

# CHAPTER: I

## INTRODUCTION

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### 1. Introduction:

Industrialisation, urbanization and marketisation are three important criteria that are closely related to development process in both developed and developing countries, although, on the contrary, urbanization in certain regions may not have occurred through industrialization which was the case in the West and in Japan; rather it has probably taken place mainly through the growth of the tertiary sector and the informal manufacturing sector. The other distinguishing feature of urbanization in the western and non-western (developing) societies is the rapidity at which urban population growth and urbanization have taken place in the developing countries.

Developing economies characterized by adverse land-man ratio, poverty, unemployment and employment opportunity differentials, wage and income differentials, unequal distribution of resources, rural-urban differentials in all the above, provide the basis for migration to urban areas in search of alternate livelihood opportunities. Urban areas thus come under pressure to provide access to shelter and livelihoods to the vast and ever-growing population. The migrants who arrive in the cities face several issues that compound as their number increases, including high unemployment, low incomes, incapacity of the poor in general to access education, health and medical services, urban amenities like electricity, and water; and securing legal housing.

In the recent past, rapid growth of cities and rural-urban migration due to urbanization has thus led to the emergence of informal settlements, both within the inner-cities and in the outskirts. These settlements are mushrooming in both big and small cities/town of developing countries located in poor and highly vulnerable locations and comprise a neglected segment of the urban populations. The poor in these settlements does not possess high skill or education to enable them to find well paid and secured employment in the formal sector. Lack of opportunities in the formal sector cause them to concentrate in the informal sector. They are conflict affected

people, who migrated to urban centers for safe living and secure subsistence livelihoods.

Living in an urban environment is clearly a distinct experience from life in a rural setting. Yet despite the contrasts in terms of context, there is one factor that remains unchanged: people themselves. Wherever people live, they retain essentially the same human needs, and the desire for the same entitlements or rights. They require access to productive resources such as land, knowledge and capital, and from these an income to support their consumption needs. They require food, shelter, clothing, access to medical facilities, the ability to educate children, and the ability to participate socially, politically, intellectually in the society of which they are a part. Thus these requirements amount to the entitlement for each person has to lead a life that is fundamentally secure in respect of basic needs and broader social and psychological needs.

### **1.1: Statement of the Problem**

Livelihoods are determined by the range of assets that are available to the households. Natural capital refers to the natural stocks like soil, water, air, genetic resources, etc. and environmental services like hydrological cycle, pollution sinks, etc., from which resource services useful for livelihoods are derived. Economic or financial needs are the capital, cash/credit/debt, savings and other economic assets which are essential for the pursuit of any livelihood strategy. Human capital includes the skills, knowledge, ability to labour and good health and physical capability, important for the successful pursuit of different livelihood strategies. Social capital are those networks that create social claims, social relations, affiliations and associations which people draw upon when pursuing different livelihood strategies requiring coordinated actions. High levels of poverty brought about by structural adjustment and poor governance make social capital an important means for economic survival. Social capital can be defined as the working product of interpersonal networks, contacts, knowledge and related human resources. Taken together, these are valuable assets that individuals and groups can use to address a wide range of needs and interests. There are two main reasons why social capital is important to urban settings, first; to build on poor people's social capital as an explicit poverty elimination strategy; second, to increase the participation of the most

vulnerable groups – which not only is a way of making pro-poor programmes more effective, but also for enhancing poor people's right to participation (DFID, 2002). On the other hand, various studies have shown that social capital clearly declines with urbanization and there is an inverse relationship between crime and social capital, although the urban-poor shows higher community participation. Physical capital are those basic infrastructure and produced goods such as buildings, roads, water supply, communication, sanitation, etc., needed to support livelihoods. But the urban poor who are living in slums or informal settlements are vulnerable with respect to the determinants of livelihoods. Hence, the question arises as to how do urban poor cope with the up-market urban centres with their limited livelihood resources?

