased plots can be evicted and demolished without compensation.

Coverage

The SKAA data of 2005 identified 539 *katchi abadi*s in Sindh, of which 483 qualified for regularization. Out of these 278 of these were located on city government land and of these 274 were regularized by the municipal authority. In addition, the provincial government departments regularized 105 settlements which were located on land formally owned by the province. In all over 120,000 individual leases were granted up to around 2006.[2] This number is a small proportion of the total number of homes in *katchi abadi*s that have been qualified for regularization. Once a settlement has been recognized its residents see little additional need for paying lease fee for individual title, as they are assured that the settlement as a whole would not be evicted or demolished. The recognition of a settlement also sets off processes of upgradation and development, regardless of whether individual plots are leased or not.

Regularization, mobility and marginalization

The description of the evolution of government schemes for regularization focuses on the macro level political and institutional changes since the 1970s when housing policy was first brought into what might be called a transformative social protection framework. The actual progress of regularization and its effect on mobility and marginalization can be better understood with reference to community-level observations. In this section a number of community and individual cases based on fieldwork in Karachi are summarized in order to draw out some salient lessons.

Dimensions of social marginalization

Before describing community and individual cases it is necessary to say something about the dimensions of social marginalization that are thought, *a priori*, to be significant in Karachi and Pakistan. Five broad dimensions – patriarchy, citizenship, caste/kinship, class/occupation, and ethnicity/religion - are known to be important. While inter-connections between these do need to be understood, they also require distinct treatment. It has widely acknowledged that these dimensions of social marginalization severally and jointly condition individuals', families' and entire communities' access to the formal economic and political institutions.

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[1] Ali and Ali (2005)

[2] *Improvement of* Katchi Abadi*s and other Low Income Housing*. (Karachi Mega City Sustainable Development Program). Asian Development Bank. [Draft]

Patriarchy - systematic social norms and institutions that place women (and children) in a subservient position to men - cuts across regions, classes and other social structures. Patriarchy is often seen in conjunction with other sources of social, political and economic disadvantage, and magnifies their impact. Its impact is not only societal but also permeates formal and legal institutions of the state. The legal system, for example, discriminates against women in many ways, notably with respect to property ownership.

Citizenship is relatively simple form of social marginalization at one level. There are significant numbers of residents of Pakistan, particularly in Karachi, who are not citizens of the state. Entire communities have lived and worked in the city under conditions of semi-legality for decades. The most conspicuous are people whose origins are traced back to Afghanistan, Bangladesh and Myanmar. There social hierarchies across and within non-citizens too. Some migrants or displaced persons of Afghan or Bangladeshi origins have found it easier to forge social and political connections with "indigenous" Pakistanis and have therefore established a more secure base for themselves. Others subsist on the margins of urban life in perpetual fear of eviction, detention and even deportation.

Caste and kinship are often used interchangeable in Pakistan to signify communities based on kinship bonds that are reproduced through norms of endogamy. While hierarchical caste relations are also present – as in other parts of South Asia – these are often sustained not through religious ideology but societal norms and political alignments. While precise forms of social organization vary across Pakistan – and by virtue of being a migrant city within Karachi – the kinship bond is an important glue that holds things together.

Many of the caste groups in Karachi trace their identity to class and occupation. The village society of the rural hinterland, particularly that of Punjab but not of Punjab alone, continues to order caste groups in relation to their class and occupation. Traditional menial and service castes face labour market segmentation and thus barriers to economic mobility. The process of migration to Karachi opens new economic opportunities but even in the urban economy there remains a tendency for labour market segmentation. Then there are numerous groups that are traditionally regarded as itinerant – or people without fixed abode – who are found on the margins of the economy in activities such as begging and sex work.

Finally, broader identity markers such as ethnicity and religion are important dimensions of social mainstreaming and marginalization. The state privileges Muslim citizens, and in the process marginalizes citizens belonging to other faiths. Pakistan is a multi-ethnic state where ethnic social and political networks play an important role in institutional access. In some cases ethnicity is linked to caste and kinship – with ethnic groups acting like supra-kinship coalitions. In other instances ethnicity and religion allow people to cut across barriers such as citizenship to have access to viable networks.

Irregularity and insecurity

Micro-level perspectives for this paper are provided by fieldwork carried out in two large *katchi abadi*s – or settlements that started life as unplanned localities. Both are predominantly made up

of migrant individuals and communities from outside Karachi and even out of Pakistan, even though there is some presence also of "indigenous" communities. One of the two settlements is in the north of the city and will called "North Colony", while the second which is in the south-west of the city close to the coast will be denoted as "South Colony".

North Colony is part of a union council (UC) – which is the smallest unit of urban governance – with a population of around 58,000 in the 1998 population census. The other segments of this UC are all planned settlements with a predominantly upper-middle class population. The population of North Colony was found to be around 21,000, or over a third of the total population of the UC, even though it is estimated to cover only around a tenth of the land area of the UC. South Colony consists of an UC with a reported population of around 41,000 in 1998.

Both colonies were first settled around the early 1960s, even though there are traces of "indigenous" communities with continuous residence nearby going back much further. The land in both colonies is affected by specific geographical features which played a role in the settlement. North Colony is a narrow strip of land adjacent to a natural flood drain which was left unutilized when the area was brought under the city master-plan. South Colony occupies land left vacant between a railway line and mangrove marshes that lead out to the sea. In both cases the land was considered unfit for development and residence under normal town planning conditions.

The first major group to set up residence in the North Colony was a group of laundry workers and their families - traditionally from the *dhobi* menial caste. They were allowed by the city authorities to establish their work premises and living quarters along the drain, in order to serve the incoming middle class residents of the planned colony. In this way the settlement already had weak regulatory sanction, even though the residents did not possess legal title. South Colony got its first inhabitants when "indigenous" families from a neighbouring old city quarter moved their temporarily in order to escape flooding in their own area. They were soon evicted by the police, but then returned in larger numbers with their relatives, and began to establish make-shift homes.

In the North Colony the main legal claimant of the land was the KDA, while in the South Colony the port authorities (Karachi Port Trust or KPT), and the railways were the main official claimants due to the proximity of the port and railway lines. From around the mid-1960s new migrants arrived in both colonies – mostly people from northern parts of Pakistan who had come to Karachi to take up low-tier government jobs. They encouraged their relatives from their home areas and also began to establish makeshift homes. This was happening at a time when a populist government at the national level had announced – but not legislated – protection for squatter and irregular settlements. A 1972 programme for *katchi abadi* regularization and improvement provided a further impetus to community-level initiatives to occupy and settle land.

There was a rapid expansion in the occupied area in both colonies, as well as an increase in transactions of plots of land. These transactions were, obviously, not being conducted within a legal framework, but were informal purchases of actual possession. In each area there were identifiable leaders who were known for their ability to enforce contracts (using strong arm means) and their connections within government departments and agencies. The leaders who

controlled land transactions in both colonies happened to be ethnic Pashtuns who could quickly mobilize large numbers of people (including armed men) at times of conflict or when faced with the threat of eviction. The police generally treated members of this ethnic group with deference and did not generally interfere in their activities within the communities.

The North and South Colonies followed distinct trajectories from the late 1970s onwards, when the main land agent in the North Colony was able to get some level of protection from city authorities through his connection with a federal government minister. Although they still faced threats of eviction, the North Colony residents had acquired greater security in their possession of residential land compared with their South Colony counterparts. Residents of South Colony, particularly the ethnic Bengal and Burmese residents, were vulnerable to harassment and extortion on the part of police, port authority officials and other government agents. The ethnic Punjabi and Pashtun segments of South Colony were less vulnerable to such threats – the former due to their links within the police and the latter because of their reputation for the use of armed force. Although there were still instances of eviction in the North Colony after the process of regularization, the two colonies nevertheless represent clearly different levels of residential security.

The threat of eviction by the police or city authorities is not the only source of residential insecurity. In the early period of settlement – lasting some two decades from the 1960s to the late 1980s – the land agents and their allies were a constant source of contractual insecurity for the poorer residents of North Colony. There were many cases where transactions would not be honoured and people would lose their investments and their homes.

The situation was and remained acute for residents of the South Colony where land agents remained powerful. Insecurity in this colony had manifested itself in the geographic division of the colony between predominantly Pashtun and predominantly Bengali segments. The "sorting" had happened mostly as Bengali residents were dispossessed of their homes – often in return for nominal amounts – and forced to move into cheaper and less inhabitable parts of the settlements nearer the mangrove swamps. Ethnic consolidation of the Bengali quarter, however, had led to a greater sense of security. Residential insecurity was closely correlated with physical insecurity. There were frequent complaints of women facing sexual harassment if they ventured out of their quarter. It was also believe by many that petty crimes in the Bengali area were often patronized by the relatively powerful Pashtun land agents and their allies.

Although the North Colony was generally better off and more secure than South Colony, there were segments within it which were clearly marginalized. There had been an eviction of several hundred homes in 2005 in which the evicted people were mainly "low" caste migrants from poor districts of southern Punjab.[1] They were unable to save their part of the settlement from eviction and demolition despite the fact that the process of regularization had been in place for two decades. There were also two segments within the North Colony where the residents faced problems of access. Both of these happened to have been predominantly inhabited by socially

[1] There were households of the Bagri caste which is thought to be semi-nomadic and often found in marginal economic activities such as begging, road-side vending and sex work.

marginalized groups – or groups at the extreme margins.[1] One of this group consisted of "low" caste Christian migrants from Punjab who are traditionally employed as sanitation workers. The other was a group of ethnic Bengali families, who like their counterparts in the South Colony faced the extra insecurity of being treated as non-citizens. These two groups had found that the more gentrified segments of North Colony had blocked their access to the main road on the plea of crime prevention.

Processes of regularization

The first major interaction between the residents of North Colony and state authorities occurred in 1975, when the municipality attempted to evict and demolish the settlement. The local Pashtun land agents and their allies, however, had already made linkages in political parties whom they approached for support. They reestablished the settlement soon after it was evicted. In 1978 a similar cycle of demolition and reestablishment was reenacted. Around twenty people from the colony were arrested but the court case went in their favour. In the meanwhile the Pashtun land agents began to "sell" possession rights to plots of land to people from other communities. The new entrants were almost exclusively from socially marginalized groups in rural areas.

It was only in 1990 that SKAA commissioned a survey of the North Colony. The initial approach to SKAA was made by the very individuals – notably a Pashtun land agent – who had led the establishment of the settlement in the first instance. According to local residents, the SKAA was cooperative and proactive in facilitating the regularization process. The formal recognition of the settlement within demarcated boundaries meant that the threat of eviction – which has already receding by virtue of continuous occupation – was removed altogether. This also marked a turning point, paradoxically, in the political fortunes of the original Pashtun land agent. People who had bought possession rights from him and then had them regularized through the SKAA were no longer beholden to him or his allies. They were also no longer dependent on his ability to confront the police.

Although much of the settlement was regularized, there were some segments that were left out of the SKAA demarcation. There are conflicting accounts about these. Some local residents claim that the unsurveyed segments were also on public land, and ought to have been regularized. Others hold that these were settled subsequent to the original survey and were therefore not included in the SKAA maps. In the event, these were evicted and demolished without compensation when the city authorities allotted land to a property developer. Residents evicted from this segment – mostly low caste recent migrants from southern Punjab – had taken up rented housing within the North Colony.

The South Colony has not yet undergone the formal process of regularization. The older more established parts of the colony are mostly inhabited by ethnic Pashtuns and Punjabis who enjoy relative freedom from extortion on the part of government officials. The poorer ethnic Bengali segments too, however, have incrementally acquired informal rights of possession through the provision of some public services, notably electricity.

[1] This latter qualification is necessary because other residents of the North Colony would be classified as socially marginalized in the broader landscape of Karachi urban society.

Case of group mobility

Abid is a middle-aged transport worker whose father arrived in Karachi in the 1960s from a rural area in Punjab. He belongs to the Muslim Shaikh kinship group which is at the bottom of the rural caste hierarchy. Abid has been living in North Colony since his childhood. He and members of his extended community have renamed themselves as "Lava" in reference to the name of their region of origin. The have made an attempt to shed their "Muslim Shaikh" identity in favour of a regional marker. This group acquired plots from the Pashtun land agents and developed a small cluster of homes within North Colony. They encouraged the migration and settlement of other Muslim Shaikhs from their own and surrounding villages in Punjab. In their home villages these families are vulnerable to bonded labour. In North Colony, under the new identity marker of Lava, these families have been able to come together as a group to assert their collective rights. Abid is now recognized as a leader of the Lava community – a coherent group identity with recognized leadership would not have been possible in their home villages. Even though he is the community leader, Abid cannot afford to apply for an individual lease for his own home. He and other Lava feel secure, however, that after the recognition of North Colony by SKAA they cannot be dispossessed of their homes.

Case of individual mobility

Meraj is a young man of mixed Bengali and Burmese parentage. His father emerged as a community and religious leader within a segment of the Bengali-Burmese community in South Colony. Meraj's father bought possession of a plot of land from a Pashtun land agent called Irfan in the 1980s. This land was in a low-lying area and they spent about the same amount of cash for landfill. Once this investment had been made another Pashtun land agent called Aslam arrived and claimed ownership of the plot. This man threatened them with the use of armed force. The original vendor of the plot had earlier proposed the marriage of Meraj's sister to yet another Pashtun man called Nawaz. Nawaz then interceded with Aslam on Meraj's behalf and secured the latter's possession of his plot. Meraj's family has become a focal point of the Bengali and Burmese communities in their segment of North Colony and is looked upon for leadership and collective action. The marriage contract with Nawaz appeared to have played a critical role in both securing residential security and some measure of protection vis-à-vis the Pashtun land agents in general.

Conclusion and policy conundrum - regulation or regularization

The relatively permissive policy posture towards housing regulation in Karachi was a contributory factor in migration to the city from other (rural) parts of the country, and from other neighbouring countries. The permissive policy posture was in part due to the influx of displaced persons at a historical moment of political importance – that is, independence and partition related migration from India. It was also helped along by Karachi's geographical conditions and the existence of apparently unused public land in the immediate hinterland. These specific conditions cannot be replicated elsewhere, and hence Karachi's experience with unregulated settlement needs to be read with the requisite qualification. Many aspects of this experience,

however, do apply to other parts of Pakistan and South Asia, and to other Asian and developing countries.

The consequences for the poor and the socially marginalized of this relative permissiveness were undoubtedly a lowering of the transactions costs of migration. Migration to the big city brought people closer to economic opportunities and also held the potential for them to escape some of the socially-mediated labour market segmentation and political exclusion they faced in their regions of origin. The natural corollary of meager social provisioning and weak regulation, however, is that migrants and others faced varying degrees of insecurity in their access to land and housing. The level of insecurity was often correlated with the prior social status and political power of the individual or group in question.

For many of the poor and marginalized groups the move to Karachi – even with its attendant insecurity of tenure or contract – implied an improvement over the conditions they faced in their places of origin. For some those conditions were reproduced or even magnified. The workings of the unplanned sector, left to itself, resulted in highly differentiated outcomes across and within poor and socially marginalized groups. A key factor that contributed to a degree of empowerment was the ability of individuals and families to come together into networks and undertake collective action for public goods and utilities. Mobilisation around residential security was a recurrent theme in stories of collective action and group mobility.

Regularization of unplanned housing has been an important factor in providing residential security to the socially marginalized. It can be seen quite clearly that settlements, communities and individuals that have gained protection through government programmes and laws for regularization have acquired secure assets. Their sense of security extends beyond freedom from the threat of eviction by public authorities. They also gain leverage in their interactions with other individual or groups who might have enjoyed greater political or social power. In settlements where government schemes have been implemented socially marginalized groups appear to have acquired a range of other rights and entitlements. In settlements where such schemes did not function the level of residential insecurity and even physical vulnerability remains high.

The routes through which regularization processes actually work can be varied and complex. The first beneficiaries are typically those who are already somewhat socially or politically connected with formal institutions of government and the economy. There are large premiums to realized for mobilizing groups for regularization of settlements. At the far end of the spectrum it is also possible to observe groups that have been virtually completely excluded from the benefits of regularization due to their uncertain citizenship status, or because they belong to extremely marginalized groups within society. For many in-between groups and individuals within these groups, government schemes offer incentives for mobilization and collective action. Such groups have been observed in the context of Karachi to even reinvent their social identities in order to strengthen their relative positions. Over time the presence of government schemes for regularization have an equalizing impact – at least for many of the in-between groups.

The regularization of unplanned settlements has a number of natural boundary points as an instrument of asset transfer or indeed as a measure for social protection. First, regularization by

its very nature is a one-off asset transfer. Second, the supply of unused land in general, and publicly-owned unused land in particular, is not unlimited. In the case of Karachi there is already a saturation point within the well-defined geographic limits of the city. Third, in the course of urban development, regularization must at a certain stage make place for regulation.

There are good reasons for believing that Karachi and Pakistan are yet at a distance from reaching the boundary point of regulation. There is still a large backlog of residential insecurity despite the existence of the SKAA and other corresponding programmes for over two decades. The supply of land in the periphery of the city is also far from exhausted, as formally rural areas are brought into urban use, with all of the attendant familiar issues of uncertain ownership and vulnerability. It is found, in fact, that the poorest and most marginalized move further away from established settlements where property values and rents become unaffordable. These same people are used by the next generation of land agents to settle new land before it starts its journey along the long path of regularization. Karachi's lessons are also relevant because property rights in the rural housing are often even more heavily mediated through social networks than they are in urban *katchi abadi*s. Regularization of urban as well as rural housing, therefore, can remain on the policy agenda far into the future.

Social Protection Policies for Slum and Pavement Dwellers, India

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Introduction

Indian urbanization is characterized by low level (27.5 per cent in 2001 and estimated to be 30 per cent by mid-200), and low rate (of 2.75 per cent per annum during 1991-2001 decade), on account of low rural-urban migration (just 35 per cent of the urbanization rate is explained by the migration; see Sivaramakrishnan et al 2005), but high level of absolute poverty at 25.7 per cent (80 million urban population is below poverty line) and high multiple deprivations[1]. Scholars in India have argued that low rate of rural-urban migration in India is attributed to lack of employment opportunities in urban areas (Kundu 2003), excluding urban planning regimes (Kundu 2003, Mahadevia 2008a), and like in other developing countries, to anti-migrant bias in the development policy (UNFPA 2007). High urban poverty cannot be attributed to migration to the cities but to the economic structures of the cities (Hashim 2009), capital intensive growth and informalization of urban employment (Unni 2009) and to lack of social security. Lastly, there are institutional inadequacies in the urban areas for reducing deprivations and addressing vulnerabilities.

The urban deprivations emanate from the urban development paradigm, which is modernist one, currently located within neo-liberal idea of 'Cities as Engines of Growth'. The urban development processes (see Hall 1988, Watson 2009, Mahadevia 2008a, Miraftab 2009), have resulted in what Al-Sayyad and Roy (2003) call exploding informalities, or Planet of Slums (Davis 2004) or Shadow Cities (Neuwirth 2006). Besides these, urban land markets are speculative excluding a large section of urban population (for India see Mahadevia 2009a). The state is more often than not highly rent seeking, imposing high transaction costs in the land market. Those who cannot negotiate the land market on account of low affordability, no or low political connections and lack of proof of their urban citizenship, stake claim on the city through finding a place in the informal city. They persist, subvert and sustain in the city, facing multiple demolitions and displacements and negotiating with the political classes in an electoral democracy such as India. In due course of time, they move up in urban hierarchy to attain full urban citizenship. This is a long process, found to span a generation or so.

Urban citizenship is defined through proof of urban residency, which could be any one of these documents: (i) A ration card, either the Below Poverty Line (BPL) Card or Above Poverty Line (APL) Card – A BPL Card ensures access to all available subsidies; (ii) Photo Identity (ID) Card given to slum dwellers at a certain date declared as cut-off date which is 1976 in Ahmedabad; (iii) Electricity bill and receipt of its payment, (iv) voter registration card and (v) now the property tax payment receipt. Households may not have all these proofs. For example, a household may be paying electricity charges and would have a proof of residence established through electricity bill payment receipt but may not have a Photo ID Card given in 1976 at the time of enlisting of all slum households. The local government may take a decision to not provide rehabilitation to

[1] For the data on urban deprivations in India, see Mahadevia (2009).

those project affected household who do not hold a Photo ID given in 1976. In short, urban citizenship is tied to an address in the city, even though in India, the Constitution gives all Indian citizens a right to move freely in the country.

This story is of those who move into the city and have a chance to settle down. There are other categories of urban residents who come to the city seasonally (called the seasonal migrants) or for temporary period of time (called temporary migrants). The former come to the cities to tide over lean agriculture seasons while the latter come to the city attached to a labour contractor in most instances. They certainly do not have a 'legal' address in the city. These two set of urban residents are considered rural citizens and the cities refuse to take their responsibility at all. Thus, the question of their access to subsidized public health care facilities, public food distribution and subsidized shelter programmes[1] and their children's access to public schools does not arise.

Attaining a legal status or permanency in urban areas is termed as attaining tenure. Thus, tenure is defined in the cities in India through possession of some of the documents mentioned above. Tenure is guaranteed through public policy, namely a tenure regularization policy, as the case of Pakistan in a chapter in this book illustrates. Ahmedabad and Surat, two case study cities, do not have any tenure regularization policy. Thus, the tenure status of the informal settlements in these two cities ranges from insecure (prone to eviction) to de facto security (acquired through possession of the above mentioned documents along with an institutional support) to guarantee of occupancy rights. Section 4 discusses at length the levels of tenure security observed in the informal settlements in the two cities, including innovations in tenure security. It also presents the comparative levels of development in the six slum settlements in Ahmedabad and Surat each to illustrated the link between level of tenure security and level of living.