A significant consequence of industrialization, modernisation and marketisation process is the creation of urban centres as pools of livelihood opportunities and thereby pulling migrants to these centres in search of jobs. Rural-urban wage differentials, unlimited supplies of labour, etc., as amply explained by Harris-Todaro and Lewis, all point to the migration process and the outcomes. The migrants, either from rural areas or from other smaller towns, usually settle in informal settlements in the periphery of the urban centers. The poor in these settlements do not possess the skill or education to enable them to find well paid and secured employment in the formal sector and due to lack of opportunities in the formal sector they tend to be absorbed in informal employment. Thus their integration into the market economy is through the informal sector, in most cases. But greater integration into the market economy also implies greater vulnerability to fluctuations in the economy. This in turn implies that household coping mechanisms are of particular importance. For the urban poor, the transmission of a macroeconomic shock is usually through the labor market, and the loss of work is typically one of the most devastating shocks they can face. Finally, the greater integration in the market economy implies a higher monetization of food consumption. Food consumption is thus more sensitive to income and price fluctuations. Integration of such settlements into the urban socio-economic fabric occurs through livelihood opportunities available to them and the survival strategies that have to be adopted by the settlers. Various studies have shown that in most cases the integration takes place primarily through the informal sector activities. Therefore the basic objective of the study is to

investigate the formation of social capital of urban squatters for sustaining livelihoods through the process of integration into the mainstream. .

The majority of the urban poor labor force work in the informal sector, generally as vendors or street peddlers. Other activities included service and repair work, construction, transport services, or small livelihood production. Women and children under fifteen years of age are also employed to augment their level of income. The measurement of poverty of such people should not focus only on income alone. Poverty is a deprivation of vital structures that go beyond income. Therefore, besides income, how do other socio-economic factors and governmental policies impact on poverty reduction is also a focus of the study.

The informal sector provides employment to the poor and plays a supplementary role in employment and income generation. It also plays a complementary role in the provision of goods and services. This informal sector is an entry point to the city for migrants who leave their villages with the hope of availing themselves of an urban income higher than their agricultural income. Further, it plays a significant role in employment creation and poverty alleviation by providing incomes to unskilled and semiskilled workers who otherwise would be unemployed. The informal sector continues to play an important role within the third world. At root, it creates numerous jobs and absorbs a rising proportion of the unemployed workers. On account of self-employment with low paid wage labour or family labour, and small businesses in the informal sector, there is every possibility of huge economic activity in this sector.

The present study will look into the formation of social capital among squatter settlements in Siliguri Municipal Corporation area (SMCA), Darjeeling district, in response to livelihood opportunities of the mainstream economy. To achieve this, the study will examine the livelihood opportunities and socio-economic outcomes of the urban poor in response to livelihood opportunities within the informal market economy in Siliguri Municipal Corporation (SMC) by the process of socio-economic development.