Urban development, according to the Constitution of India, is the responsibility of the state government. Urban development includes provision of urban sanitation – water supply, sewerage, storm water drainage and solid waste management – housing (including slum redevelopment), footpaths and roads, number of other urban services with the exception of education and health among the major ones and urban planning – organizing these activities in the urban space. The urban governments, called the Urban Local Bodies (ULBs) in India, are finally responsible for carrying out the functions of urban development[2]. The state governments directly are responsible for education, primary health care, employment guarantee and possibly the social security system, as an when it becomes functional[3]. In times of shocks, the state governments step in for relief and rehabilitation. The institutional arrangements for comprehensive and universal social protection are as the section 3 illustrates, limited and fragmented. Section 2 introduces the two cities. Section 5, concludes by reflection on policies for social protection in urban India.

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[1] Subsidized housing is now being constructed under a major urban development initiative called the Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

[2] The 74th Constitutional Amendment Act (CAA), enacted in 1992, lists 18 functions as urban development functions to be performed by the ULBs. In most states in India, however, many of these 18 functions are performed by the state governments, with exception of Gujarat and Maharashtra, where all these 18 functions are with the ULBs.

[3] The national government has passed the Social Security Bill. But, it has to be implemented by the state governments, and the latter have to adopt it and make provision in their respective budgets for social security schemes.

This paper postulates that in absence of universal social protection policies in urban India and difficulties of defining urban citizenship, tenure security is important for reducing vulnerabilities in urban India. The research question addressed by this paper is: does land tenure security, henceforth referred as tenure security, enhance access to social protection measures in Indian cities? A supportive question is do different levels of tenure security have different impacts on access to social protection measures?

2.0 Introducing Case Studies

Ahmedabad and Surat, two metropolitan cities located in the state of Gujarat, are the locales for the research. Ahmedabad, with a population of 4.5 million population and an area of 466 sq km[1] and Surat with a population of 3.8 million and an area of 324 sq km[2,3], are the seventh and the tenth largest metropolises of India. While the former has transformed from being a cotton textile manufacturing centre into a service city, the latter is still the largest manufacturing centre of the state[4].

Both the cities have inherited the development characteristics of Gujarat, which, with an urbanization level of 37.75 per cent in 2001, is the third most urbanized large state of India (Sivaramakrishnan et al 2005: 6). The state is the second most industrialized state of India, fourth richest state in terms of per capita income and has remained in top two over the period of economic reforms in terms of industrial investments. But, the state's development path is imbalanced: (i) industrialization is capital intensive, (ii) agriculture sector that employs half the population has stagnated since early 1980s, with exception of now last few years, (iii) large parts of the state are drought prone, (iv) there is high urban-rural inequality, (v) there is high inequality between the metropolitan cities and small and medium towns with respect to municipal incomes (Mahadevia 2006), and above all, (vi) the state lags behind in human and gender development – ranking 6th in Human Development Index (HDI) and in Gender Development Index (GDI) in 2001[5]. Since 2001, the state's standing in health indicators, particularly with regards to infant and child health, have deteriorated. The state is in alarming category in the hunger index, at 13th position among the 17 large states (Menon et al 2008: 5-6). This skewed economic growth path of the state further justifies the location of the study of inclusive urbanization in the state of Gujarat.

Ahmedabad entered a phase of severe crises from late 1980s to late 1990s during which her main economic base, cotton textile mills closed down and a large section of labour force was displaced from organized to unorganized sector (Mahadevia 2002a). The retrenched labour shifted to the powerloom industries at almost half the salaries and to self employment - 37 per cent of males

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[1] From the AMC budget of 2009-10, see http://www.egovamc.com/amc_budget/Budget_2009-2010.pdf, accessed on March 16, 2009.

[2] As per the data from the SMC.

[3] The limits of both the cities was expanded in 2006, through a state government order, in which the city government had very little role to play.

[4] A study by Mahadevia (1998) showed that the Choryasi taluka adjacent to Surat city had the highest investment density in the state in the mid-1990s. A tauka is an administrative unit below district and the latter is the administrative sub-divisions of a state.

[5] Data in this paragraph are from Hirway and Mahadevia (2005) unless specified.

and 65 per cent of the females were self-employed in 1999-00 (Mahadevia 2008b) without any social security. Regularly employed (a large section among them have some social security) workers among the males decreased from about 45 per cent in 1987 to 33 per cent in 1999, over a 12 year period and that among the females also decreased from 30 per cent to 20 per cent (Mahadevia 2008b). A survey of 1000 households in 1998-99 in Ahmedabad estimated that around 75.3 per cent of the total workers were in informal employment, which included 70.2 per cent employed in the informal sector and 5.1 per cent employed in the registered industrial units but having no social or employment security (Unni 1999).

The city, however, has remarkable presence and participation of civil society groups, working as either charity or developmental organizations. The latter have their antecedents in the Gandhian movement and philosophy of volunteerism, whereas the former is attributed to the philosophy of philanthropy that emerges from early capitalism. In fact, the early capitalism of Ahmedabad was entirely indigenous and the capitalist class was forward looking. Ahmedabad's early institutional development is attributed to the indigenous capitalist class, Gandhian philosophy and decisions taken by the leaders of the Indian National Congress (INC) before the independence (Spodek 2002). The elected wing of the city government also had representation of the working class before independence (Spodek 2002).

The city also had many firsts (Mahadevia 2002b). Among them is a partnership-based slum improvement programme named the Slum Networking Programme (SNP) (See Acharya and Parikh 2002, Joshi 2002, Dutta 2002), which extends occupancy rights to the slum dwellers for a specified period of time. The city has introduced property tax in the slums since 2001 and now nearly all the slums, with *pucca* or semi-*pucca* structures have been assessed for property tax.

In contrast, Surat's development does not have any noticeable governance reforms or any notable civil society initiatives. The city is representative of early capitalism's exploitative working and living conditions. In that sense the city is very much Dickensian. For a long time in history, the only had some indigenous household industries such as *zari* (gold and silver brocade thread manufacturing and weaving or embroidering them on silk cloth). But, with the setting up of the industrial estates by the Gujarat Industrial Development Corporation (GIDC) around Surat, in attempt to push industrialization in the state after her formation in 1960, small scale industries developed at a very rapid pace in these estates. One of them is the power-loom industries, firstly located within these industrial estates and then within the residential areas the city. Another small-scale but labour intensive industry is diamond polishing. Power loom and diamond polishing industries are the largest employers of the migrant labour, former employing inter-state and intra-state migrants whereas the latter intra-state migrants. Many of these are single male migrants[1]. Surat's industrial development has been mainly through small-scale industries and this labour is unorganized.

Since economic reforms in 1991, vicinity to coast has brought large capital-intensive industries in the periphery of the city. One such area that houses large capital intensive industries such as petrochemical plant, steel mill, gas-based power plant, fertilizer plant, heavy water plant, etc. is Hazira industrial area, now connected through strip development along the highways. Hazira industrial area has developed as a major industrial area of India and has estimated total

[1] From our field work.

investment of about Rs. 100,000 million and employment of about 5,500 persons[1]. This region has high skilled workers employed in the industries on one hand and low-skilled and unorganized labour in the construction work in the area as well as casual labour in the industries.

Surat and her region has important national contribution in case of industrial development. It has[2]: (i) 42 per cent of the world's and 70 per cent of the nation's total rough diamond cutting and polishing (ii) 40 per cent of the nation's total polished diamond exports, (iii) 40 per cent of the nation's total man made fabric and 12 per cent of the nation's total fabric production, (iv) 28 per cent of the nation's total manmade fibre production and (vi) 18 per cent of the nation's total manmade fibres export.

3.0 Limited and Fragmented Institutional Coverage

We adopt the framework of Social Protection proposed by Drèze and Sen (1991), which lays emphasis on promotional aspects of social protection arguing that the promotional objectives may make protection easier. But, addressing structural inequalities is important for addressing promotional aspects. In market economy such as India, even urban structural inequality is tied to access to land and hence land tenure is extremely important for reducing urban deprivations. Realising this, the Government of India enacted Urban Land Ceiling and Regulation (ULCR) Act, 1976, to redistribute urban land. Its implications on urban land market will be discussed later in the paper. Access to land is also considered to have impact on transformational social protection, as argued in the paper on Pakistan.

As already mentioned earlier, the urban local governments, henceforth referred as the ULBs, Ahmedabad Municipal Corporation (AMC) and Surat Municipal Corporation (SMC) are responsible for basic services provisions in the two cities, except education, health and social security. The latter three are not the mandatory responsibilities of the ULB. Both the cities are strong on public provisioning of water supply and sanitation facilities to the slums. This has been done through using the provision of the Municipal Act of the state government[3], Section 63/2, which provides for use of 10 per cent of the budgetary funds for low income settlements. Both the city governments have been pro-active on this front. Following the extension of basic services in the slum settlements, the city governments have begun levying property taxes on the dwelling units that are *pucca* and semi-*pucca* in nature. This has been seen by the slum dwellers as extension of de facto tenure security by the local government.

Over and above this, both city governments have taken up constructing small houses through funds available under the Jawaharlal Nehru National Urban Renewal Mission's (JNNRUM's) Basic Services for the Urban Poor (BSUP) component. Ahmedabad is expected to construct about 110,000 housing units[4] (about 40 per cent of the existing slum households) and Surat

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1 Surat City Development Plan

2 Surat Municipal Corporation web site - www.suratmunicipal.gov.in on 1/11/08

3 Bombay Provincial Municipal Corporation Act (BPMC).

4 As per the presentation by the Municipal Commissioner of Ahmedabad, IP Gautam, at a National Level Workshop on *Approaches to the Lands for the Urban Poor*, held by the Ministry of Housing and Urban Poverty Alleviation, Government of India and CEPT University, at Ahmedabad on April 17, 2009.

42,000 housing units[1] (about 47 per cent of the existing slum households) under the BSUP. The allocation of BSUP units is to the existing slum dwellers, many of them expected to be displaced through infrastructure projects of the JNNURM. Both the cities therefore are expected to cover a substantial proportion of households living in the slums through the BSUP. It is likely that the recent migrant households are not included in the estimates of the total slum households in the city. There is no housing programme for them in Ahmedabad and Surat at the moment.

The state government's institutional arrangement for education and health care caters to only the rural areas (Hirway and Mahadevia 2005) and the ULBs are extending limited health care and education facilities. Thus, the urban population in general and thus even the urban poor, are largely dependent on the private sector for education and health care. Urban poverty alleviation, like human development, has been left to trickle-down theory now (Hirway and Mahadevia 2005) and even historically (Spodek 2002).

There were some exceptions in the past when the AMC was active in primary education provision. But, over time, primary education has shifted to the private sector from public sector in the city. The number of private primary schools has increased and that of municipal primary schools has decreased over time. There were 906 (63% of total) private primary schools and 539 (37% of the total) municipal primary schools in 2005-06 when a decade back (1995-96), there were 564 (44% of the total) municipal primary schools in the city[2].

Another exception is three municipal general hospitals and a state government hospital in Ahmedabad city. Surat has one municipal general hospital and a state government hospital, although health is a discretionary function of the ULB. But, these are highly inadequate. Since 2006, Ahmedabad Municipal Corporation (AMC) has started Urban Health Centres (UHC), one in every ward[3]. The slum dwellers are using this facility[4] though the extent of utilization has not been researched. The engagement of the government in the social sector in the cities is very limited.

National government's self-employment programme, called the Swarna Jayanti Shaheri Rojgar Yojana (SJSRY – Golden Jubilee Urban Employment Programme), which entails setting up of Self Help Groups (SHGs) has almost no impact in the two cities. In Surat, the SHGs had saved with the SMC, but the system did not work as the officer in charge disappeared with the amount collected as savings from the SHG groups[5].

Urban Gujarat has large many social infrastructure facilities set up and managed by the NGO sector, mainly the philanthropy institutions (Hirway and Mahadevia 2005). Since last three decades, NGOs have been active in service delivery in many cities except Surat. Thus, Ahmedabad has a long history of such organizations, while Surat has only a recent history,

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[1] Data from the SMC.

[2] From AMC Statistical Outline, 2006-07, from http://www.egovamc.com/amc_budget/Outline%202006-07.pdf, accessed on May 10, 2009.

[3] As per the presentation of the Urban Health Society of the AMC at City Level Stakeholders' Workshop under the project 'Inclusive Urbanization – Social Protection for the Slum and Pavement Dwellers in India' held on October 16, 2008, at CEPT University, Ahmedabad.

[4] The slum dwellers of Pravinnagar-Guptanagar told us this when we were conducting the FGDs there.

[5] Told to us by the SMC official Mr. R.P. Patel.

almost post-2000. Two NGOs, the Mahila Housing Trust (MHT) and Saath, have been active in slum housing and community development for a long time in Ahmedabad City, which would be discussed later.

Saath, an NGO has begun the Umeed programme for training the slum youth and placing them in the private sector jobs and Sakhi programme for the women wanting to work as domestic help. Umeed programme has been adopted by the state government and has attempted to upscale the programme. What distinguishes this programme from the earlier ones is that Umeed is targeting the training for placing the youth in the globalizing economy as against the earlier attempts of training for low value product manufacturing at home that did not have any market. Umeed programme has seven training centres in Ahmedabad[1]. There is no assessment of the programme as yet.

There are small initiatives by the NGOs in urban health awareness area as well as running local area limited health centres. Self Employed Women's Association (SEWA) runs Mahila Swasthya Kendra (Women's Health Centre) for primary health care and awareness programme. Together in Surat and Ahmedabad, the population targeted by this programme by SEWA is 1.4 million[2]. The NGO efforts mentioned here are by no means comprehensive but indicating only fragmented nature of the coverage.

In Surat, a human rights group, Navsarjan, which is run by the Jesuist priests, has graduated from legal literacy and rights campaigns to assisting slum dwellers in forming associations and accessing micro finance and basic services. There are other small NGOs working in the city, however, with limited coverage of their activities.

As far as the new migrants are concerned, there is nothing in the policy realm, and very limited efforts by the NGOs. To our knowledge, one NGO works with the construction labour and given that the construction labour are mainly recent or temporary migrants, the NGO is engaged in addressing the issues of wages and work environment of the migrant construction workers. Otherwise, in terms of policies there is nothing. The migrant labour are left to their own devices to integrate within the urban system and hence for them also, tenure matters. In times of any external shock, such as the economic crises now or the communal violence of 2002 in Ahmedabad, migrants cope by returning back to their place of origin and return back after normalization.

Paradoxically, as we will see in the next section, the ULBs have been pro-active in extending basic services such as water supply, sewerage and drainage lines, paving and street lights in the slums, they are totally inactive in addressing other deprivations, which have been left to the market or non-governmental sector. Pro-active extension of basic services in the slums has led to extension of de facto tenure rights in these slums and hence has been discussed in the next section on tenure levels and innovations.

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[1] From http://www.saath.org/saath/index.php?option=com_content&view=article&id=71&Itemid=78, accessed on May 10, 2009.

[2] As per presentation of Vimo SEWA at a City Level Stakeholders' Workshop under the project 'Inclusive Urbanization – Social Protection for the Slum and Pavement Dwellers in India' held on October 16, 2008, at CEPT University, Ahmedabad.

3.1 Addressing Risks

We have explained through a Table in Mahadevia (2009b), taking from the framework presented in Lustig (2001), that the public policies, which are very important for risk mitigation and more so for risk reduction are weak in Gujarat. In their implementation, the state has sought the help of non-state actors, but, the coverage of such partnerships has been weak. The urban poor households have been left to their own devices to cope with risks and take measures to mitigate risks. For coping with risks, the non-state actors, mainly the NGOs, have shown much higher capability than the state, as illustrated through the relief measures post 2001 earthquake and 2002 communal violence in Ahmedabad[1].

3.2 Institutional Innovations for Addressing Structural Inequalities

Two efforts are worth mentioning; one is the micro finance initiatives and other is the SNP. The SNP and the other efforts towards enhancing tenure security are discussed in the next section. SEWA Bank is the largest micro finance initiative in the state. It has members in both the cities. We are not going into the details of the SEWA Bank financial products and activities in this paper, but briefly stating the coverage of the Bank. In 2007-08, it had 307,558 savings accounts[2] and 103,679 loan accounts[3], which includes loans for housing improvement. SEWA also has insurance programme and a micro pension scheme. The insurance coverage is for 173,331 in the whole of Gujarat State, including rural areas[4]. Besides, SEWA, Lok Vikas Nidhi (LVN), another Micro Finance Institution (MFI) is also working in both the cities to firstly make women save through the SHGs and then extend some of them housing loans. LVN has 9,000 members (all women) through 557 SHGs covering seven cities of the state[5]. Since, the lands occupied by the slum dwellers do not have clear and marketable title, the MFIs have to extend unsecured loans for housing. SEWA Bank's upper limit of unsecured loans are Rs. 50,000 whereas the LVN's loan amount starts with 2.5 times the amount saved in the first borrowing to Rs. 500,000, but, available for all purposes including housing.

4.0 Tenure Security

4.1 Defining Tenure Security

Land tenure can be defined as the mode by which land is held or owned, or the set of relationships among people concerning land or its product (Payne 2000). It is different from property rights. Property rights are defined as "a recognized interest in land or property vested in an individual or group and can apply separately to land or development on it." (Durand-Lasserve and Royston 2002). The tenure is known to be one of the most important steps leading to housing

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1 Based on author's own participation in these efforts post the two events. The civil society has been actively fighting the state complacency in 2002 communal violence in the state even today.

2 http://www.sewabank.com/savings-general.htm (accessed on September 9, 2009).

3 http://www.sewabank.com/overview.htm (accessed on September 9, 2009).

4 As per presentation of Vimo SEWA at a City Level Stakeholders' Workshop under the project 'Inclusive Urbanization – Social Protection for the Slum and Pavement Dwellers in India' held on October 16, 2008, at CEPT University, Ahmedabad.

5 As per presentation of Rajesh Shah of LVN, at a City Level Stakeholders' Workshop under the project 'Inclusive Urbanization – Social Protection for the Slum and Pavement Dwellers in India' held on October 16, 2008, at CEPT University, Ahmedabad.

investments in low income households. Security of tenure is derived from variety of factors associated with the constitutional rights and legal framework, social norms, cultural values and to some extent, individual preference. In simple language a person or a household can be said to have secure tenure when they are protected from involuntary removal from their land or residence, except in exceptional circumstances, and then only by means of a known and agreed legal procedure, which must itself be objective, equally applicable, contestable and independent (UNCHS 2003). Such exceptional circumstances might include situations where physical safety of life and property is threatened, or where the person to be evicted have themselves taken occupation of the property by force or intimidation (UNCHS 2003).

UNCHS (2003) identifies four main factors as contributing to the protection of households from eviction:

- Length of occupation (older settlement enjoy a much better level of legitimacy, and thus of protection, than new settlement)
- Size of settlement (small settlements are more vulnerable than those with a large population)
- Level of unity of community organization
- Support from the third sector organizations like NGO's etc.

There is a debate as to whether land titles ought to be given to the poor, given the available evidences of gentrification when that is done. On the practical side, there are problems of giving clear land titles in many slums because the land transactions are without legal sale deed. In contrast, land rights exist as a part of other rights in society as a whole and we are calling them occupancy rights guaranteed by the state. Rights may cover access, use, development or transfer almost like having land ownership, however without legal documents. Land rights could be ensured through public policy. The SNP discussed below, ensures land rights / occupancy rights for 10 years after the completion of the project.

There is an intermediate stage of tenure security, which is called de facto tenure. Some have argued that continuum of security in informal settlements depends less on exact legal status and more on the occupants' perception of security based on the probability of evictions. This perceived security is attained through passage of time and availability of services in the settlement (Gilbert 2002), the latter made available through households' own efforts or through the efforts of the local government.

4.2 Issues Around Tenure Security in Two Cities

To understand different levels of tenure security, it is essential to discuss the process of formation of informal settlements/ slums in the two cities. In Ahmedabad City, there are two types of low income settlements, majority of them categorized as informal ones: (i) *chawls* or *chalis*, which are one room dwelling units laid in a row and (ii) slums, which are spontaneous settlements developed over time. The former were developed by the textile mill owners as industrial workers' housing in very much a Fordist way. While most of these industries closed down, displacing former workers to unorganized sector, their *chawls* remain and the closed mills' workers and their families continue to occupy these dwelling units, paying rents frozen at

the time[1] the *chawls* were constructed. The *chawls* have gone into disrepair because of low rents – as low as Rs. 7 to Rs. 15 per month; owners are not interested in even collecting the rent; some owners have sold off some dwelling units in a *chawl* to the occupants to recover as much money as they can. This has created a complex situation with regards to tenure. Our field studies have shown that there are disputes between the tenants and the *chawl* owners, there are disputes among the heirs of the original *chawl* owner for the ownership of the *chawl*, some tenants are not paying rent and some rental units have been sold off by the original tenants to the second generation tenants, through taking 'good will'[2] money. Unless, all the tenants agree to resolve the ownership problem, there is no tenure solution for such settlements. There 958 such *chawls* in Ahmedabad City[3]. Surat does not have such industrial workers' housing.

Slums, have originated through squatting on the public lands, largely local government lands and state government lands. Many marginal lands, such as low-lying lands, lands on the riverbank, on the lake-bank, under high-tension lines, etc. are squatted upon and a slum is formed. The land plot reservations under the Master Plan of the city are also squatted upon because the local government is unable to utilize these lands for the purpose they were reserved for. The first Master Plan of both the cities had a Green Belt around the city. This meant that the private lands falling under the Green belt could not carry out any development on these lands, causing loss to the land owners. The land owners, in such cases, organized squatting. This is true for both the cities. Besides, in Ahmedabad, there are 'Trust'[4] lands, which have been either given on long term lease – most of the times on 99-year lease – or rental basis. Some unutilized lands of the Trusts have been squatted upon.

Since 1976, when the ULCR Act was promulgated, lands in access of ceiling were issued notice for acquisition. An ULC Authority was set up, whose jurisdiction was 5 km around the city boundary. With the expansion of city boundary, the ULC boundary would also expand. A large number of the ULC notified lands were therefore in the peri-urban areas, where urbanization took place through the expansion of the informal land markets. The ULC notified lands came under the informal housing sub-market (Mehta and Mehta 1989), many of them in the low-income segment. In fact, the developers purchased the lands at low prices from the land owners notified for land acquisition under the Act and then circumvented the provisions of the Act to bring these lands in the market. The developers purchased these lands from the land owners and acquired a Power of Attorney from the latter to carry out land plot sale. Thus, the original owner's name remains in the land documents, the power of attorney to develop it lies with someone else (the developer) and the buyers make an agreement with the developer to buy a plot of land through a stamp-paper agreement. Such lands remain locked in the informal market and

[1] Because of the Rent Control Act.

[2] Good will amount represents the market value of a rental unit. Since a rental unit cannot be sold by a tenant, and it being a rent control property the original tenant not interested in giving back the property to the owner, a system of 'Good will' amount has developed. It is the down payment taken by the first generation tenant from the second generation tenant and so on.

[3] As per presentation by Municipal Commissioner of Ahmedabad, IP Gautam, at a National Level Workshop on *Approaches to the Lands for the Urban Poor*, held by the Ministry of Housing and Urban Poverty Alleviation, Government of India and CEPT University, at Ahmedabad on April 17, 2009.

[4] Philanthropy organizations are registered under Commissioner of Charity as Trusts and the governing board of a Trust is comprised of Trustees, who volunteer their time to ensure functioning of the Trust. Subsequently, all NGOs have been registering as a Trust.

extending property titles is not feasible in the present land legislation system (Mahadevia and Joshi 2009).

Within these informal systems, there are land disputes emanating from inheritance. The original owners of the lands may have died in due course of time and the slums remain locked up when the land owner is not traceable. It has been nearly impossible to clear the land titles in case of slums on private lands. A slum we are studying in details for community mobilization has such a situation. Sanjaynagar, where MHT has organized women for SNP as well as putting up a waste collective, the original land owner is not traceable and the occupants believe that the AMC is the owner, which is not the case. The ULB could have acquired this land through a legal process but has not done so. The occupants want that they get legal land titles so that they could take securitized loan and invest in housing.

Lastly, there is a case of public lands on which slums are located. Many of such slums are on lands reserved for Green belt, for public utilities, etc. The lands under Green belt, were kept free of any development. But, these being private lands, the owners did not approve of the freeze on their development and invited a developer (operating in the informal market) to take up sub-plotting and sale of plots in the informal market. Pravinnagar-Guptanagar, another settlement where SNP has been implemented and we have undertaken primary research has developed on Green belt reserved land.

Given these dynamics, we find different levels of tenure security in the low income settlements in the two cities. The level of tenure security in the two cities[1] is defined by the following criteria:

1) Length of occupation, through the process of incremental development and patron-client relationship (older settlement enjoy a much better level of legitimacy, and thus of protection, than new settlement). This is established through possession of a quasi-legal document on a stamp-paper indicating date of sale/ purchase of the land/house or both (called stamp paper document). This is not a registered document and hence cannot establish legal property title. Length of stay ensures the availability of the following documents by the household:
   (i) Possession of a Ration Card
   (ii) Possession of a electoral (voting card)
   (iii) Receiving property tax bill and possessing property tax payment receipt.

2) Size of settlement (small settlements are more vulnerable than those with a large population)
3) Public policy decisions such as:
   (i) Issuance of a Photo ID Card by the Urban Local Body (ULB), which is dependent on the cut-off date announce by the ULB.
   (ii) Extension of basic services - water supply, sewerage, drainage, internal road paving and street lights – by the Urban Local Body (ULB)
   (iii) Upgradation under SNP (the current programme) or under any other programme
   (iv) Expansion of property tax network

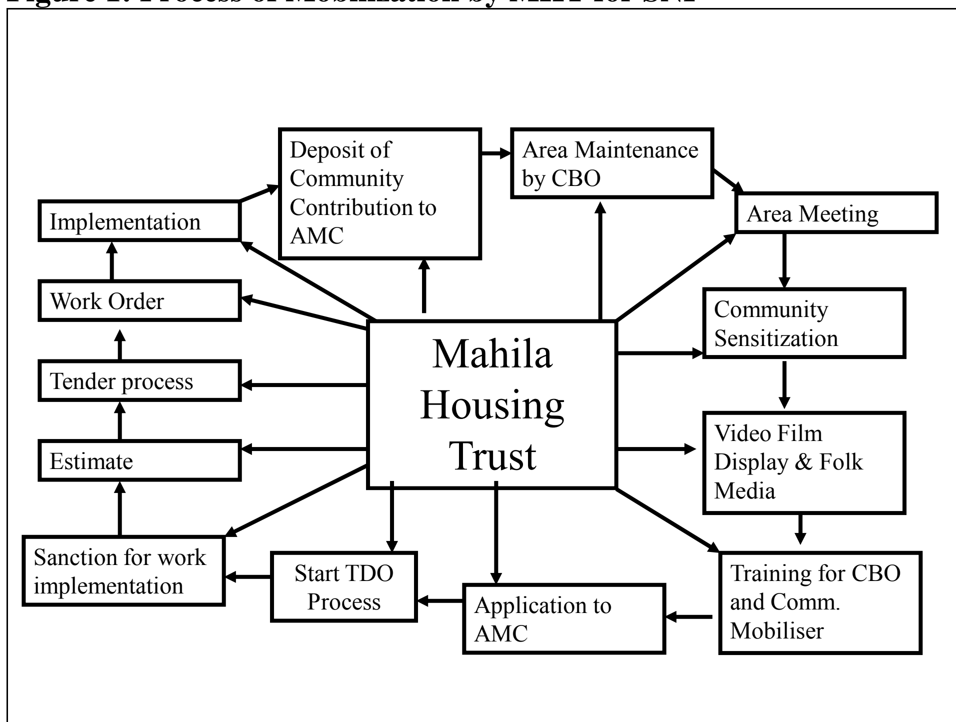
[1] We assume that the factors that determine level of security in other states in India will be different, given the local legal framework and political economies.

4) Facilitation by an external agency – such as the NGO
5) Level of unity of the community or community mobilization

4.3 Institutional Innovations on Tenure

Both the cities have seen institutional innovations on the issue of land tenure, even though the state of Gujarat does not have Tenure regularization policy for extending property rights to the slum dwellers. Ahmedabad City has a Habitat award winning programmes called the SNP, which is a partnership between the AMC and the slum community through facilitation of an NGO. In its first phase, even a private sector partnered; engagement of private sector did not last long. Besides contributing about 80 per cent of the costs of infrastructure provision, the AMC has also partnered through extending 10 years occupancy rights to the SNP slum. In case the slum is on a private land, the permission of the land owner is sought for the same. The NGOs, MHT and Saath, have been active in the SNP in Ahmedabad. The SNP has reached 13,000 households in 60 slums, covering 3.6 per cent of the total slum households in the city.

Figure 1: Process of Mobilization by MHT for SNP



Note: TDO process is to get clearance for the project from the Town Development Officer, in-charge of implementing the TP Scheme[1].

MHT, is a sister organization of SEWA, and the SEWA bank extends housing credit to the households participating in the SNP. Both, MHT and Saath have extensive community level processes for implementing the SNP. The process followed by the MHT is depicted in Figure 1. Intervention in a slum starts with assessing whether the slum can qualify for SNP. For this

[1] TP Scheme means Town Planning Scheme, which is prepared on the principal of land pooling and readjustment technique.

purpose, a survey of 710 and 958 *chawls* was undertaken by the MHT and AMC[1]. This survey was on some 140 parameters, of which, a few, such as on the land ownership, reservation on the plot of land if any, and proposed land use for the plot indicated whether the slum would qualify for improvement. If the slum comes under the category of any reservation of land or any land dispute, it would not qualify for SNP. From the list of slums qualified for SNP, MHT selected slums where they had an active community mobilizer. MHT assists the households to access SEWA bank credit for raising household contribution for the project. Some households have also taken credit for dwelling unit upgradation. Implementing SNP means guarantee of occupancy rights for 10 years from the date of completion of the project but not property rights. Since, property rights are not extended, the slum households can take maximum of Rs. 50,000 as housing loan, subject to other borrowing conditionalities of SEWA Bank. An important conditionality of loan from SEWA Bank is related to the savings behaviour of the household.

Sanjaynagar, a settlement where MHT has implemented SNP is an interesting case. The residents of the settlement had gone through a bitter experience of approaching the AMC for the SNP through the local councillor and contributing Rs. 500 per household in 2002. This did not work out and the slum residents had become sceptics. The MHT approached the slum dwellers through active women of the settlement, contacted these self-employed women engaged in piece-rate work on their work site, which was an open plot of land in the settlement, convinced them to participate in the SNP, took their written consent and started the process with the AMC. All households, the owners as well as tenants contributed Rs. 2,100 for the SNP project. Eventually, the settlement received all basic services from the AMC and occupancy right for 10 years. MHT assisted the women to open accounts in SEWA Bank, get a ration card, which is a very important proof of residence for low income households. The schedule of payment of the households was decided based on its affordability. MHT continuously motivated the households to contribute towards gradual upgradation of the services and then the house. Today, because the slum does not have property rights, they have not constructed a permanent roof and gone vertically up. But, aspirations have risen in the slum; the dwellers are interested in getting property right but, the settlement is on a private land whose owner cannot be traced. Eventually a women's association has been set up and this association also takes contracts for solid waste management in other parts of the city. This Community Based Organization (CBO) is part of a larger network of CBOs set up by SEWA and named Vilasini.

In Pravinnagar-Gupatnagar, Saath has utilized SNP as an entry point to undertake community development and has gone ahead to organize an Urban Resource Centre, URC), an institution for local participatory governance, anchored by the local community. Antecedents of Saath's intervention in this settlement goes back to 1992, when the organization conducted a survey in the settlement and found that the residents wanted extension of civic amenities to the settlement. The organization first intervened in health and nutrition area in 1993, through setting up a dispensary and then in education through first starting pre-school classes and then two schools. Saath got the AMC interested in the settlement and in 1996 begun community mobilization for the SNP. First of all, a women's collective was started. The slum households had to contribute Rs. 2,100 as beneficiary contribution for the SNP, which they were not willing to pay given insecure land tenure, as the slum was on a Green belt land. Saath got an undertaking from the AMC for a five year de facto tenure, which was then extended for 10 years in 2001. This could

[1] Data from the MHT.

be done because technically, this reserved land belonged to the local government. Even this level of occupancy rights extension has led to the households upgrading their house quality and with it has also upgraded their aspirations. The dwellers now want a legal tenure, that is, extension of property rights. Thus, extension of occupancy rights in this slum has led to not just improvement in their quality of life but also upward mobility of their aspirations seeing that the change is possible.

An outcome of these increased aspirations is now setting up an URC in this community. URC is a community level institution which forms a platform for opportunity and knowledge exchange between service users and service providers. URC is functioning to empower slum residents, equipping them with knowledge and confidence to negotiate their entitlements and be part of city planning process. The URC helps act as an information hub and knowledge base. The URC helps people get ration cards and electric connections and with legal matters and tax payment. The URC acts to ensure that the service users have increased reach, choice and efficiency in the delivery of services and to empower them to act as an advocate to get quality and timely services. URC is situated in the settlement and run by its residents only. URC was set up by Saath but in due course has become partner of Saath. This case illustrates a holistic transformation of people's lives begun through extension of occupancy rights in an informal settlement. Along with it, community mobilization, NGO support, size of settlement and its long history as settlement has helped in upgrading the tenure security level. Next section will indicate how this settlement stands out in comparison to the other settlements in the ward.

In Surat, institutional innovation is engagement of the MHT in assisting the local government, the SMC, in extending basic services in some slums. Further, as already mentioned, the SMC has decided to allocate 10 per cent of its budget for improving slums in the city. The SMC lays main trunk infrastructure in the slum settlements and the individual household bears the cost of individual toilet and water supply and drainage connection. For households in, what the SMC calls Economically Weaker Section (EWS) category – indicated through temporary roof and/or temporary walls, even the costs of extending the network to the individual house and constructing an individual toilet is borne by the SMC. In Surat city, by the end of March 2006, about 80 per cent of the slum households were covered by the SMC's basic services programme[1]. But, the level of tenure is decided by whether the slum comes in the list of settlements to be displaced for public works and road widening. Even if these households were to be displaced, based on their residential proof, such as the ration card and recently issued Biometric card, they will be eligible for rehabilitation in the BSUP housing.

Surat has a different dimension with regards to tenure. A very large proportion of slum residents are first generation migrants. Some of them are single male migrants and are not interested in any tenure security and are content with living in rental premises with access to water supply and sanitation. Some of them over time, settle down in the city, bring their families, and shift from rental to self-ownership house in an informal settlement. Even then, a section of them have an idea to return back to their native villages after retirement. Some do not and would therefore want tenure regularization. The squatters on the SMC land have expressed desire for tenure regularization so that they can invest in upgrading the house.

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[1] Information collected from SMC Website on 29/07/2008 and from meeting with Mr. R.P.Patel (Dy. Town Planner), Slum Upgradation Cell, SMC

Both, the local government and the civil society organizations have played role to ensure at least de facto tenure security to the slum dwellers in both the cities. However, the local government is more pro-active in this in Surat whereas the civil society organizations have developed interesting partnership cases in Ahmedabad. But, a full tenure security will be possible only if legal titles are conferred, either on individual basis or collective basis. Gujarat state does not have this policy, but, is considering making one.

4.4 Tenure Security and Level of Living

The question of level of tenure security is assessed from the five aspects mentioned in the previous section. By this we have categorised four levels of tenure status: (i) occupancy right extended under the SNP; (ii) strong de facto tenure extended through presence of an NGO in the settlement and/ or community mobilization, extension of basic services by the ULB and property tax payment receipt; (iii) weak de facto tenure extended through provision of basic services by the ULB and property tax payment receipt and (iv) no security because of threat of eviction, lack of presence of an NGO or community organization and not receiving property tax bill.

Information on six settlements in Vasna ward of Ahmedabad City is presented in Table 1. Settlements from one ward were selected for research purposes to reduce the differences in level of services and population characteristics arising from their locational parameters. Vasna ward is in south-west of Ahmedabad, located along an important North-South axis road called the Ashram road. The ward has many slum settlements. It was a peripheral ward till 2006 when the city boundary was expanded. Basic facilities have been extended to the slums of this ward in last three to four years only, with the exception of the SNP slums where the facilities were extended around 2000-2001.

The settlements are listed in the order of their level of tenure security, from the most secure settlement, which is Pravinnagar-Guptanagar to the least secure, Mangal Talav na Chhapra (temporary dwelling units). The households in Pravinnagar-Guptanagar as well as Jadibanagar have attained occupancy right on account of their development under the Slum Networking Programme (SNP). The Table indicates that all the settlements have similar category of informal work. However, living conditions indicated by variables of physical infrastructure in them deteriorates with the decline in level of tenure security[1]. In short, there are more ‘Yes’ answers as one moves from right to left and more ‘No’ answers when one moves from left to right.

Table 1: Facilities by Level of Tenure, Vasna Ward, Ahmedabad

Settlement name	Pravinnagar-Guptanagar	Jadibanagar	Sorainagar	Omnagar	Yogeshwarnagar	Mangal Talav
Tenure security	**Occupancy right**	**Occupancy right**	**Strong de facto**	**Weak de facto**	**Insecure**	**Insecure**
Population	6,750	550	3,875	3,250	4,000	2,275
No of Households	1317	90	710	650	900	650
Land Ownership	Private	Private	Private	Private	Private	Municipal
Age of the slum	40	35	35	45	40	55

[1] We have completed quantitative survey in these settlements, which will give us answer to how much difference tenure makes with regards to not just improvement in physical conditions of living but also with regards to reduction in other deprivations.

(years)						
Housing condition	*Pucca*	Semi *pucca*	Semi *pucca*	Pucca	Semi *pucca*	Katcha
Occupation - Men	Construction, shop keepers, & insecure private sector jobs	Construction , vegetable vendors	Construction	Insecure jobs in formal-informal sectors	Construction	Jobs in ULB, waste pickers
Occupation - Women	Construction, vegetable vendors, domestic help, tailoring	Vegetable vendors	Domestic help, Tailoring	Housewives	Housewives, Domestic workers	Rag Pickers
Stamp paper agreement	Yes	Yes	Yes	Yes	Yes	No
Property tax assessment	Yes	Yes	Yes	No	Yes	Yes
SNP	Yes	Yes	No	No	No	No
No eviction guarantee under SNP	10 years	10 years	-	-	-	-
Demolition notification	-	–	–	-	–	Yes
Individual water tap	Yes	Yes	Yes	Yes	No	Yes
Water supply for individual taps	Yes	Yes	No	No	–	Yes
Water supply since	After SNP	After SNP	–		–	2 years
Handpump	–	–	Yes		Yes - Illegal	
Quality of water	Good	Good	Average	Bad	Average	Good
Individual Toilets	Yes	Yes	Yes	Yes	Yes	50% H/H
Scheme for toilet construction	SNP	SNP	Individual latrine scheme*	Individual latrine scheme*	Individual latrine scheme*	1000 Rs scheme
Who provided toilets	Saath	MHT	AMC	Households	AMC	Households / World Vision
Individual bath space	Yes	Yes	No	Yes	No	No
Sewer line	Yes	Yes	Yes	Yes	No	Yes
Type of sewer line	Underground	Undergroun d	Underground	Underground	–	Undergrou nd
Scheme for laying sewer line	SNP	SNP	AMC	AMC	–	AMC
Septic well	Yes				Yes- full	
Storm water drainage	Yes	No	No	No	No	No
Garbage collection	Yes	No	No	Yes	No	No
Internal paved roads	Yes	Yes	No	Yes	No	Yes
Street lights	Yes	Yes	Yes	Yes	No	No
Anganwadi**	Yes	No	Yes	No	No	No
Health centre inside the settlement	Yes	No	No	No	No	No
Electricity	Yes	Yes	Yes	Yes	Yes	Yes
Transportation Facilities	Nearby	Nearby	Far	Nearby	Nearby	Nearby
Election Card	Yes	Yes	Yes	Yes	Yes	Yes
Ration Card	Yes	Yes	Yes	Yes	Yes	Yes
BPL Card	Yes	Yes	Yes	Yes	Yes	Yes
Micro finance	Saath & SEWA	SEWA Bank	SEWA Bank	No	No	No

availability	Bank					
Community organization	URC***, Other mandals****	Mahila***** Mandal	None	None	None	None
General Comments	There are many 2-3 story *pucca* houses		Problem of accessibility		Overall in a bad condition	Overall in very bad condition

* Under this scheme, the local government provides materials, namely, 2 bags of cement, door for toilet, pipes and water closet. Construction cost is born by the beneficiaries, through either sweat equity or paid labour.
** Pre-school children centre
*** Urban Resource Centre
***** Collective
***** Women
Pucca house = with wall and roof materials of permanent nature; katch house = with wall and roof materials of temporary nature and semi-pucca is inbetween type.

Source: Field visits

Table 2 below gives similar data for the slums in Surat. However, these slums are located in different wards and were randomly picked up for understanding the dynamics in the city. Here too, there are more 'Yes' answers as one moves from right to left and more 'No' answers when one moves from left to right.

Table 2: Facilities by Level of Tenure, Surat

Settlement name	Apexanagar	Jaijawan – Jaikisannagar	Rasulabad	Dalit Vasahat	Tadkeshwar	Nikhalasnagar
Tenure Status	Strong de facto	Strong de facto	Weak de facto	Insecure	Insecure	Insecure
No of Households	970	1984	350	337	382	NA
Land Ownership	Private	Private	SMC	SMC	Partly SMC & partly private	SMC
Stamp paper available	Yes	Yes	No	No	No	No
Property tax payment	Yes	Yes	Yes	No	Yes	No
Electricity bill receipt	Yes	Yes	Yes	Yes	Yes	No
Housing condition	Permanent	Semi - permanent	Semi - permanent	Temporary	Semi permanent	Temporary
Individual water tap	Yes	Yes	Yes	Yes	Yes	No
Individual Toilets	Yes	Yes	Yes	No	No	No
Individual Bath space	Yes	Yes	No	No	No	No
Sewer line	Yes	Yes	No	No	No	No
Rain water Drain	Yes	Yes	No	No	No	No
Garbage collection	No	No	No	No	No	No
Paved Roads	Yes	Yes	No	No	No	On footpath
Street lights	Yes	Yes	No	No	No	Yes
Anganwadi	Yes	Yes	Yes	No	Yes	No
Health Centre inside the settlement	No	No	No	No	No	No
Electricity connection	Yes	Yes	Yes	Yes	Yes	No

Source: Field visits

4.5 Tenure and Social Protection

This will be quantitatively assessed from the findings of our household survey. However, before that, we have recorded some case studies, which we will present here briefly to indicate the link between tenure security and social protection.