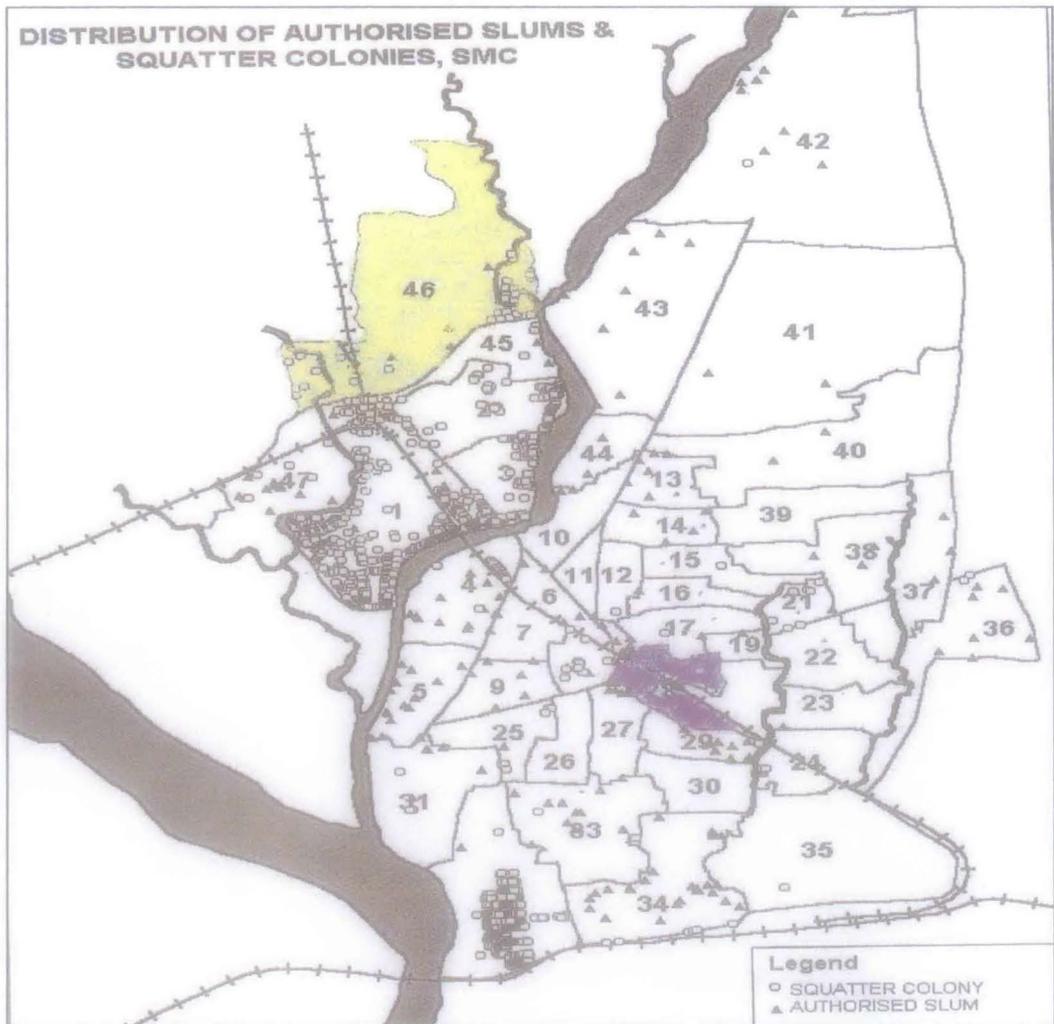
### **1.2.: Historical Perspective of the Study Area**

The evolution of the SMCA and its development has its roots in the historical context of this part of the subcontinent. It was an outcome of the exigencies of the situation

arising out of (1) partition of India in 1947 (2) the rural push in neighboring states (3) the consolidation of military forces and building of roads, bridges, railways etc. for the protection of international boundaries. Unpredicted growth of population however was super passed by the transfer of population from the erstwhile East Pakistan (now Bangladesh) as a fall out of the partition of India (1971). The migrants squatted on the river banks, railway land and in many other pockets in the town, which grew into unhygienic and insanitary slums having deplorable and degrading environmental condition. Expansion of urban infrastructure facilities failed to keep pace with rapid population growth leading to proliferation of slums or informal settlements and mushrooming of poverty pockets. There are presently 154 notified slums/colonies in the corporation area besides 40-50 urban poor pocket which are situated in 47 Municipal Wards with the population of 1, 75,012 (Census 2001).

### **1.2.1: Population of the Study Area**

Siliguri by its typical geographical location, potentiality, process of urban growth and development received its recognition in 1931 and found a place of urban map in west Bengal as non-municipal urban centre. It was declared as a Municipal town in 1950 taking an area of 15.54 sq. km with the population of 32480, which was substantially increased to 40.91 sq. km with the population of 472374, when it was upgraded to Siliguri Municipal Corporation in 1994. The corporation is partly covered by Darjeeling district with an area of 20.10 sq. km, inhabited by 284602 persons and partly covered by Jalpaiguri district with an area of 20.81 sq. km, inhabited by 187772 persons. The Siliguri Municipal corporation area is covered with 47 Municipal wards, having 154 notified slum and squatter settlements with a population of 175012, spread over 33 Municipal wards.



**Source:** Perspective Plan 2025, Siliguri Jalpaiguri Planning Area, Siliguri Jalpaiguri Development Authority (SJDA), Vol.1, 2004

### 1.3: Objectives of the Study:

Most of the cities like SMCA are changing typically in terms of demographic, economic and social relationship due to rapid pace of urbanization. The general objective of the study is to understand the nature of proliferation of squatter settlements, the informal sector activities, social capital formation and how these impact on poor people's livelihoods in the city. The study will focus on the following objectives:

1. To analyse the major contributing factors of migration and rapid growth of urban informal settlements.
2. To investigate the role of social capital for sustaining livelihoods of the urban squatters.