Case 1: This case is of workers displaced from the cotton textile mills living in the rental housing protected under the rent control act. Trivedi (1995) finds that the displaced textile workers could cope because they were not pushed on footpath after losing their formal sector jobs. After employment loss, their children continued to study in the schools. The only difference to their life was that they had stopped maintaining their house regularly as before.

Case 2: This case is of the households employed in Diamond polishing industry in Ahmedabad. The Diamond Polishing units (called the Diamantaires) have lost their business because of the sharp and sudden decline in demand for diamonds since October 2008, an impact of global economic recession (Soni 2008a: 3). Consequently, in Ahmedabad City alone, 80,000 diamond polishing workers have been affected, with no work available since October 2008 (Soni 2008b: 4). Since June 2008, 65 per cent of the business of these diamond polishing units has declined in the city (Soni 2008b: 4). The workers have shifted to other low wage works informal jobs. There are reports that their children were about to loose their school enrolment on account of their families' inability to pay the school fees. But, a report states that, 45 of the 115 schools where their children study, has decided to waive of their school fees and other contributions till the family is able to meet these costs (Trivedi 2008: 4). Thus, ethos of philanthropy in Ahmedabad city has come to rescue of the households affected by this sudden crises.

Case 3: This case is of a vice president of a women's empowerment organization, Nari Shakti Mahila Mandal, set up with the assistance of Navsarjan in Surat. Shantabhen Tukeram Chauhan, now lives in a *pucca*, that is a permanent house, in Tadkeshwar slum. She has invested in raising the plinth of her house to prevent water entering her house during monsoon downpours. She has an individual toilet, individual water supply, a kitchen, electricity connection and three *pucca* rooms of which two have been rented out. The living conditions have improved dramatically from 22 years back when they came to live here, from walking through a knee-high much to what it is now. They were dumped by the SMC on the border of an open drain, after evicting them from the central city.

Shantabhen is an employee of Navsarjan. Her income is Rs. 3,000 per month. She has a sewing machine and she earns Rs. 2,000 from sewing per month. Her husband earns Rs. 7,000 per month through taking contracts in construction industry. Her son and daughter study, the daughter goes to college and the son is in 10th standard in the school. Her income from rent is Rs. 2,000 per month, from which she pays the electricity charges of her tenants as well as the property tax.

She is coordinating the activities of the local savings group of the LVN. There are 25 members in the group and they contribute Rs. 100 per month as savings. A member cannot contribute more than Rs. 100 in the savings group, which is the norm in the city. The savings group operates its own account, with sign of three women members. She is also a member of Rotating Savings and Credit Association (ROSCA), and contributes Rs. 3,000 per month to this *Vishi* (Chit fund). There are 24 members of Vishi and one person's name is selected through lottery for disbursing

money. The person does not have to return the money. Every person's turn to get Vishi money comes after 24 months, that is once in two years. When her turn came, she got Rs. 72,000 from this Vishi, which she used for house extension. She has taken a housing loan of Rs. 50,000 from the LVN and the line of credit has been extended by the Axis Bank, a private sector bank. She has also borrowed Rs. 20,000 from a private financing institution named Sahara India. This amount was also used for housing. In all, she borrowed Rs. 70,000 for housing and got another Rs. 72,000 from the Vishi and in all she invested Rs. 200,000 for upgrading the house. She also got a loan of Rs. 4,500 from LVN for buying a sewing machine. Thus, access to micro finance has helped changing the life of Shantabhen.

Her payments every month for the micro finance activities and other borrowings are: (i) Rs. 100 as contribution to the LVN savings groups; (ii) Rs. 3,000 to the Vishi; (iii) Rs. 2,045 as installment for the housing loan from LVN; and (iv) some amount for repayment of Sahara loan, which will not be more than Rs. 1000 per month[1]. This is affordable as the family's monthly income is Rs. 15,000.

But, the ending of this story is sad. The SMC is going to displace this slum. The slum residents are very worried. The name of the slum is in the list of slums to be displaced. Of the 327 slum settlements in the city, 111, that is about 34 per cent are to be displaced because of planned infrastructure projects[2]. Even though they will get rehabilitated under the BSUP, the household will have to take another loan for the purpose and this investment made will go waste. Thus, even if MFI institutions help in structurally transforming the living conditions of the urban poor, a secure tenure is more important.

5.0 Policy Recommendations

Urbanization is a continuous process of new population being added to the city. But, because of the urban development paradigm, historically imbibed from the Eurocentric urban planning practices, and now matching with the national elites occupying the cities, informality has become a norm rather than an exception in the cities of the developing economies. India is no exception. The neo-liberal developmental state emerging in India since economic reforms (Mahadevia 2008a), has infact, pushed the poor out to the cities and squeezed lands available for their living and working. Nonetheless, the poor have survived and continue to live in Indian cities through subversions and informalities. Urbanization in India is through these processes. As this paper illustrates, taking examples from Ahmedabad and Surat, the poor squat and then inhabit lands with informal or uncertain tenure. They continue to improve their lives through their own efforts and the process gets a boost if an external agency such as an NGO intervenes or the local government extends de facto tenure security through extending basic services or partnering with an NGO for programmes such as SNP.

This paper also illustrates that the efforts for social protection by the state are limited due to institutional limitations. The local state in Gujarat is engaged in provided only physical infrastructure whereas the state government has a mandate to ensure employment guarantee and

[1] She did not say how much.
[2] Data from the SMC.

provide primary education, primary health care and social security. But, the state government has restricted these functions to only rural areas and the poor households in urban areas are left to fend for themselves. Philanthropy and development NGOs have come to assist the urban poor, albeit their best efforts are fragmented and limited. There is a big institutional vacuum as far as extension of social protection efforts is concerned. The ULB in Ahmedabad, the AMC has begun with creating institutions of primary health care, but, these are recent and we do not have any evaluation of their utilization and impact. Thus, the first recommendation of this article will be that the state government assists the ULBs in extending social protection measures in the cities through the structure of decentralized governance mandated under the Indian Constitution[1].

In absence of institutions and policies of social protection, tenure security, even if it is de facto tenure security has assisted in the slum households in reducing their deprivations. However, if an external intervention through a slum development programme such as SNP or even extension of basic services by the ULB, alleviates the slum to de facto tenure security. In fact, the SNP ensures occupancy rights to the slum dwellers for 10 year period. This has led to transformation in the lives of the slum dwellers. When an NGO intervenes and mobilizes a community, even if the SNP is not implemented, the slum moves up the level in tenure security to high de facto tenure security. If the ULB has extended basic services then the slum attains a weak de facto tenure security. This study indicates that there are many levels of tenure security, attained through inaction of the local state (through not displacing informal settlement if not warranted), through pro-active action by the local state in extending services or implementing programme such as SNP, through an NGO's intervention and community mobilization.

This study also shows that eventually, the slum dwellers want a legal title to the property. But, that aspiration comes after they have gone through a process of upgrading their tenure security from informal to high de facto/ occupancy rights category. But, before legal property rights are extended, it is necessary that the right to live in the city is extended through atleast guaranteeing a weak de facto tenure security. This study also shows that tenure is more important for transformational social protection than access to micro finance. Hence, among all the efforts made for promotional as well as transformational social protection, tenure security extension is the most important in case of the urban areas.

Ahmedabad has made transition from a Fordist regime to a neo-liberal regime, creating massive informalization. Surat is a Dickensian city, steeped in vast slum landscapes and migrant housing. Ahmedabad City, being the largest metropolis of the state, represents the aspirations of the state's ruling class – the political and business class – to become a global city in her own right, promoting post-modernist buildings, economic growth centres through enclave development, city beautification projects and low income housing to rehabilitate displaced slum dwellers. The indigenous and bottom-up solution to urban poverty and vulnerability, represented through a programme like the SNP and also MFIs, have been relegated to a backstop, with the state moving in with the grand scheme of projects designed and implemented top-down. The idea of gradual integration of the migrants into city's economy through negotiating local political processes has been replaced by a state-determined citizenship rights granted through schemes such as the BSUP, ID Cards, etc. At the same time, the local state is expanding its welfare role, say through

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[1] Indian Constitution was amended in 1992 through 74th Constitutional Amendment Act, to create ward committees as local governance institution.

setting up of Urban Health Centres. The local state is also attempting to 'include' the slum dwellers for the purpose of increasing 'efficiency' – generating revenue from them as well as sanitizing the city from slums.

Surat, a Dickensian city is sought to change through expansion of the welfare role of the local state. The local state has covered nearly all the informal settlements through basic services network, irrespective of the legal status, the threat of eviction looms even on the serviced slums.

Two cities so selected where there have been innovations. Also cities selected where the local governments are pro-active and also civil society is active. Thus, we find progress with regards to increasing level of tenure security. Thus, a comparative understanding of the levels of tenure security could be developed along with observing differences in levels of living across different levels of tenure security could be observed. With the improvement in tenure security, the aspiration levels of the households change.

Study finds that community mobilization has played a primary role in enhancing tenure security. But, results have been achieved in partnership and without confrontation with the local state. However, the process is slow. The state of Gujarat might as well move towards a tenure regularization policy and then a law. Detailed tenure status analysis will then be required to implement the policy. It is envisaged that the tenure complexity arises from town planning legislation and land legislation. It will be necessary to amend the land legislation, amend the town planning paradigm and legislation, and create participatory mechanisms for implementing these at the local level. To solve the complicated puzzle of tenure, number of policy and institutional changes need to be carried out in the cities. This will only happen when urban planning profession itself becomes inclusive and sensitive to the informal processes of city development observed all throughout urban India and as a matter of fact all throughout urbanizing Asia.

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The rights of urban informal workers and access to social protection: The Philippine experience

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I.Introduction

1. A brief historical overview of the development of the Philippine urban poor and the informal sector

While figures vary on how many they really are in the Philippines, undoubtedly, informality has been a "stubborn" feature of the country's economy the last forty years. The 1950s and 1960s saw the adoption of the Philippine government of import substitution model as a policy to achieve economic growth. The almost twenty-year rule (1970-1986) of the late Marcos administration initiated to implement policies for export orientation. Some Filipino analysts and sociologists opined that repercussions of this policy created the environment in pushing a segment of the Philippine population to take on livelihood activities and to "survive" outside the mainstream economy. The informal sector was estimated to be around ten (10) million then (Apolonio, 2002). Until the middle 1980s and the 1990s, the environment of fierce competition as a consequence of the government-supported economic liberation policy saw the scarcity and deterioration of jobs, thus leaving the unskilled Filipino worker behind.

The own-account workers increased by almost 12 million from 10 million in 1996. Thirty five (35%) of the own-account are women. In this five-year period, the number of female-led informal business increased by 22 % while the male-led informal businesses grew by only 4 percent. Thus, more women are finding themselves into the informal economy for survival (Apolonio, 2002). Hence, from the more than 10 million in the 1990s, the 2002 Labor Force Survey estimated the number to be 22 million or 75% of the almost 40 million labor force and that (Homenet-Philippines, 2006).

Based from 2003 figures of the National Statistical Office (NSO) and the National Statistical Coordination Board (NSCB), at least three out of every ten Filipinos are still locked in poverty. More than half of the almost 78 million Filipinos view themselves as kabus, pobre, or mahirap (the Visayan and Tagalog word for poor). The official unemployment rate is almost 10% but underemployment could be higher than 22% (Gonzales, 2007). According to the National Statisticial Coordination Board (NSCB), forty three (43%) of the country's Gross Domestic Product (GDP) in 2006 came from the informal sector (Cilindro 2008). Of the estimated 14.6 million in 2007 by the Bureau of Labor Emloyment and Statistics (BLES), 40.6% are women.

2. The 2008 Informal Sector Survey

Supported by the UNESCAP, a first-ever nationwide data collection operation of the informal sector was conducted by the Philippine National Statistics Office (NSO). Based from the 2008 Informal Sector Survey (2008 ISS), there were about 10.5 million informal operators identified. These informal sector operators are either self-employed without any paid employee or employee

in own-family operated business or farm. . The self-employed are about 9.1 million while the employer numbered 1.3 million. Other survey results include that four out of ten operators are mostly attain only elementary level education while those who reached secondary education comprised 35.2 percent and only 17.7 percent reached college level. Two-thirds of the IS operators are not only house holdheads but males. Seventy-five percent or three fourths of these IS operators were in the age bracket 35 years old and above.

The UNESCAP supported 2008 IS survey also revealed that ten per cent (11.1%) of IS operators were in CALABARZON, followed by IS operators in Central L uzon and Western Visayas with 8.3 percent and 8.1 percent respectively. The smallest proportion of IS operators were in CAR region. The 2008 Survey release only covers the results in Phase 1 for IS operators based on their primary job (Ericta,2009). Phase 1 was conducted from April 8 to 20, 2008 as a rider to the April 2008 Labor Force Survey (LFS). As a technical note, Administrator Ericta of NSO expressed that the second phase was to obtain data in estimating the contribution of informal sector enterprises to total Gross Domestic Product (GDP) conducted from May 1 to 15, 2008 (NSO, 2009).

3. Social security contribution, benefit structure and the poor including urban informal workers

In the Philippines, around 28.2 million workers or 84.5 % of the employed population are covered by the country's social insurance programme. Compared to the better-off, the poor have less access to and benefit from social security services. The better-off have more accessibility as they reside in urban areas and are knowledgeable about the system (Gonzales, 2007). The security package offered by the social insurance system does not include unemployment insurance. Compared to its Asian counterparts, the Philippines has less than 20% allocation of its annual budget for social insurance. An important safety net to cushion against temporary joblessness is often neglected due to the huge funding entailed; however the Philippine economy has not been generating jobs for the increasing workforce, thus aggravating the problem.

PhilHealth is the national health insurance program which provides Filipinos access to inpatient and outpatient services in accredited medical facilities nationwide. It covers a wide range of membership: indigents, employed, individual paying entrepreneurs, paying elderly members, self-earning and overseas workers. Including indigents, the estimated membership of PhilHealth is 16.26 million or 68.4 million beneficiaries (Social Watch, 2007). While enrolment has been a success, it lags in other areas like delivery of quality care due to its low cost. Efficient management of PhilHealth also faces questions from the public as regards fraudulent claims, a recorded loss of Php 4 billion (USD 87.4 million) due to unnecessary operations, ghost patients and overpriced medicines. Some critics observe politicians using free insurance cards in exchange for votes during election (Gonzales, 2007).

Only 14% of the estimated 15.5 million informal sector members – vendors, self-employed and other informal workers are voluntarily enrolled in PhilHealth (Geduspan, 2008). Due to their

low income and exclusion from Labor or statutory provisions, health and social protection schemes remain inaccessible to them.

II. Rights and access to social protection of the urban informal workers in the Philippine legal system

1. Social Justice and human rights under the 1987 Philippine Constitution

Compared to the previous 1935 and 1973 constitutions, and as the highest law of the land, the 1987 Philippine Constitution has laid down the fundamental tenets of social justice:

" *Art.II,Sec.9.* The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full]employment, a rising standard of living, and an improved quality of life for all.

" *Art.II,Sec.10.* The State shall promote social justice in all phases of national development.

" *Art.XIII,Sec.1.* The Congress shall give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequitites by equitably diffusing the wealth and political power for the common good.

" *Art.XIII,Sec.2.* The promotion of social justice shall include the commitment to create economic opportunities based on freedom of initiative and self-reliance."

In specific reference to labor, the 1987 Constitution further provides that:
" *Art.II,Sec.18.* The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.

" *Art.XIII,Sec.3.* The State shall afford full protection of labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.

It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with the law. They shall be entitled to security of tenure, humane conditions of work and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

The State shall promote the principle of shared responsibility between workers and employers and the preferential use of voluntary modes in settling disputes, including conciliation, and shall enforce their mutual compliance therewith to foster industrial peace.

The State shall regulate the relations between workers and employers, recognizing the right to labor to its just share in the fruits of production and the right of enterprises to reasonable returns on investments, and to expansion and growth.

“ *Art.XV,Sec.3(3)*. The State shall defend:

(3) The right of the family to a living wage and income;

From the mentioned provisions, the 1987 Constitution as the fundamental law of the land, clearly guarantees social justice and protection of labor. It has not only devoted an entire article but has given primacy on human rights and the interests of the common good than that of the few.

2. The Philippine Labor Code

Promulgated in May 1, 1974, the Labor Code of the Philippines (P.D.No.442) is the main piece of labor legislation intended to implement the provisions enshrined in the 1987 Constitution. The provisions are divided into seven (7) areas or Books, namely (Inocian, 2007)

BOOK	**TITLE**	**SUBJECT**
Book I	Pre Employment	Training of Workers and their recruitment for overseas employment
Book II	Human Resource Development	Training of Workers (apprentices, learners and handicapped workers)
Book III	Conditions of Employment	Minimum standards of employment
Book IV	Health, Safety and Social Welfare Benefits	Health and Safety laws and social welfare benefits, particularly SSS and Employees Compensation Commission and State Insurance Fund
Book V	Labor Relations	Rights to union, collective bargaining and negotiations, unfair labor practices and to strike/lock-out
Book VI	Post-Employment	Security of tenure of workers and retirement
Book VII	Prescription, Transitory and Final Provisions	Periods to complain/take action and penalties

Article 3 in the Code reiterates the State’s declaration of basic policy (Feliciano,2002):
“ The State shall afford protection to labor, promote full employment, ensure equal work opportunities regardless of sex, race or creed and regulate the relations between workers and employers. The Sate shall assure the rights of workers to self-organization, collective bargaining, security of tenure, and just and humane conditions of work.”

On one hand, Article 4 also provides:
“ Construction in favor of labor.- All doubts in the implementation and interpretation of the provisions of the Code, including its implementing rules and regulations, shall be resolved in favor of labor.”

Labor laws are divided into two categories of rights (Inocian, Lao, 2007): labor rights and Labor Standards and Social Protection Rights

2.1 Labor Relations

The following are the rights to capacitate and or empower the workers to deal with their employers in relation to negotiations and bargaining and also particularly with reference to the conditions of their work including appropriate mechanisms to address conflicts:

* right to unionism and association
* right to peaceful assembly
* right to policymaking processes involving labor rights
* right to security of tenure

2.2 Labor standards

As minimum standards of the terms and conditions for employers to subscribe, the following are the labor standards:

- wages
- health and safety
- working conditions and rest periods (8 hours work, breaks, meal periods,rest day;holiday, service incentive leave, night differential)
- working conditions for special groups (women, minors, domestic helpers, homeworkers)

2.3 Social Protection

Now recognized as a fundamental human right and an intrinsic component of labor standards, social protection is defined as the "development, delivery and promotion of work-related standards and projects that would cushion the impact of unemployment, lack of access to basic social services, including the occurrence of calamities and force majeure" (Inocian,2007). There are four (4) modes of social protection as provided by law in the Philippines, namely : (1) social security, (2)workmen's compensation, (3) health insurance, and (4) housing.

Mode of Social Protection	**Laws**
Social Security	RA 8282 or Social Security Act which provides protection to the employee and his family " against hazardous of disability, sickness, old age and death…" This has been extended to self-employed individuals, particularly targeting the informal sector
Workmen's Compensation	Governed by Title II Book IV of the Labor Code which provides protection to workers in the event of disability or death
Health Insurance	RA 7875 or the National Health Insurance Act of 1995. This includes the self-employed and the poor who cannot avail of health insurance

Housing	P.D. 1752 or the amended Home Development Mutual Fund or PAG-IBIG which encourages the employed and other income-earning groups to provide for their housing needs by membership in an integrated, nationwide savings system. Coverage of PAG-IBIG is "mandatory upon all SSS ad GSIS member-employees and their employers, although coverage of employees whose monthly compensation is less than Php 4,000 (a month) is merely voluntary.