3. To investigate the livelihood opportunities of urban poor in the mainstream economy.
4. To analyze the socio-economic profile and livelihood opportunities of urban poor in the informal economic activities as compared to their previous occupation.
5. To study the struggle for existence in an increasingly competitive situation of urban informal activities.
6. To investigate the existing livelihood base of the poor living in informal settlements including employment opportunities, income and consumption.
7. To analyse public response and government policies with respect to provision of basic amenities to the urban poor.
8. To analyze the shocks, risks and threats that the urban poor face in their settlements and informal sector activities.
9. To draw broad strategies to improve the livelihoods of the urban poor.

#### **1.4: Importance and Relevance of the Study**

Urbanization process and its relation with the rural-urban migration, growth of informal settlements and livelihood opportunities of the urban poor in the informal sector, are emerging issues for researchers, scholars, economists and social scientists in the recent times. Numerous studies have been done both at the national and international level on these issues but not many studies have been done on the formation of social capital and livelihood opportunities of urban poor in informal settlements of Siliguri Municipal Corporation in particular, who greatly rely on the informal market economy. Therefore, it is important to account for the informal sector as employment provider to the poor people and its role as a means of survival strategies for the urban poor cannot be ignored. The study will also be regarded as having an applied dimension in the sense that it will guide in outlining policies concerning informal settlement, social capital formation, informal sector and its direct and indirect contributions to the economy through creating employment opportunities and providing a way of living for the urban poor.

Large scale migration of poor unskilled job seekers from rural areas of the neighboring districts and states took place resulting in unprecedented growth of population in Siliguri town. The inspiration of this study came from a desire to understand the rapid growth in urbanization, migration and squatter settlements (interchangeably slums), and livelihood opportunities, with the integration of informal

economic activities of urban poor in Siliguri Municipal Corporation (SMC) area. The study will thus focus on the importance of social capital formation and informal sector activities and how they provide livelihoods opportunities to the urban poor living alongside the mainstream market economy.

### **1.5: Justification of the Study**

In the context of SMCA, the socio-economic researches specifically with regard to the old and new migrants living in the inner city and peripheral city squatter settlements and slums are very limited. So, the study can be helpful to the academic learners, professionals and researchers to enrich their knowledge. Policy makers of the local urban bodies can also get help from this study in case of making and implementing various slum oriented plans and programmes. It can also be said that from all directions, the study hopefully can be open a new avenue for further researches regarding poverty and socio-economic adaption of the slum dwellers in the city life and of course able to help to solve the multidimensional socio-economic problems of the slum dwellers.

## **1.6. A Brief Overview of Selected Literature:**

### **1.6.1: Urbanisation and Migration**

Amin (1974), Becker et al (1986) and Cain (2004) stated that the causes of rapid growth of urbanisation and cities in the third world countries are the limited farm size and increased pressure on land due to high growth of population which pushes the landless labourers into urban areas. In contrast, the study of Papola (1981) and Fay (2005) revealed that high employment opportunities, high income opportunities, urban amenities and charms of the city life are the main pull factors of migration. Lewis (1954) in labour surplus model and Todaro (1969) in probabilistic model also favoured the hypothesis of pull factors of migration. Regarding rural-urban migration some theoretical models by Lewis (*op.cit*) and Fei et al (1964) explained that work force is transferred from rural areas due to high demand or absorption in the urban industrial sector.