Application to the informal Sector
The Philippine Labor Code has been viewed to be largely inapplicable and do not equally cover the informal sector due to its emphasis on the employer-employee of relationship as a prerequisite to the implementation of many of its provisions. The applicability varies from " full application, limited to none at all (Inocian,2007)." Since In 2002, it has been proposed to formulate a separate law suiting the needs of the informal sector groups. Table 4 (Inocian, 2007) further illustrates the limited or non-applicability of such labor-related provisions:

Table 4

BOOK	TITLE	SUBJECT	Subtopic	Applicability
Book I	Pre Employment	Training of Workers and their recruitment for overseas employment		Limited application
Book II	Human Resource Development	Training of Workers (apprentices, learners and handicapped workers)		Not applicable
Book III	Conditions of Employment	Minimum standards of employment	Hours of work Weekly rest periods Holidays Service Incentive Leaves Service Charges Wages On Women On Minors On House helpers On homeworkers	Not applicable Not applicable Not applicable Not applicable Not applicable(hotel/restaurants) Not applicable Not applicable Not applicable Not applicable Not applicable
Book IV	Health, Safety and Social Welfare	Health and Safety laws and social welfare benefits,	Medical services Dental services Occupational health and safety	Not applicable Not applicable Not applicable Applicable

	Benefits	particularly SSS and Employees Compensation Commission and State Insurance Fund	Employees Compensation Adult Education	Not applicable
Book V	Labor Relations	Rights to union, collective bargaining and negotiations, unfair labor practices and to strike/lock-out	Right to form unions and associations Right to collective bargaining/mutual aid and protection Unfair labor practices Strikes and lock-outs	Limited application (only associations/cooperatives) Limited application (only for mutual aid and cooperation) Not applicable Not applicable
Book VI	Post-Employment	Security of tenure of workers and retirement	Termination Retirement	Not applicable Not applicable
Book VII	Prescription, Transitory and Final Provisions	Periods to complain/take action and penalties		

In summary, the applicability of the provisions of the Labor Code is shown in the Table 5 (Inocian, 2007)

Table 5

BOOK	TITLE	SUBJECT	WORKERS COVERED		
			Formal	Informal	
Book I	Pre Employment	Training of Workers and their recruitment for overseas employment	Applicable	Subsistence employees	Own account/self-employed
Book II	Human Resource Development	Training of Workers (apprentices, learners and handicapped workers)	Applicable	Limited application	Limited application
Book III	Conditions of Employment	Minimum standards of employment	Applicable	Limited application	Not applicable
Book IV	Health, Safety and Social Welfare Benefits	Health and Safety laws and social welfare benefits, particularly SSS and Employees Compensation Commission and State Insurance Fund	Applicable	Limited application	Not applicable
Book	Labor	Rights to union, collective	Applicable	Limited	Limited

V	Relations	bargaining and negotiations, unfair labor practices and to strike/lock-out		application	application
Book VI	Post-Employment	Security of tenure of workers and retirement	Applicable	Limited application	Not applicable
Book VII	Prescription, Transitory and Final Provisions	Periods to complain/take action and penalties	Applicable	Limited application	Not applicable

2.4 Other Statutes

Below are some of the Philippines social legislations enacted aimed to reduce urban poverty and providing for social protection also affecting members of the urban informal sector members

Table 6

Administration	**Law/Administrative Program**	**Description and Relevance to the Poor and the informal**
Aquino (1986-1992)	Republic Act 6846 (RA) or Social Housing Support Fund Law (Abot Kaya Pabahay Fund Law)	Provides a means for indigent members of the community to acquire low-cost housing
Ramos (1993-1998)	RA 8282 or Social Security Law RA 8425	Provides social security benefit protection to the employee and coverage extended to self-employed particularly the informal sector The creation of the National Anti-Poverty Commission (NAPC) in charge of incorporating the social reform agenda into the development plans of government including anti-poverty programs
Estrada (1998-2001)	Executive Order 138 or Welfare Assistance	Directed government agencies involved in the credite programs to adopt the credit policy guidelines formulated by the National Credit Council
Macapagal-Arroyo (2001 to present)	RA 9178 or Barangay MicroBusiness Enterprises Law of 2002 Manila Metropolitan Development Authority (MMDA)A Resolution 02-28-2002 “One Town, One Product,	This law provides incentives to spur growth of micro-enterprises in local communities and identified the informal sector as the target sector. In this resolution, the MMDA has the authority to remove any obstruction on the streets, avenues, alleys, sidewalks, bridges, parks and other public places in Metro Manila so that roads and highways can be utilized

	One Million Pesos” “Business One Stop Shop”	The program targets to boost domestic market by developing small-medium enterprises, It works by distribution of one million pesos to towns nationwide. Money comes from the President’s Social Fund Designed to eliminate red tape in government, this program makes possible the processing of a business permit in just a day and in one office

2.5 Local ordinance

As an active intervention at the local policy level, the City of Naga under the leadership of Mayor Jess M. Robredo passed the Ordinance No.2004-003 entitled “ An Ordinance Implementing Republic At 9178, Otherwise Known as the ‘Barangay Micro Business Enterprises (BMBE’s) Act of 2002’ In the City of Naga and Formuating Safety Net for Labor Sector”. In this said progressive ordinance, a One-Stop Business Registration Center was established to handle efficiently the registration and processing of permits thus rationalizing bureaucratic restrictions and encouraging small entrepreneurs including informal sector workers to avail of (naga.gov.ph/metropeso/ordinances).

“Growth with equity” is the City’s development framework. In sharing the lessons learned in governance, one of the principles in fighting poverty is by forging tie-ups with civil society (Robredo, 2009). People’s participation in Naga was made feasible through the following: (1) Women Empowerment through Enterprise Development (WEED), a strengthening of the capability of women with entrepreneurial skills through appropriate interventions, (2) Community-based Training for Enterprise Development (CBTED), enhancing the productivity of micro-entrepreneurs and would-be entrepreneurs; (3) Micro-enterprise Development Program (MDP), or assistance to micro-enterprises through technical assistance to eligible projects, and (4) Cooperative Development Program (CDP),or promoting cooperatives through financial assistance.

These programs laid down various channels through which the Naga informal business sector can participate in identifying development priorities. The channels included neighborhood level consultations, sectoral level dialogues to identify issues specific to a particular sector, city-wide referenda to listen to the sentiments of the populace on major city policies and including field surveys to generate an objective assessment in relation to the performance of the City government.

3. International treaties and obligations the Philippine government has ratified

The Philippine government is a signatory, if not, one of the leading signatories to host of international treaties and instruments. It did not only signed the International Covenant on Civil and Political Rights (ICCPR) which provided for provisions on the following: right to

life, right to equality before the law, right not to be subjected to torture, cruel, inhuman or degrading treatment or punishment.

One of the more equally important international obligations the ratified in 1976 by the late President Ferdinand Marcos was the International Covenant on Economic, Social and Cultural Rights (ICESCR). In August 2008, the Philippine government, member of the United Nations Human Rights Council, along with more than fifty (50) member States, unanimously passed the Optioanl Protocol to the ICESCR. Almost 10 years in the making, the Optional Protocol, as a petition and communications procedure could give voice to the poor in the redress of the derogation and violation of their rights such as right to work and livelihood, social insurance and social security, right to proper working conditions, right to adequate standards of living, right to form and join trade unions and the right to physical and mental health, and among other ESC rights.

The Philippines has also acceded to 33 international labour instruments which bind it to respect, protect and fulfill its obligations. A menu of civil, political, economic, social and cultural rights greatly affects the poor, including the urban poor.

III. Toward Realizing the Constitutional Rights Particularly Access to Social Protection and Safety Nets of Urban Informal Workers in the Philippines

1. A government initiative: The conditional cash transfer (CCT) program

Known as the Pantawid Pamilyang Pilipino na Programa (4Ps), the conditional cash transfer (CCT) program is the poverty reduction strategy of the Arroyo Administration under the flagship of the Department of Social Welfare and Development (DSWD). This strategy provides money to extremely poor households to allow the members of the families to meet human development by improving health, nutrition and education. It aims to benefit 321,000 households with half of DSWD's total budget of P 10.5 billion in 2009. For a health package, a household is entitled to P 6,000 a year or P 500 a month. The education package grants P 3,000 for ten months or P 300 monthly per child (Fonbuena, 2008).

This strategy was met with mixed reactions not only from civil society but also from local policymakers in terms of the sustainability and appropriateness of the strategy to address poverty. Some House of Representatives members believe that it has benefited the poor as it has clear set of beneficiaries. On the one hand, former Senate President Franklin Drilon warned that DSWD's P 5 billion conditional cash transfer program was one of the lump sum appropriations of 2009 National Expenditure that might have been President Gloria Macapagal-Arroyo's pork barrel as its release depends on "absolute discretion" of the President or department heads (Fonbuena,2008).

Critics like the Manila church-run Caritas slammed the P 5billion program as " anti-poor" because it allegedly " gives the poor no dignity and only breeds dependency."(Hermosura, 2008). In response, Secretary Esperanza Cabral assured including some questioning policymakers that the "bulk of the beneficiaries" will come from the top 10 poorest provinces of the Philippines. Using the latest Family Income and Expenditure Survey (FIES),the poorest municipalities of the poorest provinces will be identified. Pushing for transparency, DSWD published online the list of cash transfer recipients and has so far listed 337,416 beneficiares as of end 2008. The program was tested in Agusan del Sur, Misamis Occidental, Pasay City and Caloocan City from June to December 2007. Full implementation began in

January 2008 and will run till December 2012 (Hermosura, 2008). DSWD has also allotted P 1 billion for the National Targetting System for Poverty Reduction which aims to generate a database of poor household that can be used for social protection programs at the national and local level.

" Is conditional cash transfer a magic bullet?", a question asked of the controversial AHON-Pantawid Pamilyang Pilipino Program. "No, but it is a powerful means of reducing poverty and increasing human capital formation", a rejoinder from Secretary Cabral of DSWD (Hermosura, 2008).

2. Some Urban Poor Social Protection Initiatives

While civil society and the urban poor welcomes the many laws, programs and interventions addressed to reduce urban poverty the past twenty five (25) years, yet, much is still to be desired in terms of full social protection, regulation and empowerment of the poor. While not large-scale but though community-based, these localized social protection schemes have spelled a difference in the ordinary lives of the urban poor. To mention a few, are the following:

a. The Association of Construction and Informal Workers (ACIW)

A national formation of non-corporate construction workers with a membership of 15,000 in Luzon, Visayas and Mindanao, ACIW, not relying on government programs, endeavored self-help social protection schemes in the following: Piso Program and DAMAYAN. Through the annual dues from its diligent five thousand (5,000) paying members, it is not only able to provide health, burial and death benefits to its members but also including sustained capacity-building skills upgrading and livelihood schemes. Its creative organizing has established centers in Davao, Romblon, Capiz and Metro Metro Manila. Community-based, ACIW's goal is to form a national guild of non-corporate constructions workers. Exercising the right to association and relying on its own self-help funds, ACIW provides every annual due paying member a monthly hospitalization of P 1,500, P3,500 for partial disability, P 7,000 for disability and

P 12,000 as death benefit. At least almost five thousand members (5,000) have availed of any of the benefits.

In partnership with the government's Technical Education and Skills Assistance Authority (TESDA), ACIW's DAMAYAN and skills training program has no let-up since January 2009 (Pelayo, 2009). Trainings in carpentry, masonry, tile-setting, plumbing, welding and Basic safety in building construction were conducted in Romblon, Capiz, Davao. More than two thousand members have been trained in quality construction work the last three years.

b. Katipunan Samahang De Padyak Para sa Adhika ng Kaunlaran KASAMPADYAK), Navotas,Metro Manila

For three years now, members of the association of 2,000 "padyak" (Filipino word for pedal) or small transport drivers in Navotas, have enjoyed accessing modest c social

protection schemes both from their respective local government but also from self-sustaining organizational efforts. Passed in July 2007, Resolution 185 was approved by the Navotas local government under the leadership of Mayor Tobby Robles thus granting every KASAMPADYAK member free PhilHealth and burial benefits. Mutual aid is also annually to every member in the amount of P 700 as financial support for various needs (Lopez,2009).

c. Cebu City Union Vendors Association (CECUVA)

With 8,000 sidewalk vendor members, the Cebu City Union Vendors Association (CECUVA) has fortified its in-house social security including health benefits of its members. To date, its build up funds coming from monthly contribution of its members is already 7 million pesos. With this funds, they are able to generate not only modest capital loans to its members but also social security benefits like sickness and hospital benefits.

3. "Bottom-up" and bases of crafting of a rights-inspired legislative framework or a Magna Carta of Members of the informal sector groups

There are a number of proposed legislative measures related to protecting the rights of members of the informal sector filed at the House of Representatives and at the Senate the the 14th Congress. Introduced by Hon. Danilo Ramon Fernandez, the 21-paged House Bill No.1955 "An Act Providing for Magna Carta for Workers in the Informal Economy, Institutionalizing Mechanisms for Implementation Thereof And for Other Purposes" was filed at the Committee on Labor. House Bill No. 1955 is bannered by MAGCAISA, an aggrupation of some NGOs and informal sector groups.

Introduced by Senator Juan Miguel F. Zubiri, Senate S.O. 1585 entitled "An Act Providing For A Magna Carta for the Workers in the Informal Sector, Institutionalizing Mechanims for Implementation Thereof and For Other Purposes" was filed last Sept.7,2007.

While supporting the above mentioned measures, Economic, Social and Cultural Rights-Asia (ESCR-Asia), in partnership with SALIGAN, an alternative legal group, together with other urban poor and informal sectoral groups reviewed the earlier submitted measures. Some grassroots representatives expressed reservations to some provisions and disagreement to mechanisms proposed, and also of the missing provision which should stipulate recourse mechanisms if violations occur. The proposal to formulate a national law where the concerned urban poor and informal sector groups are themselves involved in the bill drafting was also bolstered by the insight that local government officials have "mixed" and also "confusing" treatment of the urban poor and informal sector groups in terms of recognition of the contribution to the local economy and rights of the sector.

For the last 15 years, these urban and informal groups have been a source not only of local revenues from market taxes and or "kotong" (Filipino term for "protection money", form of undertable payment or bribery) collected by local authorities but also a source of political votes during elections. Officer of the Quezon City Informal Sector Council (WISC), Beltran Abellera (2009) reports to ESCR-Asia that the local government earns at least P 2,100,000.00 from six thousand (6,000) small transport drivers for every three-year renewal aside from the estimated annual P 1.2 million "kotong" (P200/weekly per tricycle driver x 6,000)

collected by barangay officials. The University of the Philippines-Cebu made a study of the arcabala (Filipino term for market fees) that the local government earns from the street vendors. With the daily arcabala of P 35.00 for 5 days for every sidewalk vendor, the local government collects at least P 140,000.00 from half of the eight thousand throng Cebu City Union Vendor's Association (CECUVA), P 700,000.00 a week or P 8,4000,000 a year. Figures vary in every municipality, but indeed, local government units do not remit a single cent to the National coffers, as affirmed by the National Economic Development Authority (Lotilla, 2006).

The " A Proposed Magna Carta of Workers in the Informal Sector, Institutionalizing Mechanisms for Implementation Thereof and Amending for the Purpose Certain Provisions of Republic Act 7160 and Republic Act 8282" , which underwent rigorous consultations with informal sector groups and leaders from the five informal subsectors in Luzon, Visayas and Mindanao in 2008 hopes to provide a one-stop business registration, transparent and systematic collection of dues or minimum tax, thus minimizing or preventing "extortions" from the urban poor.

This 34-paged proposed legislative framework proposes pertinent Sections and provisions. Example, Title II Chapter I on Rights and Benefits of Workers in the informal sector, Chapter II on Empowerment of Informal Sector Workers, Chapter III Social Protection, Chapter V is Security in the Workplace of Vendors, Chaper VI is Security in the Workplace of Small Transport, Chapter VII is Security in the Workplace of Home-based workers, Chapter VIII Rights and Benefits of own Account or Self-employed Informal Workers, Chapter IX is Security in the Workplace of Small Farmers, Chapter X is Security in the Workplace of Marginalized Fisherfolks, Title III Chapter 1 is Special Allocations for Development Initiatives, Chapter II is the formation of the Informal Sector Development Council with due representation from informal sector groups and attached to the National Economic Development Authority (NEDA), Chapter III on the Informal Sector Local Development Office, Chapter IV on the Informal Sector Comprehensive and Integrated Plan and Inter-agency Networking.

Organizing champions not only from both the House of Representatives and Senate but also from select key national government and regional agencies, this grassroots-crafted and rights-inspired Magna Carta hopes not only to provide access to social protection benefits to almost 15 million members of the informal sector but also to provide appropriate regulation, due representation in local government agencies and meaningful planning will harness their full potentials and be effective economic actors.

4. Other Legal Empowerment of the Poor Initiatives in the Philippines

Civil society groups in collaboration with select national and local agencies also upscaled the Legal Empowerment of the Poor endeavors since 2007 through the following: a policy conference on legal empowerment of the poor in July 2007 attended by at least 100 participants from both government and civil society groups, a LEP Caravan, in Cebu, Cagayan de Oro and Zamboanga City where continuing social dialogues and in exchanging

good practices in effective localization of social protection, not mentioning the capacity-building or training activities accorded to informal sector leaders.

To this date, other ongoing initiatives by ESCR-Asia include pursuing curriculum reforms in integrating human rights and the informal economy concerns to public governance and law schools, filing pilot or test cases in courts defending the rights of the informals in relation to humane treatment, work, equal protection before the law, health, adequate food and shelter. ESCR-Asia, is also cooperating with the Office of the Legal Aid of the University of the Philippines and the Free Legal Assistance Group (FLAG)-Visayas in handling test cases for the informals.

IV. Analysis, Observations and Recommendations

Undoubtedly, the Philippines is one of the most socially progressive nation in Asia. Its 1987 Constitution sets forth guarantees for social justice and full respect not only of civil and political rights, but also economic, social and cultural rights as well. These last thirty years encompassing five (5) administrations from the late Marcos to the Macapagal-Arroyo, at least there have been 55 laws and Executive Orders and a minimum of 25 administrative programs and policies that affect the poor in one way or the other. The country has a menu of existing social security programs, services and packages the last twenty years but coverage is inadequate, quality delivery needs to be improved and financing needs to be scaled up though it also falls prey to corruption.

On the access to safety nets and social protection, of the urban poor and the informals, at the onset, let it be stressed that there exists only one economy. The perceived dichotomy between formal and informal economy, in reality is, artificial in nature (Indon, 2007). Formal economies are capital-intensive and growth-based while those that are seen as informal economies are labor-oriented and people-centered. The reality is that they basically interact with one under a single economy (Indon, 2007). The entitlements and or rights that are accessed by the formals are and should be the same rights accessed by the poor particularly with reference to right to social insurance, social security.

There exists a rights deficit for the urban poor or the informals in relation to access to social security. Article 9 of the International Covenant on Economic, Social and Cultural Rights states that " The State Parties to the present Covenant recognize of everyone to social security, including social insurance". Given the nature of their work and excluded from regulation and social protection, they do not enjoy the privilege of being covered by Social Security and PhilHealth. Not only from inhumane treatment in the workplace, the urban poor and informal operators needed to be protected from abuse or be taken advantaged to be asked of protection money (kotong). The full protection and general welfare clause of the Constitution and the Labor Code are inadequate in defining and protecting the informal sector. There is lack of consistency in implementation of the labor standards on social protection laws for the dependent workers (Lao, 2008).

The local civil society and grassroots indigenous social insurance have complemented the inadequacies of government. Based on the few cases cited above, social assistance and

grant-giving to constituencies of sidewalk vendors, “padyak” drivers, non-corporate construction workers and other urban poor have been welcomed. It has even developed micro-finance packages with accompanying capacity or skills-enhancing activities. Community-based life and health insurances are thriving and has in fact helped mitigated the risks for the poor.

On the onehand, despite the mixed efforts and performance of both government and local civil society for the urban poor in providing for social protection including access, the principal responsibility still rests with the Philippine government as the dutybearer. Private entities and civil society can pitch in their share of assistance but the greater task of ensuring and scaling equal access for all services rests with the government.

The country has adequate resources; budget allocation and the technical know-how are not the culprits in the unequal access to safety nets. While reforms are needed in the social security arena to make it more relevant to the situation of the poor, political will is much needed (Gonzales, 2007).

V. Way forward for the social protection and empowerment of the poor.

A wholistic approach is imperative in reducing urban poverty and empowering the poor to be better acters-partners-beneficiaries in Philippine economic development. Eliminating the rights deficit of the urban poor and informals may mean addressing the problem from a governance perspective (ILO, 2002). There is a need to review macroecomic and social policies that affects the poor. A revisit and or a serious review of all existing programs on social protection taking into account the actual situation of the urban poor is needed. At primordial importance is even accounting who and where the poor are (Litong, 2008). The NSO-led 2008 Informal Sector Survey is a laudable effort in making the urban informals more visible, thus scientific data yields to better policymaking and programming.

On the one hand, identifying where and who the poor are not enough. While some Philippine laws are good, some laws conflict. While the adoption of the official definition on the informal sector, which the urban poor comprise, through NSCB Resolution 15, the passage of the proposed Magna Carta of Members of the Informal Sector will be one great step towards ensuring universal access to social protection by all Filipinos.

A two-tiered approach to social protection with emphasis on bottom-up.

Successful national programs to access to safety nets and social security must have corresponding effective localization and clear budget allocations. The best entity to design culturally sensitive and appropriate social protection and delivery mechanisms are the local government units (LGUs) and their constituencies (Indon, 2008). Ensuring wider and deepened grassroots participation in improving access to social protection will indirectly reduce urban poverty in the Philippines.

Indeed the solution and process toward fulfilling the Constitutional mandate of social justice and human rights for the urban poor-informal is longterm. Both civil society and government are inching their efforts to make life a little better for the poor. It may not be totally failing but there is expediency for the latter to rev up not only its priorities, political will but more fundamentally, its genuine care for the poor.

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Assessing The Impacts Of Social Safety Net Programs On Urban Poverty In Indonesia

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1. Introduction

In response to the 1997/98 economic crisis, after the fall of the Soeharto regime, the Indonesian new government developed a number of poverty mitigation schemes under the umbrella of the social safety net (SSN) programs, or known in Indonesia as *Jaringan Pengaman Sosial* (JPS). JPS included (a) a food aid program, or known later as the Raskin (*Beras untuk Orang Miskin*) program, i.e. targeted sales of subsidized rice; (b) work/employment creation programs; (c) scholarships to students and block grants to schools, (d) targeted health care subsidies; and (e) community block grants. These programs were accompanied by many other programs from both local NGOs and international funding agencies such as the World Bank and the Asian Development Bank (ADB). Several of these programs are still operational, although they have undergone changes in their names and the orientation of their activities. In the last quarter of 2005, the Indonesian government launched another JPS program, called *Bantuan Likuiditas Tunia* (BLT), which is an un conditional direct cash transfer to the poor.

The Raskin program is a national program aimed at helping poor households to fulfill their food needs and reducing their financial burden by providing subsidized rice. The program is a continuation of the Special Market Operation (OPK) program launched in July 1998. Each targeted households received initially 10 kg of rice each month with the price of Rp1,000 per kg. at the distribution point. The National Logistics Agency (BULOG) is responsible for the distribution of the subsidized rice to the distribution points, while the local government is responsible for distributing the rice to targeted poor households from the distribution points.

The BLT program is a program for poor households, which was launched in 2005 to compensate for the fuel price increase. Through the office branches of PT Pos Indonesia (the national postal service), every poor households received an amount of Rp100,000 per month which was transferred quarterly. The program ended in the third quarter of 2006 and was replaced by a conditional cash transfer program under the coordination of the Ministry of Social Affais (Rahayu and Fillaili, 2007).

The main aim of this paper is to assess the impacts of those two JPS programs on the urban poor. More precisely, the study deals with the following two major questions: (1) how is the selection of beneficiaries, or have the programs reached the poorest members of the community? (2) What is the impact of the programs on the targeted beneficiaries, or have the implementations of those two programs achieved their main objective?

Methodologically, this paper tries to answer these two questions by analyzing existing secondary data and studying existing key literature on this issue in Indonesia, including several studies and monitoring reports from the SMERU Research Institute, which is the only research institute specializing on poverty issues in the country.

2. Urban Poverty in Indonesia: A Brief Discussion

National data on poverty issued by the National Statistics Agency (BPS) show that in the aftermath of the 1997/98 economic crisis in Indonesia, poverty increased dramatically from around 17.47 per cent in 1996 to about 24.23 in 1998, when the crisis reached its climax. However, in 1999 the poverty started decline gradually, though first very slightly, up to 2005. In 2006, due to the high increase of world fuel prices, and as Indonesia has become increasingly dependent on imports of oil, the poverty rate increased again, on average between 1.8 percentage point per year or about 4.2 million people fell into poverty between the period 2005-2006. Only after some policy adjustments and macroeconomic stabilization, the poverty rate started to decline again in 2007. In relative terms, the poverty rate in 2007 was the same as that before the 1997/98 economic crisis. However, in absolute terms, the number of those who live under the current poverty line was still higher than that in the pre-1997/98 crisis period. Although the difference varies by year, the poverty rate in urban areas is always lower than that in rural areas (Table 1).

Table 1: Poverty by Region in Indonesia, 1976-2008

Year	Number of poverty (million)			Percentage of poverty (%)		
	Urban	Rural	Total	Urban	Rural	Total
1976	10.00	44.20	54.20	38.79	40.37	40.08
1980	9.50	32.80	42.30	29.04	28.42	28.56
1984	9.30	25.70	35.00	23.14	21.18	21.64
1987	9.70	20.30	30.00	20.14	16.14	17.42
1990	9.40	17.80	27.20	16.75	14.33	15.08
1996	9.42	24.59	34.01	13.39	19.78	17.47
1998	17.60	31.90	49.50	21.92	25.72	24.23
1999	15.64	32.33	47.97	19.41	26.03	23.43
2000	12.30	26.40	38.70	14.60	22.38	19.14
2001	8.60	29.30	37.90	9.76	24.84	18.41
2002	13.30	25.10	38.40	14.46	21.10	18.20
2003	12.20	25.10	37.30	13.57	20.23	17.42
2004	11.40	24.80	36.10	12.13	20.11	16.66
2005	12.40	22.70	35.10	11.68	19.98	15.97
2006	14.49	24.81	39.30	13.47	21.81	17.75
2007	13.56	23.61	37.17	12.52	20.37	16.58
2008	12.77	22.19	34.96	11.65	18.93	15.42

Source: BPS (2008).

Two among other indicators often used for measuring the seriousness of poverty or the economic condition of the poor are the deepness index or known as Poverty Gap Index (PGI) and severity index or Distributionally Sensitive Index (DSI). PGI is a measure of the average gap or ‘distance’ between expenditure of the poor and poverty line. The highest the gap, the worst is the economic condition of the poor. It reveals the size of the lump-sum subsidy that would be required for those living below the poverty line to escape from poverty. Meanwhile, DSI is to some extent shows the distribution of expenditure among the poor. Table 2 and Table 3 show calculations of PGI and DSI, respectively, in Indonesia by region. As can be seen, although both indicators shown a decline in urban as well as rural areas during the reviewed period, urban areas appeared to be better off than rural areas in terms of their PGI, and were more or less of a similar

condition with the rural areas in terms of their DSI. This suggests that the economic growth after the 1997/98 crisis up to 2008 tended to favor urban households more than those in rural areas.

Table 2: Poverty Gap Index in Indonesia by Region, 1999-2008

Year	Urban	Rural	Total
1999	3.52	4.84	4.33
2000	1.89	4.68	3.51
2001	1.74	4.68	3.42
2002	2.59	3.34	3.01
2003	2.55	3.53	3.13
2004	2.18	3.43	2.89
2005	2.05	3.34	2.78
2006	2.61	4.22	3.43
2007	2.15	3.78	2.99
2008	2.07	3.42	2.77

Source: BPS (2008).

Table 3: Distributionally Sensitive Index in Indonesia by Region, 1999-2008

Year	Urban	Rural	Total
1999	0.98	1.39	1.23
2000	0.51	1.39	1.02
2001	0.45	1.36	0.97
2002	0.71	0.85	0.79
2003	0.74	0.93	0.85
2004	0.58	0.90	0.78
2005	0.60	0.89	0.76
2006	0.77	1.22	1.00
2007	0.57	1.09	0.84
2008	0.56	0.95	0.76

Source: BPS (2008).

The characteristics of poverty in Indonesia are: (1) most of them are living in rural areas; (2) their family size are bigger than the average (also bigger than the poor families in urban areas; (3) the main source of income of the poor living in rural areas is agricultural sector, and that of the urban poor is mainly in the informal non-agricultural sector, and in the formal sector their incomes are mainly from working in public transportation and construction; (40) lack of resources; (5) lack of education (most of them who have primary education, never finished it); (6) most of their income is used for basic needs; and (7) tend to have food insecurity (Sudaryanto and Rusastra, 2006).

As in other developing countries, the urban poor in Indonesia include a diverse range of people whose vulnerability and poverty vary widely. These include for instance slum-dwellers, street traders, street children, informal laborers and sex workers, which can be seen obviously in big cities like Jakarta, Surabaya, Bandung and Medan. Perhaps the most visible of the urban poor work in the informal sector as street traders (known as *pedagang kaki lima*). In Jakarta and Bandung, for instance, these traders can be seen in abundance working in crowded streets, in public markets and near commercial centers and transportation terminals, typically clustered in groups. Key to establishing a street-trader business is modest start-up working capital, normally

around Rp 200,000. Although street-traders are generally assumed to be poor, they can still succeed in creating opportunities for their households to better survive and, in some cases, even prosper above the poverty line (World Bank 2006).

The second most viable of the urban poor in Indonesia are sex workers: The sex industry flourishes in most urban areas and women generally enter the industry because they are bonded by relatives or guardians, are deceived or abducted, or choose to enter voluntarily. Of those who enter voluntarily, many explain their reason as the need to look after poor or sick parents, to support children or younger siblings, or to meet important social obligations. In cities like Jakarta, Bandung and Surabaya, sex work occurs in: official brothel complexes where sex workers both work and live; unofficial brothels and entertainment venues, where women are managed, and often abused, by pimps; and on the street and in open public locations. These traditional forms of sex work and the vulnerabilities that they bring are increasingly being added to by new forms of sex work in the urban environment. These now include young women who are often educated (and generally not poor) but who choose to accept sex work to pay for schooling or clothes (World Bank 2006).

Street children are another most viable of the urban poor in Indonesia: Street children are often (but not always) live outside their homes and undertake economic activities, such as begging, rubbish-picking, shoe-shining, newspaper-selling, or work as sweatshop workers or petty criminals. Many are later forced into sex work. An ADB survey of 12 cities conducted in 1999, as cited in the World Bank's study (2006), estimated that there were some 170,000 street children in Indonesia. Typically, domestic violence or sexual abuse, household poverty and seeking economic opportunities were given as reasons that children become street children. However, some poor households sell or abandon their children to reduce family size. The lives of street children are characterized by vulnerability and risk. They may work alone, with older street children, or under the control of adults or gangs. In many cases they are forced to raise a certain sum of money each day for 'invisible adults' who control traffic intersections, footbridges or markets. The consequences include: detention and beatings by the authorities; prostitution; exclusion; and a loss of self-esteem. Most have no ID cards or any form of identification, denying them access to formal health services or education.

3. Social Safety Net Programs

SSN programs like Raskin and BLT are very important in Indonesia, if not to reduce, to mitigate the financial burden of the poor. Especially the fact that although the poverty rate in Indonesia had been decreasing since the end of the 1997/98 crisis, except in 2006 caused by the price increased of fuel discussed earlier, most of those escaping poverty are just above poverty line, meaning that they are still vulnerable. When there is just a small shock, e.g. an increase in fuel price or prices of food, can send them quickly below the poverty line. Raskin which is an indirect income transfer and BLT which is a direct income transfer may help them to stay above the poverty line when a crisis occurs.

The main objective of Raskin or BLT is to at least prevent the level of real incomes and hence the level of consumption expenditures of the poor from declining when prices of basic needs (e.g. food) increase. Given this objective, the effectiveness of such SSN programs will thus depend on three very important factors: the accuracy of targeting, the level of coverage, and the amount of transferred cash. With respect to the first factor, the targeting is accurate only when

the targeted households are indeed, financially, very poor households. With respect to the second factor, the level of coverage is 100 per cent only when all eligible households defined correctly in Indonesia are indeed covered by the programs. With respect to the second factor, the benefits obtained from the programs must be sufficient to lift their real income levels to meet the poverty line. In the BLT program, for example, it means that the amount of the transferred income per unit of consumption at least must not be less than the difference between previous price and new (increased) price.[1]

Thus in assessing the effectiveness of a SSN program, targeting, coverage and amount of the program are the most important aspects that should be taken into consideration.

3.1 The Raskin Program

A) Design, Scope and Targeting

In order partly to lessen the economic pressure on poor families affected by the economic crisis in 1997-98 and partly to alleviate their food vulnerability affected by the drought in many parts of the country during the same period, the Indonesian government has implemented a subsidized rice program since July 1998, the year when the economic crisis reached its climax. The program was initially referred to as *Operasi Pasar Khusus* (OPK) or Special Market Operation. It is the largest and arguably the most critical component of the SSN programs in the country aimed initially at assisting around 8.8 million of the poorest and most food vulnerable households (or roughly 15 per cent of all households in Indonesia) in rural as well as urban areas to obtain cheap rice.

This program is considered as very crucial because rice is not only the most important staple in Indonesia, but by far it is the most important commodity for poor households. Rice comprises nearly a quarter of average monthly expenditures in poor households, contributing around 34 per cent and 26 per cent to the official rural and urban poverty lines, respectively (Sumarto and Widyanti, 2008). Socioeconomic Survey (SUSENAS) data derived from annual household surveys covering over 200,000 households in 341 districts throughout the country show that four out of five households are net consumers (i.e. they consume more rice than they produce). Although most of the poor in Indonesia live in rural areas and work in agriculture, more than three-quarters of the poor (76 percent) are net rice consumers. In urban areas, 85.6 per cent of the poor are net rice consumers and 72.1 per cent in rural areas. Consequently, the poor are very sensitive to increases in the price of rice. Any increase in the price of rice disproportionally hurt the poor, especially in urban areas as they are not farmers.

Although expenditure poverty levels have now returned to pre-1997/98 crisis levels, the program has been continued because Indonesia's nutrition situation has not improved, real wages remain below pre-1997/98 crisis levels, and nearly half the population subsists on incomes less than international poverty norms of $2 per day. What was once an emergence response operation has evolved to become a key component of the government's overall social protection program.

[1] If the amount of the transferred income per unit of consumption is larger than the price changes, the real income of the poor increases and this will generate income multiplier effects through two main channels. First, consumption channel: total consumption of the poor increases leading to the growth of (local) economic activities and hence employment creation. Second, investment channel: given constant total consumption expenditures, the poor have left money in investment in small/informal economic activities. Of course, this hypothesis is based on the assumption that other determinant factors are constant.

For the implementation process, two agencies are responsible for the distribution of Raskin rice quotas: BULOG and local governments at the district, i.e. *kabupaten/kota*, level. BULOG is responsible for getting the rice to over 44,000 distribution points (in 2002), i.e its local branches (DOLOG), throughout the country. The local governments (district/city) are responsible for distributing the rice from the distribution points to the target households.

National decisions about the allocation of Raskin rice quotas are based on the availability of the budget for subsidies and on the number of target beneficiaries. At the national level, quotas are allocated to each province based on data on targeted beneficiaries after considering proposals submitted by provincial governments. After that, provincial governments decide on the allocation for each district and city, while the district and city governments subsequently determine the allocation for their respective subdistricts and villages (*kelurahan*). These shares are all set in proportion to the data for prospective recipients in each area. From the beginning of the OPK program until 2005, following the Raskin General Guidelines, target beneficiaries should be determined through village meetings and they should refer to data for 'pre-prosperous families' and 'prosperous level 1 families' obtained from the results of the National Family Planning Coordinating Board (BKKBN) data collection. With the BKKPN data, local governments prepare a list of beneficiaries in their locations. The beneficiaries receive then an official Raskin card and coupons distributed by the village leader (*lurah*). To get the subsidized rice, the families should present the card and coupons to the local officials. This system of allocation is implemented in both rural and urban areas.

The reason to use initially the BKKPN data was simply because there was no other alternative comprehensive information. In other words, as far as information about poverty at the household level, the only available source of data that covers the entire country in a thoroughly comprehensive manner has been that produced by the BKKBN. The data were compiled from a national registration based on the work of an army of village-based, family planning cadre.[1]By contrast, the SUSENAS data on consumption/expenditure that has been used by BPS to calculate poverty rates and poverty lines is only available as part of a survey of a selected sample of the entire population. The SUSENAS survey is carried out on an annual basis (usually in February every year), and consists of a core survey that is administered to over 200,000 households, and which is estimated to cover more than 800,000 individuals across the entire country. It collects data on a broad range of socio-economic indicators, including education, health, and employment as well as consumption and other expenditure items. From this sample group, a subset of 65,000 households is surveyed on a certain topic or set of issues in much greater detail. This is referred to as the SUSENAS Module. Once every three years the SUSENAS Module collects detailed information about consumption and other expenditures. This is widely regarded as the best data source for calculating poverty incidence as measured by consumption, despite the fact that it is based on a sample as discussed earlier (Perdana and Maxwell, 2004).

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[1] One of the major criticisms of the BKKBN registration is that, in marked contrast to the BPS SUSENAS surveys and census that employ paid and trained data collectors and enumerators, the village cadre who carry out the BKKBN registration are unskilled and do the work in an honorary capacity. Although this is substantially true and must have some influence on the accuracy of the registration process, this must also be balanced against the advantages of local knowledge. In the process, BKKBN conduct regular workshops to inform their workers about the procedures to be followed during the registration process, and there is an evident sense of pride among those who hold these positions. Typically these village cadres are the wives of prominent local people, school teachers and village officials, have often been carrying out the task over a number of years, and have the advantage of a close and intimate knowledge of their local community. The data is collected on a regular basis and the results are updated annually (Perdana and Maxwell, 2004).

. According to the BKKBN criteria, which used to determine target households, a household is considered as the poorest household, sometimes translated as a 'pre-prosperous' family if it fails to meet the following conditions: (a) all household members are able to practice their religious practices; (b) all household members are able to eat at least twice a day; (c) all household members have different sets of clothing for home, for work, or for school and formal occasions; (d) the largest section of the floor of the family house is not made of earth; and (e) the household has access to modern medical assistance for sick children and to family planning services for women of fertile age (Sumarto, et al., 2001). These criteria were subsequently expanded to the so-called 'prosperous families level 1', so that the poorest households also included households that consumed protein only once a week, families with children who dropped out of school for economic reasons, and families headed by unemployed adults. Specifically, any family will be classified as 'prosperous families level 1' if it fails to meet any one criteria: (a) at least once a week the family is able to eat meat, fish or eggs as side dishes to their meals; (b) every family member has obtained at least one new set of clothes during the past year; (c) there is at least 8 $m^2$of floor space in the family home for every member of the household; and (d) all children between 7 and 15 years of age are presently attending school.(Daily and Fane, 2002).[1]

In the implementation process, community groups in cooperation with village heads or *lurah* are allowed some scope in adjusting coverage, especially in situations where the data provided by the BKKBN were deficient. For example, the BKKBN data did not include households with a single or widowed head (Kusumastuti et al, 1998). Coverage of the BKKBN data was also considered seriously inadequate in many urban areas, especially in big cities like Jakarta and Surabaya because of high levels of annual migration and the inadequate system of registration in the cities of new moving in households or individuals (Daly and Fane, 2002).

During the course of its operation, the program underwent several changes in order to improve its efficiency as well as effectiveness. Until November 1998, OPK distributed 10 kg of medium quality rice per family per month at Rp1,000 per kg. In December 1998, the target allocation per household was doubled to 20 kg per month and the entitlement was extended to include the 9.4 million households in the second poorest group, as indicated by the BKKBN data. However, due to funding limitations in 2000 and 2001, OPK rice allocations were reduced to between 10 and 20 kg per family per month (Daly and Fane, 2002). The name was also changed from OPK to Raskin, or rice for the poor in January 2002 in order to prevent non-poor families from getting the subsidized rice, and rice allocations were increased again to 20 kg/family (Hastuti and Maxwell, 2003).

Another important change was about the data and classification used to target households. As explained before, initially, the Raskin program targeted households falling into the pre-prosperous and prosperous family level 1, based on data from the BKKBN. But since 2006, the program has targeted households categorized as poor households according to the results of PSE-05 data (Enumeration of Household's Socioeconomic Data 2005) that was collected by

[1] There have been a number of criticisms of the use of the BKKBN lists for targeting purposes. The list does not capture transitory shocks to income as they are based on relatively fixed assets (such as the type of floor in the house, possession of changes of clothing). The lists also draws on non-economic criteria (the capacity of families members to meet religious obligations). In addition, the lists are compiled by relatively poorly trained workers at the village level, so consistency across regions is not assured, and the composition of the list is susceptible to changes by local government officials (Sumarto et al., 2000; Sumarto and Suryahadi, 2001)

BPS.[1]Poor households in these PSE05 data are classified according to the following 14 variables: size and type of house floor, type of house wall, WC facility, source of drinking water, used lightening, used fuel, frequency of eat within a day, capability of buying meat, chicken, milk and cloth and to go to health care services, main occupation and level of education of the head of the family, and asset ownership.

According to the 2006-2007 Raskin General Guidelines, the BPS list of poor households to receive the Raskin rice is to be used as the basis for setting allocations down to village/*kelurahan* level. At this level, a village consultative meeting is used to determine beneficiaries. According to the guidelines, the meeting should be conducted in a transparent and participatory manner by involving the various components of the community, including representatives of poor households (Weatherley, 2008).

B) Impact

According to the Raskin General Guidelines, Raskin's success can be measured based on the level of achieving the "6T" (six correct) indicators: correct target, correct amount, correct price, correct time, correct quality, and correct administration. Unfortunately, despite the intentions of central government planners dealing with the Raskin program, accurate public information about the actual implementation of the program, especially with respect to its effectiveness in helping the poorest and most food vulnerable households in rural as well as urban areas to obtain their basic food, rice, has not been readily or widely available.

Based on information from BULOG for the period 2000-2009, Table 1 shows that the total national Raskin rice quota increased each year until 2002, after which it decreased, but since 2007 it rose again. Meanwhile, the number of targeted poor households has tended to increase from year to year. Up to 2007, the total number of target households was lower than the total number of poor households. But since 2008 the targeted poor households has reached 100 per cent of the total poor household in Indonesia. However, the increase of the number of targeted poor households does not happen in all provinces. In Jakarta, the capital of Indonesia, the number of targeted poor households increased from 160,472 in 2008 to 180,660 in 2009 (Table 2).

Table 1: Number of Poor Households and National Raskin Allocations

Year	Total poor households (A)	Targeted Poor households (B)	B/A (%)	Allocations (tons)
2000	16,000,000	7,500,000	46.88	1,350,000
2001	15,000,000	8,700,000	58.00	1,501,274
2002	15,135,561	9,790,000	64.68	2,349,600
2003	15,746,843	8,580,313	54.49	2,059,276
2004	15,746,843	8,590,804	54.56	2,061,793
2005	15,791,884	8,300,000	52.56	1,991,897
2006	15,503,295	10,830,000	69.86	1,624,500
2007	19,100,905	15,800,000	82.72	1,896,000

[1] Data on poverty in Indonesia used to be calculated from SUSENAS data which are macro data on poverty estimation at province/district level. Whereas, PSE05 covers data at micro level which is a directory of households as the recipients of the Raskin rice.

2008	19,100,905	19,100,000	100.00	3,342,500
2009 June	18,497,302	18,497,302	100.00	3,329,514

Source: BULOG.

Table 2: Number of Targeted Poor Households by Province, 2008 and 2009

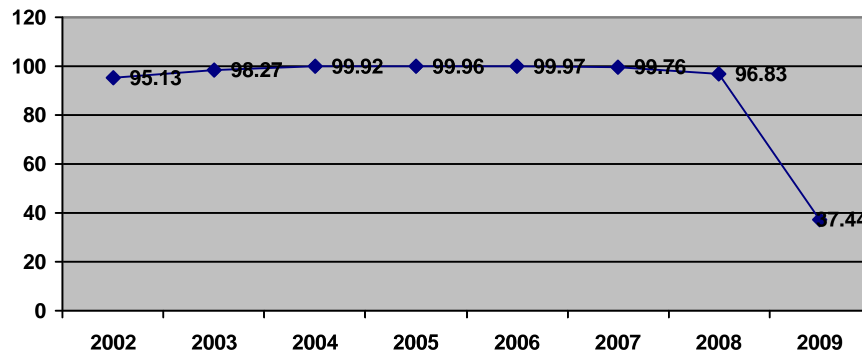
	Province	2008	2009
1	NAD	497,014	529,481
2	North Sumatra	944,927	937,722
3	Riau	293,693	270,088
4	Kepulauan Riau	73,676	74,601
5	West Sumatra	312,625	297,718
6	Jambi	199,729	157,362
7	South Sumatra	683,149	652,533
8	Bangka-Belitung	33,650	31,528
9	Bengkulu	163,928	140,626
10	Lampung	785,004	757,741
11	DKI Jakarta	160,472	180,660
12	Banten	702,016	637,743
13	West Java	2,905,079	2,931,396
14	Central Java	3,171,051	3,004,068
15	DI Yogyakarta	275,097	215,032
16	East Java	3,236,727	3,336,173
17	West Kalimantan	360,888	346,675
18	East Kalimantan	228,084	193,513
19	South Kalimantan	245,936	204,965
20	Southeast Kalimantan	197,464	147,593
21	North Sulawesi	127,289	132,945
22	Gorontalo	102,726	81,344
23	Central Sulawesi	211,363	159,126
24	Southeast Sulawesi	281,327	263,076
25	South Sulawesi	594,938	575,272
26	West Sulawesi	111,897	106,749
27	Bali	147,037	134,804
28	West Nusa Tenggara	567,578	586,571
29	East Nusa Tenggara	623,107	577,640
30	Maluku	182,832	166,599
31	North Maluku	65,351	65,484
32	Papua	486,834	487,268
33	West Irja	127,512	113,206

Total	19,100,000	18,497,302

Source: BULOG.

However, the realization of the Raskin is always lower than 100 percent of the predetermined volume of the subsidized rice for a number of reasons, which will be discussed in next sections. In 2005, the realization percentage was 99.96 and by June 2009 it was 37.44 per cent of total allocations (Figure 1).

Figure 1: Realization of the Raskin Program, 2002-2009 June (% of Total Allocations)



Source: BULOG.

Until today many studies have been made to evaluate the program, and among them the SMERU Research Institute (SRI) is the leading institute which has continually monitored and evaluated the implementation of the program since 1998, through its Social Monitoring and Qualitative Analysis Team. In doing so, the SRI has analysed secondary data and conducted surveys, in-dept interviews and focus group discussions (FGD) in a large number of districts Two key issues considered in its evaluation of the program are how have been the beneficiaries targeted and to what extent has the subsidized rice been fairly distributed to the targeted beneficiaries according to the principles set out in the program guidelines.

Table 3 summarizes some of the SRI's principle findings of its evaluation of the Raskin program in certain locations during the period August 1998-February 1999 (when the beneficiaries were determined by the BKPPBN data) by using expenditure data from SUSENAS and a panel survey carried out by BPS and UNICEF called the "100 Villages Survey".[1]The estimated figures in the table are derived from special module of the Raskin program that was included in the SUSENAS.[2]Two measures of 'targeting' are presented: the ratio of the program's coverage of the poorest 20 per cent of the population to its coverage of the remaining 80 per cent of the population, and the ratio of its coverage of the poorest 20 per cent of the population to its coverage of the richest 20 per cent. The table indicates that only around 53 percent of the households in the bottom 20 percent of the expenditure distribution received Raskin, and those in this poorest 20 percent were only 40 percent more likely to benefit from the program than the rest of the population. Nevertheless, the ratio of coverage of the poorest 20 percent- coverage of the richest 20 per cent may suggest that the program was relatively accurately targeted away from non-poor households.

Table 3: Coverage and Targeting of the Raskin Program, August 1998-February 1999

[1] The 100 Villages Survey is a panel with five rounds: May 1997 (pre-crisis), August 1998, December 1998, May 1999 and October 1999. The May 1997 round of the 100 Village Survey interviewed 120 households in each of ten villages in ten districts purposively chosen to represent various disadvantaged economic types (e.g. fishing villages, remote). In subsequent rounds 80 of the original 120 households in each village were re-interviewed to create a panel of around 8,000 households (Pritchett, et al. 2002)..

[2]. It is a module which asked households about their awareness of, participation in, and benefits from the program was fielded in December 1998 round of the 100 Villages Survey, and then a substantially expanded version was included in the February 1999 SUSENAS. The module, particularly in the 100 Villages Survey, asked whether households reported "participating" or "receiving benefits" from the program in the last three months (Pritchett, et al. 2002).

Program Coverage (%)	
- Poorest 20%[1)]	52.64
-Poorest 40%	49.41
-All potentially eligible group	40.09
-Non-poor (upper 80%)	36.90
- Richest 20%	24.33
Program Targeting ratio	
-Coverage[2)]of poorest 20%/coverage of remaining 80%	1.4[3)]
- Coverage of poorest 20%/coverage of richest 20%[4)]	2.2
- Proportion of total recipients from non-poor	0.74

Notes: 1) of the total potential eligible group for the program, i.e. 50,385,444 households; 2) coverage= number covered (i.e. the number of households in which any member had received benefits from the program in the six months prior to the survey)/size of potentially eligible group; 3) 1.4 = (4x52.6)/(5x40.1-52.6); 4) coverage of the richest 20% = 52.6/2.2

Source: Sumarto, et al. 2001).

With respect to Table 3, Daly and Fane (2002) argue that since BKKPN poverty criteria are only fairly weakly correlated with low expenditure and coverage problems of the BKKPN data as discussed earlier, it is not surprising that the Raskin program turned out not to have been targeted very accurately to those in the bottom 20 percent of the distribution of expenditure. And since random errors in the survey data on expenditure would make even a perfectly targeted scheme appear to contain a random element, the estimated targeting performance of the program shown in the table probably understates their true performance.[1]

Reviewing several field studies conducted by the SRI (e.g. Sumarto and Suryahadi, 2001; Sumarto, et al. 2001; Hastuti and Maxwell, 2003; Weatherley, 2008) provides the following most important facts

1) In many locations, the beneficiaries, though they have presented the card and coupons did not receive precisely 20 kg. While, many families identified as deserving cases and therefore included on the list of beneficiaries have been receiving about 10 kg subsidized rice though they do not have a Raskin card or coupons.
2) In other many monitored areas, the subsidized rice was distributed to a far larger number of families than those identified by the BKKBN data, thus including also non-poor families. According to Sumarto and Suryahadi, Raskin reached 52.6 per cent of poor households but the number of non-poor households that benefited was also relatively high at 36.9 per cent. As a result, in those areas, the beneficiaries received Raskin rice per distribution less than the stipulated level.
3) In many places the actual price for Raskin rice paid by the beneficiaries was actually higher than the determined one, i.e. Rp 1,000/kg; although the positive net between the official and the actual paid price varies by location. In 2000, for instance, the current market price was

[1] The SRI conducted a survey of many villages in December 1998. Based on the survey's findings, Suryahadi et al. (1999) find a fairly weak correlation between the expenditure-based measure of poverty and the criteria used by the BKKBN to define poor families. They estimate that only about 25 percent of the families that are considered poor by the BKKBN criteria were in the poorest 20 percent of families according to the expenditure criteria, and that around 38 percent of families in the poorest 20 percent according to the expenditure criterion were not classified as poor based on the BKKBN criteria.

Rp2,500-3,000/kg. With the Rp1,000/kg for the Raskin rice, the benefit per household was therefore about Rp 15,000-20,000 per month. This is about 5 percent of the total expenditure of a household of four people at the official poverty line[1](Daly and Fane, 2002). With the higher actual price paid than the determined one, the benefit (the indirect income transfer) is then smaller The higher actual price paid was caused by many factors, including operational and transportation costs, which also vary, sometimes, significantly between locations. Especially in rather isolated regions in outside Java, the transportation costs from the distribution points to collection points, where beneficiaries obtain their allocations, are significantly higher than in Java. In some locations, the SRI interviewed local officials and according to them the actual price of the Raskin rice was set through meetings. However, the SRI observed that there were more places where such meetings only consisted of the local officials themselves than places where the meetings also attended by community representatives. But, in both cases, there is a tendency for the *lurah* to have the largest role in determining prices; while the community representatives played a minor role in influencing the price decision. Furthermore, such meetings are often held not mainly to produce a common decision between local officials and local communities about what should be the actual price, but mainly in order to comply with the rules and regulations related to the implementation of the program. That is why the SRI has found that communities or the listed families in particular in the majority of its sampled locations were unaware of details of price rises.

4) Although the subsidized rice allocation is officially based on a list provided by district/city governments based on the BKKPN data and later on the BPS data, in reality, responsibility for the final decision about who will be eligible to purchase the rice has been pushed back onto local community. In many areas any attempt to determine a list of eligible beneficiaries has been simply abandoned and the Raskin rice is being offered to all families more or less equally on a 'first come, first served' basis. Thus, any family who whishes to do so can purchase Raskin rice irrespective of any assessment of their real need.[2]In many other areas, an attempt has been made to identify all families considered to be the most deserving cases. Once this list of beneficiaries has been compiled, local officials will limit distribution to the listed families. Consequently, beneficiaries usually receive considerably less than they were supposed to get.
5) The fact that the 2006–2007 Raskin General Guidelines do not stipulate that the village meeting must refer to the BPS data on poor families may also one of the causes of low effectiveness of the program. In fact, in the section entitled 'Determination of Beneficiaries', it is not stated that beneficiaries must be poor households. The absence of such a requirement can be used by local program administrators as justification for distributing Raskin not only to poor households or for sharing it out equally, provided that the decision to do so is made during a village meeting. Although in the introduction to the guidelines it is stated that the

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[1] Separate official poverty lines are used for urban and rural areas in each province. In 2000, the average for urban areas was Rp 92,000 per person per month. In rural areas, the average was Rp 74,000 per person and per month. The average size of all Indonesian households in that year was 4 persons (Daly and Fane, 2002). In 2008, in cities, the average size of poor and non-poor households is 4.70 and 3.86, respectively, and in rural areas, 4.61 and 3.74, respectively (BPS, 2008).

[2] Daly and Fane (2002) argue, however, that where the differences in income among households within the particular locations are small, or where the official criteria are poor measures of poverty, this is an appropriate strategy.

Raskin program targets poor households, in many locations, program administrators do not use the guidelines in full.[1]

6) Although in the Raskin General Guidelines, it is stated that at the village/*kelurahan* level, a village consultative meeting should be conducted to determine beneficiaries, in reality such meetings are not conducted in all areas and implementation of such meetings is often far from optimal. Consequently, the method by which beneficiaries are determined varies from place to place. Some villages set targets through a village meeting, some use national reference data as the basis (BKKBN data or BPS data for poor households), and in some cases decisions are made by RT and RW heads or by village/*kelurahan* heads. In many cases these various methods ultimately result in a decision that the rice should be shared out equally among a greater number of households or among all households. The different reasons behind these decisions include prevention of conflict, insufficient supply of rice than is needed for the number of poor households, avoidance of social jealousy, the existence of demands from persons who were not entitled to receive the rice, and the need to reach deadlines for the sale and payment of the rice.
7) One of the program's weak points is the informal method of socializing the Raskin program to the community via village/*kelurahan* officials/heads and local people distributing the rice to the beneficiaries. Generally, the community and Raskin beneficiaries have not received comprehensive program information; in fact, many were not aware of general information about the program, such as what the program name means, how much rice beneficiaries are entitled to receive, what the government-stipulated price of the rice is, and how often or how many times a year they should receive the rice. Nevertheless, the community was widely aware of the essence of the program that Raskin is rice assistance from the government for poor communities.
8) As poor households are spread across all administrative levels of all regions, the Raskin program operates in all regions, without differentiating between regional poverty conditions. All regions, down to village/*kelurahan* level, receive a Raskin allocation. In actual implementation, however, some areas have not received Raskin for several months at a time due to outstanding payments, implementational deviation, transport problems, or a request from the subdistricts. The subdistricts concerned regarded Raskin as a nuisance and felt that the rice that they received was not in proportion to the labor required and the risk that had to be borne.
9) The Raskin program's targeted number of poor households is increasing by year (as also shown earlier), but is still lower than the total number of poor households. For instance, the program targeted 19.1 million poor households in 2007, but the central government only agreed to 15.8 million households. Consequently, 3.3 million poor households did not receive a Raskin rice quota. The allocation shortfall led to the emergence of various implementational problems, such as targeting issues, inaccurate amounts, and inconsistent distribution frequency.

In overall, the field findings discussed above show that the program's effectiveness is still relatively low. This is shown in the program's lack of socialization and transparency; inaccurate targeting, prices, amounts, and distribution frequencies; high management cost; below optimal monitoring; and poorly functioning complaints system. Because of these problems, on

[1] According to Kusumastuti et al. (1998), one reason for not selling all the subsidized rice under the Raskin program just to the targeted poor households that met the official criteria is that it was often difficult for many of them to have money on time to purchase the subsidized rice.

one hand, many poor families who were supposed to get the Raskin never received it, and, on the other hand, many non-poor families have managed to obtain some of the subsidized rice on offer. Also, the official Raskin Card and Coupon system has been a complete failure, since the actual amount of rice received and the actual price paid by beneficiaries do not conform what is printed on the card. Thus, not only that the program has coverage and allocation problems, it has also a serious 'leakage' problem.

According to Tabor and Sawit's report (2005), Raskin rice is received by eligible beneficiaries in 84 per cent of all cases. This implies that an annual average of Rp.2.73 trillion of direct program benefits accrued to households deemed "needy" by village leaders, while some Rp.520 billion of total program benefits "leaked" to "non-needy" households..

By analyzing SUSENAS, Weatherley and his team (2008) also find a significant leakage in the implementation of the program. According to the data, subsidized rice under the program was received by all household groups where grouping is based on quintiles of per capita expenditure. As can be seen in Table 4, households in quintiles 1 and 2, which are the poorest groups, constituted only around 53 per cent of total recipients. The other recipients were from households classified as non0poor in quintiles 3 to 5, despite the fact that these households should not have obtained Raskin rice at all. This means that leakage of 47 per cent occurred at the national level.

Table 4: Distribution of Raskin Recipients by Quintile of per Capita Household Expenditure (%) at the National Level

Quintile	2002	2003	2004	2005	2006
1	29.11	28.19	28.47	29.19	29.04
2	23.66	23.38	23.37	24.01	23.48
3	19.63	19.88	20.03	19.84	19.83
4	16.37	16.74	16.60	16.06	16.36
5	11.22	11.81	11.53	10.90	11.29
Total	100.00	100.00	100.00	100.00	100.00

Source: Weatherley (2008).

Further, based on Consumption Module Panel SUSENAS 2008 (March), Table 5 shows percentage distribution of households who received subsidized rice by region and deciles of per capita household expenditure. As can be seen, in both rural and urban areas, the higher is the deciles the lower is the percentage share of households who received the Raskin rice. This means that the Raskin rice recipients are dominated by households in deciles 1 to 6 with the average percentage per deciles is more than 10 per cent in rural as well as urban areas. The table also indicates that the percentage distribution of households who received the Raskin rice in deciles 1 to 4 in urban areas is higher than that in rural areas. Another important fact from this table, confirming the findings in Table 4, is that many households in deciles 7 to 10 in both rural and urban areas, who are certainly not poor, also received the Raskin rice, with the average percentage per deciles is less than 10 per cent.

Table 5: Percentage Distribution of Households Who Received the Raskin Rice by Region and deciles, 2008

Deciles	Urban	Rural	Urban+Rural
1	22.69	12.42	15.51
2	18.85	12.47	15.11

3	15.63	12.06	14.04
4	13.42	11.41	13.16
5	10.06	11.26	11.83
6	7.75	10.61	10.19
7	5.52	9.35	8.45
8	3.57	8.40	6.35
9	1.89	7.36	3.88
10	0.63	4.65	1.48
Total Households	100.00	100.0	100.0

Source: BPS (2008).

Total number of households who received and who not as a percentage of total households by deciles of per capita household expenditure and region is presented in Table 6. It shows that the number of households who received the Raskin rice in 2008 (March) is about 49.51 per cent of the total households. By region, the proportion in urban areas is 33.56 per cent and 61.18 per cent in rural areas. The table also shows that the percentage of the recipients in rural areas is higher than that in urban areas, and the same pattern also happens in almost all deciles, except in deciles 1. On important pattern of distribution emerged from this table is that the higher is the deciles of per capita household expenditure the smaller the percentage distribution of households who received the Raskin rice. This patter between deciles is valid for both rural and urban areas. This means that many poorest households (deciles 1 and 2) in rural as well as urban areas never received the Raskin rice.

Table 6: Percentage Distribution of Households per Deciles by Region and Status of Receiving Raskin Rice, 2008

Deciles	Urban		Rural		Urban+Rural	
	Received	Not received	Received	Not received	Received	Not received
1	76.14	23.86	75.99	24.01	76.78	23.22
2	63.27	36.73	76.31	23.69	74.82	25.18
3	52.44	47.56	73.77	26.23	69.49	30.51
4	45.02	54.98	69.80	30.20	65.17	34.83
5	33.76	66.24	68.89	31.11	58.59	41.41
6	26.03	73.97	64.89	35.11	50.47	49.53
7	18.53	81.47	57.19	42.81	41.83	58.17
8	11.97	88.03	51.42	48.58	31.45	68.55
9	6.33	93.67	45.04	54.96	19.20	80.80
10	2.11	97.89	28.48	71.52	7.32	92.68
Total Households	33.56	66.44	61.18	38.82	49.51	50.49

Source: BPS (2008).

Many universities in Indonesia have also conducted studies to assess the effectiveness of the Raskin program. They find that the determination of target beneficiaries is the main weakness of the Raskin program because not all poor households receive Raskin rice while many non-poor households do. The University of Indonesia came to the conclusion that in terms of effectiveness

in implementation, Raskin has many problems related to targeting accuracy (UI, 2004). Hasanuddin University stated that the problem with beneficiary targeting is still the main issue because there are poor households that do not receive Raskin rice and vice versa (UH, 2006). The same finding was expressed by Andalas University, which stated that one of the weaknesses of the Raskin program is the fact that there are non-poor recipient families that receive the rice (UA, 2005).

The World Bank (2006) has even reported that more non-poor than poor households receive Raskin rice. Hastuti and Maxwell (2003) showed that targeting accuracy is influenced by the determination and commitment of the village head to distribute Raskin rice only to poor households. The local community accepted this policy because the village head socialized the fact that Raskin rice is intended only for poor households and because transparency existed on the part of recipient households.

From his analysis of Raskin targets and achievements using BPS and BULOG data for the period 2002-2006, Weatherley (2008) points to the same conclusion. As shown in Table 7, during that particular period Raskin rice was distributed to a greater number of recipients than the number of target households. According to Bulog data, the ratio of recipient households to target households ranged from 128 per cent to 147 per cent, while SUSENAS data indicate that the proportion was between 214 per cent and 284 per cent or approximately two to three times greater.

Table 7. Raskin Beneficiaries: Targets and Achievements

	2002	2003	2004	2005	2006
	Target				
No. of poor households Target poor households	15,135,561 9,790,000	15,746,843 8,580,313	15,746,843 8,590,804	15,791,884 8,300,000	15,503,295 10,830,000
Achievements					
No. of recipients: -Bulog data -BPS data Ratio of BPS data to Bulog data	 14,355,227 20,943,085 1.46	 11,832,87 22,519,131 1.90	 11,664,050 20,063,738 1.72	 11,109,274 23,552,956 2.12	 13,882,731 25,147,329 1.70
% recipients from poor households -Bulog data -BPS data	 94.84 138.37	 75.14 143.00	 74.07 127.41	 70.35 149.15	 89.55 162.21
% recipients from targets -Bulog data -BPS data	 146.63 213.92	 137.91 262.45	 135.77 233.55	 133.85 283.77	 128.19 232.20

Source: Weatherley (2008).

As Weatherley (2008) argues, if Raskin rice had only been distributed to the poorest households recorded in BULOG data, the program would have been able to reach between 70 to 95 per cent of existing poor households, while based on BPS data, the distributed Raskin rice would have even exceeded the existing number of poor households, which is between 127 to 152 per cent. Furthermore, with a total number of 50–59 million households during the period studied, the program should have been able to provide benefits for approximately 40 per cent of total

households in the country, and could have reached all poorest households, although the amount of rice would have been below the stipulated level.

The SRI also tries to assess the extent of targeting accuracy of the Raskin program comparing the proportions of poor and non-poor households that the program does or does not reach. As can be seen in Table 8, the SRI's SUSENAS data analysis shows that in the 2005–2006 period, the proportion of poor households reached by the program rose by 19.8 percentage points from 62.9 per cent to 82.7 per cent. But, the non-poor households that benefited from the program also increased by 8 percentage points from 23.8 per cent to 31.8 per cent. During the same period, the correlation between Raskin recipients and poor households in Indonesia increased from 0.3987 to 0.4836 but the value remained low, i.e. less than 50 per cent.

Table 8. Percentage of Raskin Beneficiaries and Non-beneficiaries by Household Poverty Status (%)

	2005		2006	
	Poor	Non-poor	Poor	Non-poor
Recipients	62.88	23.85	82.69	31.82
Non recipients	37.12	76.15	17.31	68.18
Total	100.00	100.00	100.00	100.00

Source: Weatherley (2008).

From their own studies, Tabor and Sawit (2005) and Swastika and Supriyatna (2008) conclude that the limitations of the Raskin program were (i) households who were eligible to receive this subsidized rice did not able to participate because they did not have sufficient fund to purchase it or they were unaware that they are eligible to participate; (ii) households who were not eligible but wanted to get this cheap rice, so the Raskin rice was distributed to all households, regardless their economic status; (iii) lack of budget to distribute the rice up to the village level, so that the package was deducted by 1 or 2 kg per family.

With all the limitations or problems faced by the program as discussed above, Hastuti and Maxwell (2003) conclude that the essential purpose of providing a measure of food security and a useful indirect income transfer through the Raskin program to the poorest sections of the community is clearly a lost cause.

However, regardless its many limitations, the Raskin program by many, including the government, was and, as a matter of fact, is still considered to be very helpful to the poorest households. Based on a series of field studies conducted by the SRI, Sumarto and Widyanti (2008) estimated that households which participated in the Raskin program have 3 per cent lower probability to be poor. According to them, the indirect income transfer through the program constituted 9 per cent to 11 per cent of total pre-program monthly expenditure of the median participant households. An econometric result suggests that Raskin recipients experienced an increase in per capita household consumption that was in the order of 4 per cent higher than non-recipients at similar welfare levels (Sumarto, et al. 2004). Whereas, based on their estimation of the impact of the program during the first few years of its implementation, Perdana and Maxwell (2004) argue that if the intended allocation had indeed been achieved, meaning that it has covered all the targeted eligible households, it would have constituted an indirect net monthly income transfer of approximately Rp20,000 to Rp30,000 per family.

Therefore, the program was formally declared as one among other supporting systems to the rice economy in Indonesia by Presidential Instruction (Inpres) No.9, 2001. This instruction was added by another one, Inpres No.9 in 2002 to ensure rice stock and its distribution to the poor

and households with food insecurity (Pasaribu, 2006). Furthermore, in 2005 Inpres No. 2 was released to continue the implementation of the program which is still ongoing until now (Swastika and Supriyatna, 2008).

In Tabor and Sawit's (2005) report, it is stated that *despite targeting deficiencies, RASKIN did contribute poverty reduction. In 2003, RASKIN provided a transfer benefit equivalent to 4 percent of the minimum income, and ten percent of rice expenditures of the average beneficiary household. The poverty gap---i.e. the income required to boost the incomes of the poor to poverty line minimum levels--- would have been 20% higher in the absence of the program. In addition, without RASKIN, calorie intake would have been lower for the poor and vulnerable groups by between 17 and 50 calories per day, with the burden of the macro-nutrient shortfall falling disproportionately on vulnerable women and infants* (page v).

3.2. The BLT Program

A) Design, Scope, and Targeting

In October 2005 the Indonesian government launched its most ambitious SSN program to date, which is an unconditional cash transfer (UCT), known as unconditional BLT (or UBLT) to the poor and near poor families,[1]to compensate the increase in fuel price occurred in that year.[2]This grant was distributed based on the Presidential Instruction or Inpres No.12, 2005. The grant was delivered every 3 months for one year: Rp 100,000/familiy/month, through local pos offices (PT Pos).

A household's eligibility was determined based on PSE-05 data by using a district-specific proxy means-testing method based on 24 indicators of poverty, including, among others, household size, assets, housing characteristics, level of education of household head, and household consumption pattern. An eligible household received a special card which they used to withdraw the payments from local post offices on a given date (Sumarto and Widyanti, 2008).

Initially, the distribution of this grant faced the problem of determining the criteria of the poor families or targeting methodology (Pasaribu, 2006). Whereas, in the implementation process, according to Sumarto and Widyanti (2008), problems faced by the UBLT program include the followings. First, program socialization to the public was lacking or even absent in some places. Second, complaint resolutions were not sufficiently accommodated in the original program design, or the lack of any transparent complaints mechanism. Third, regional and local governments are generally unprepared to handle a program of this scale and in such a short implementation schedule, or the lack of clear role for local governments in the program. In the implementation process, they find that in many places the household census enumerators only visited households that had been identified as poor by local authorities. This has caused the program to suffer both leakage of about 5.83 per cent during the period 2005-2006 (Basuki, 2008) and under-coverage.

[1] Between February 2005 and March 2006, that was the period during which the oil subsidy was cut on two occasions, 56.5 per cent of initially poor households remained poor, 19.4 per cent moved to near-poor; 17.7 per cent to near non-poor; and 6.5 per cent escaped poverty altogether, moving to non-poor. Meanwhile, only 6 per cent of non-poor households in February 2005 became poor or near-poor a year later (Sumarto and Widyanti, 2008).

[2] Following trends in other developing countries, the UBLT aimed to duplicate the success of an unconditional cash transfer program in Mexico, the Progresa/Oportunidades. See, for example, Gertler, et al. (2006) and IFPRI (2000) for evaluations of Progresa.

Hastuti, et al, (2006a,b) has conducted two evaluations on the impacts of the UBLT. The first one was a rapid appraisal undertaken in DKI Jakarta several days after the first payment period (2006a), and the second one was conducted in December 2005 in five districts in North Sumatra, West Java, Central Java, West Nusa Tenggara, and North Maluku (2006b). The evaluations were done by indept-interviews with program's executors, recipient households as well as non-recipient households and other key resource persons who know exactly what happened in the field and focus group discussions.. They find that targeting at the district or subdistrict level was quite accurate meaning that districts or cities that have more poor people received more the UBLT cards, while the most significant miss-targeting happened at the household level. The main causes of miss-targeting were local capture by relatively well-off households connected to local officials and weak proxy indicators in the household survey (PSE-05 data).[1]

They also find a number of problems that emerged in the distribution of UBLT card, which include: (1) inconsistency between the identity of the recipient with the data included on the UBLT card; 2) cases of delays in the distribution of the UBLT card at the request of the community; 3) cases of levies for transport costs by officials distributing cards to recipients; 4) several cards that were cancelled/confiscated not yet delivered to BPS; and 5) information on cancelled cards not always being known by the post office.

In 2007, the unconditional BLT has been replaced with a conditional BLT (or CBLT). In this new system, there are two types of the CBLT delivery mechanisms: one is distributed through the community and (2) directly transferred to beneficiary households through local post offices as in the case of UBLT. The first type is intended to improve the infrastructure, particularly for those which are needed to support the service delivery of health and education. The second type, which is better known as *Program Keluarga Harapan* (PKH), on the other hand, is intended to ensure that beneficiary poor households have access to basic health and education services, particularly for mothers and children.

In that year, the two types of CBLT programs were implemented in seven provinces in Indonesia, namely DKI Jakarta, West Java, East Java, West Sumatra, North Sulawesi, Gorontalo, and East Nusa Tenggara. In these locations, the PKH covered around 500,000 chronically poor households. The PKH transfers cash to poor families when they meet certain conditions, e.g. children are enrolled in and attend school, infants are weighted and vaccinated, and expecting mothers get appropriate prenatal care (Sumarto and Widyanti, 2008).

B) Impact

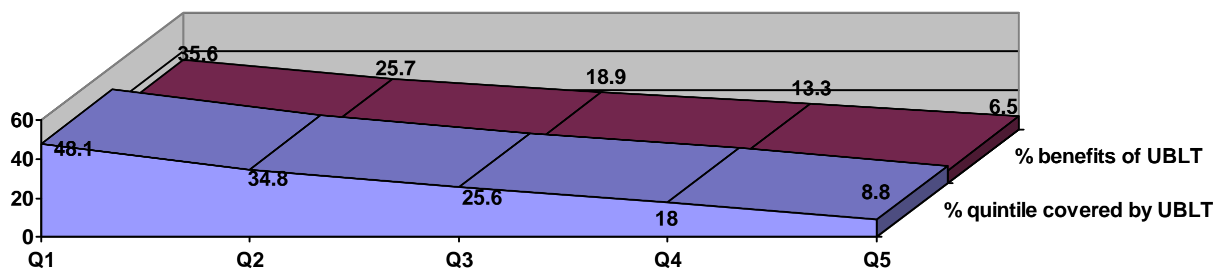
The number of the poor and near poor families who received UBLT in the first phase, 2005-2006, was around 15.5 million households or approximately 62 million people. In that period the UBLT program could only be implemented in 10 cities, namely DKI Jakarta, Bandung, Semarang, DI Yogyakarta, Surabaya, Medan, Palembang, Banjarmasin, Makassar, and Kupang. The program continued in 2006. In this second phase more cities/locations were covered and the government expanded the number of eligible households to approximately 19.2 million households with average income Rp 175,000/month, partly in response to the overwhelming

[1] This was the first time that proxy means tests were used to target poor households in a national SSN program such as this BLT program. Although the 14-variable proxy used by official enumerators moved beyond the limitations of previous BKKBN targeting criteria discussed before, the official enumerators failed to capture sufficient variation between poor and nonpoor households, particularly in regions where there was a concentration of households around the poverty line (Sumarto and Widyanti, 2008).

number of supplementary eligibility requests. This enormous number of targeted households made the UBLT program the largest of its kind in the world. (Sumarto and Widyanti, 2008).

Initial findings based on 2005 SUSENAS Panel Data (BPS), Figure 2 shows percentage benefits from the UBLT program by quintile of household expenditure. Whereas, based on 2006 SUSENAS Core Data, nearly 27.5 per cent of Indonesian poor households received UBLT funds in late 2005 (Figure 3), and according to Sumarto and Widyanti's (2008) evaluation report of the program, they conclude that the program was relatively well targeted to the poor. Targeting was more pro-poor, however, in urban areas where around 28.2 per cent of program benefits reached the poorest decile compared to only 17.5 per cent in rural areas. According to the evaluation report, this differential reflects the relative ease of targeting in urban areas where the distinction between poor and non-poor is more striking than in rural areas, where the majority of poor Indonesians reside. By decile of consumption expenditure, the UBLT program reached 55.6 per cent of households in the poorest decile and 39.4 per cent in the second poorest decile; or by quintile, the program reached 50.0 per cent of households in the poorest quintile and 36.4 per cent in the second poorest quintile (Figure 3).

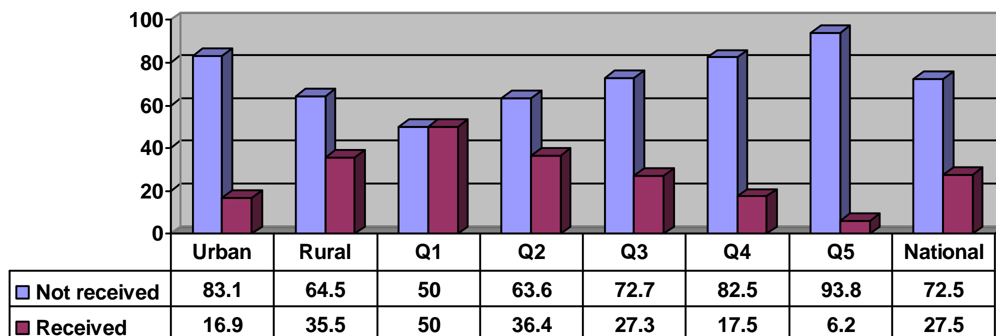
Figure 2: Percentage Benefits from the UBLT Program by Quintile of Expenditure, 2005



Source: World Bank (2007)

Due to its main objective, the likely impact of the UBLT program to the poor is that the targeted poor can able to cope with negative shocks due to reduction in the fuel subsidy took place in 2005 when the world price for fuel increased significantly. The beneficiary households can use the received fund either to buy food or other necessity household expenditures.

Figure 3: UBLT Recipients by Region and Quintile of Expenditures, 2005



	Urban	Rural	Q1	Q2	Q3	Q4	Q5	National
Not received	83.1	64.5	50	63.6	72.7	82.5	93.8	72.5
Received	16.9	35.5	50	36.4	27.3	17.5	6.2	27.5

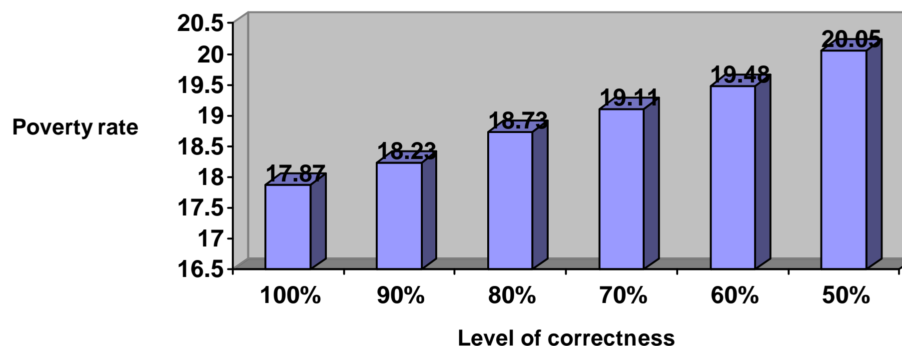
Source: BPS.

It was hope that this kind of direct income transfer program can prevent the poor from becoming poorer or help the near poor to be able to stay above the poverty line when the price of fuel increases. However, it seems that, despite the UBLT program has enormous number of targets, it failed to prevent the increase of poverty. As shown in Table 1, the national poverty rate increased from 15.7 per cent in 2005 (February) to 17.75 per cent in 2006 (March). There are some reasons why the UBLT program failed to reduce poverty. First, with Rp 100,000/month/family and on average a family has 4 members, thus the UBLT can only help Rp 25,000/month/person. Second, the poverty line in 2007 was Rp 166,697/month/person, and with the assumption that inflation in 2008 was at least 15 per cent, the poverty line in 2008 was expected to increase to Rp 191,702/month/person; thus the UBLT only covered 13 per cent of total consumption expenditure of the poor (Rustam, 2008).

However, according to Sumarto and Widyanti (2008), the UBLT funds constituted a significant proportion of monthly expenditures for the poorest households covering around 24 per cent of average monthly household expenditures in rural area and 17 per cent in urban areas among households in the poorest decile. They also find that for certain households, the BLT money were sufficient to cover not only consumption goods but also some health and education expenditures. Therefore, they argue that by most accounts, the UBLT program prevented the sudden increase in poverty that many had predicted the period leading up to October 2005, when the government reduced fuel subsidy.

It is very likely that the failure or insignificant impacts of the program on poverty reduction was caused, among other factors, by the miss-targeting as found by Hastuti, et al, (2006a,b) from their evaluations of the program in many cities/districts, as discussed earlier.. By using SUSENAS data 2004 (Consumption Module Panel), Hastuti, et al. (2006a) made a simulation, and the result strongly suggests a negative correlation between the level of correctness in targeting and the level of poverty (Figure 4). It shows that the increase in fuel price in October 2005 has increased poverty. But, if the targeting is 100 per cent correct, the program can reduce the increase in poverty rate from 5.49 per cent to 1.21 per cent.

Figure 4: Correlation between The Correctness in Targeting of the UBLT Program and Poverty Rate



Source: Hastuti, et al. (2006a)

Miss-targeting also relates to basic data used for targeting households. Two different data show two different pictures about poverty. As can be seen in Table 9, data from BKKBN and data from BPS show different total number of poor households in Jakarta. The difference is due to different variables used by BKKBN and BPS to define poor households, as discussed earlier.

Table 9: Number of Poor Households in Jakarta by Subdistrict.

Subdistrict	BKKBN (August 2005)	BPS (PSE-O5)
Central Jakarta	23,688 (13.96) *	18,397 (8.50)
South Jakarta	4,644 (1.44)	8,546 (1.89)
East Jakarta	43,016 (9.94)	26,618 (4.38)
West Jakarta	24,030 (8.17)	20,882 (4.10)
North Jakarta	31,142 (12.17)	25,919 (7.20)
DKI Jakarta	127,254 (8.60)	101,219 (4.70)

Note: * percentage of total households in particular subdistrict
Source: Hastuti, et al, (2006a).

4. Conclusion and Policy Recommendation

As stated earlier, SSN programs like Raskin and BLT are very important in Indonesia, if not to reduce, to mitigate the financial burden of the poor. Especially the fact that although the poverty rate in Indonesia had been decreasing since the end of the 1997/98 economic crisis (except in 2006 caused by the price increased of fuel), most of those escaping poverty are just above poverty line, meaning that they are still vulnerable. When there is just a small shock, e.g. an increase in fuel price or prices of food, can send them quickly below the poverty line. Raskin which is an indirect income transfer and BLT which is a direct income transfer may help them to stay above the poverty line when a crisis occurs.

However, data analysis and literature survey in this paper indicate that the implementation of Raskin and BLT faced many problems such as lack of accuracy of targeting; under-coverage; leakage, insufficient amount of transferred cash for the targeted poor households to cope with their increased financial burden caused by the increases of prices of basic needs; budget constraints; lack of a permanent and a well developed administration for such as eligibility testing, benefit award and delivery; lack of program monitoring and evaluation; lack of unified national data base for SSN programs; and lack of good coordination and information exchange among involved government agencies at all levels.

Among these problems, lack of accuracy of targeting, under-coverage and leakage are said to be the most serious ones, because such problems make a SSN program not only ineffective according to its objective but it is also socially unfair and a political unacceptable since it costs a lot of public money (very high opportunity costs). Lack of accuracy of targeting occurred when households or individuals are considered as poor so they are eligible for a SSN program but in fact they are not poor. Whereas, under-coverage occurred as many poor households were not reached by a SSN program and have therefore not received the assistance that was actually intended for them. At the same time, there has been a significant amount of leakage, with far too many non-poor households able to access program benefits. This problem is caused, partly, by incorrectness in defining poor households and lack of accuracy of the data used, and, partly, by nepotism and corruption, especially at the village level. In a developing country like Indonesia which is still confronting with corruption at all levels, lack of accurate data, lack of infrastructure (e.g. road and communication facilities) especially in rather isolated/rural areas outside Java, lack of coordination among key stakeholders, and lack of law enforcement, such problems in fact are not unexpected.

Therefore to improve targeting the beneficiaries, to expand the coverage, and to prevent the leakage of the Raskin and BLT programs (and other SSN programs), a number of considerations should be taken into account. First, accurate targeting is indeed crucial to the effectiveness of such SNN programs. The questions here are: who should be targeted, and why (why others should not)? In Indonesia, the target population of these programs (or any other SSN program) should be: (1) the chronically poor, i.e. those who are firmly anchored in poverty and are unlikely to benefit much from growth; for them, the emphasis is on protection, on coping; and (2) the vulnerable "near poor" that churn around the poverty line as a result of short-term, often seasonal, income shocks; for them, the emphasis is on safety net and risk pooling mechanisms that can serve as a springboard out of poverty. In defining the criteria, some allowance for local flexibility in a huge country with social and cultural complexity as Indonesia should be given. For instance, a house without electricity in Jakarta is certainly considered as poor. However, in many backward areas like in Papua where houses still do not have electricity, but the families are not 'poor'; they own large lands and many livestock.

.Second, targeting should have a good and detailed administrative guidance, a good delivery system, and community full involvement. Effective geographic targeting, especially in a huge country like Indonesia which consists of many habited islands separated by sea, requires up to, complete, and accurate data. Such database should be supported by a good administration system from the central down to the village level, so every new emerging poor or shocked households can be on time included in the database. Further with respect to data, as discussed in this paper, targeting the beneficiaries was based first on BKKBN data, namely registration of family welfare status as the only available source of poverty data covering the entire country. However, because the data have many shortages (e.g. the data do not capture transitory shocks and do not include any reference to factors such as household income levels, source and status of employment, family size and number of dependents, the programs use SUSENAS data. But these data have also a serious problem, as they only cover a representative sample of the population and only as far as at the province level. Thus, the data cannot be used for household targeting of a national poverty alleviation program that is delivered throughout the entire country. So, a complete household survey covering all of Indonesia's urban and rural areas is needed. However, it, although theoretically feasible, would be extremely expensive and hence an overwhelming additional cost burden on these programs. Thus, the only solution is to improve BKKBN methodology in collecting family welfare status data to include all variables which are considered as good criteria for defining poor households. The 'new revised' BKKBN data should be matched with the BPS data.

Third, improving administrative capacity of government agencies to design, plan and implement programs according to a consistent set of objectives and coordination among the agencies at central government level as well as between the central and local government level is one of preconditions to have an effective SSN program. Also, good coordination between government on one side, and, private agencies involved directly or indirectly with the SSN programs, on the other side is a necessity.

Fourth, well developed infrastructures and human resource to fully support the implementation of SSN programs (and hence to achieve highly effectiveness of the programs), must be in place in all parts and all levels of government administrations across the country. It is not surprise to find that many local governments in Indonesia, especially in less developed and rather isolated regions outside Java and Sumatera are in short supplies of skilled staffs with enough knowledge on poverty and manpower to reach out poor households in their

administration areas. This condition is exaggerated by lack of infrastructure such as road and communication and transportation facilities linking the local government offices with the rest of the regions.

Finally, another element which is also crucial in order to improve effectiveness of the SSN programs is an effective monitoring and reporting process. In the early stages of the implementation of the Raskin program, for instance, monitoring activities were carried out in specific areas by a range of community groups and non-government organizations. Some of these activities were supported by foreign donor agencies through small grants mainly to promote the idea of transparency and public accountability. However, the monitoring that resulted was somewhat ad hoc and not covered all regions. A rigorous and effective monitoring process is therefore needed by a central independent monitoring unit which can be established in Jakarta, with branches to be set up at the provincial level throughout the country.

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