Urbanization in recent times is treated as an index of modernization and consistently associated with economic growth, modernisation and economic development of the country (Prakash, 2005). Urbanization is an inevitable process

that is experienced by all nations during the period of transition from agrarian to industrial societies. It is defined as massive shifts of labour and capital from predominantly rural to urban areas (Rao et al 2004). But in view of Mitra (1994), urbanisation is not necessarily the outcome of a large inflow of population from the rural areas but the natural growth of population is another reason of urbanisation. According to western experience, urbanization is a cyclic process through which nations experienced their transition from agrarian to industrial society (Mills and Becker, 1986). On the other hand, urbanisation is one of the crucial factors that has important contribution to the alleviation of rural poverty (Ravilion, 2000)

According to Goldscheider (1971), migration includes all types of residential shifts from one place to another. The earlier Western concept, particularly in relation to the experience of the United States, the term 'migration' is the changes of residence that involve readjustment of the community affiliations of the individual (Bogue, 1959). On the other hand, decision making of migration is interpreted more as a household livelihood strategy than as a completely individual choice (McDowell & de Haan, 1997; Stark, 1991). According to Islam (1999), migration to Dhaka city is partly due to pull factors such as formal sector employment for women and informal sector employment for men. He also pointed out that migration benefit migrants and their families, but all migrants do not necessarily experience upward economic mobility. Supporting the above view Mortaza (1992) stated that in spite of adverse situation with the city life, migrants are able to secure their survival themselves. In this respect, the friends and relatives of migrants in the Dhaka city play an important role and most of the migrants believe that migration to the city is a process of solution to move out from poverty cycle.

Mears (1997) highlighted that in South Africa, migration is different. The rate and pattern of urbanization are not always synonymous with development. Migration is inevitable for survival and there is little evidence of gradual migration. According to Classical and Keynesian views, imbalances in income increases economic inequality between regions and the resulting migration is an inter-regional process. Keynes viewed migration as a process of divergence when regional imbalances increase. Contesting this theory, the neo-classical economist believed that migration is subject to push and pull factors due to the rural-urban differentials in employment and

wages and the resulting process is regional convergence (Lewis, *op.cit*, Todaro, 1976). Akrofi (2006) is of a similar view that increased urban population is a cause of rural-urban migration due to pull and push factors. Economists and sociologists have tried to focus their attention on the socio-economic factors of migration. They have tried to emphasise that migrants act individually for economic self interest and the aspects of demand and supply in the labour market through the push and pull factors at origin and destination, demographic and socio-economic factors, disparities in economic opportunities, standard of living and income levels (Bilsborrow et al., 1984; Todaro, *op cit*).

Ghaffari and Singh (2002) have attempted to identify the economic determinants of rural-urban migration with special reference to Iran. They found that the major reasons for voluntary migration were economic and the most prominent economic determinants of rural urban migration were land scarcity and population pressure on land. A number of studies by Walsh and Trlin (1973) and Shaw (1974) have shown that there was a positive relationship between high man/land ratios and propensity to migrate. A study by Stiglitz (1973), Connel (1974) supported the fact that landless population of villages and the poorest peasants have higher propensity to migrate. Wage and income differentials between regions also increase the propensity to migrate. Beals et al (1967) in Ghana and Carvajal et al (1974) in Costa Rica found that inter-regional migration was positively related to the regional per capita income differentials. In contrast, Aziz (*op.cit*), Tewari and Goel (2002) found that high opportunities in urban unorganized sector are the major reasons for migration. Nawagamuwa and Viking (2003) also highlighted the poor governance and internal income differentials as the main reason of rural-urban migration. Johnstone (1983) found in Malaysia that rural-urban disparities, the social and demographic dislocation, sometimes cause voluntary migration to towns and cities. Regarding unemployment and employment opportunity differentials, an ILO (1966) emphasized that the main factor determining the rate of outward movement from agriculture is the expansion of employment in other occupations in urban areas. This factor is also seen in the advanced countries like Sweden, USA and Canada and in rapidly developing countries in Latin America, the Middle East and Africa. Sundari (2003) claimed that rural-urban migration takes place due to economic concentration and employment opportunities in the urban manufacturing sector. A study of several countries in Asia

(ILO, 1977) revealed that increasing unemployment and underemployment in rural areas are the major push factors. But in contrast Nikiforov (1947) noticed that migration from smaller to larger cities in Soviet Union was due to the dissatisfaction with living conditions rather than due to the problems of unemployment. According to Yeswant (1962), Sharma (1987), Ghaffari (2000), technological improvements and mechanisation of agriculture has often been factor responsible for migration.

Cherunilam (1987) emphasized that during periods of prosperity, the expansion of urban economic activities is likely to pull the rural population towards the city and vice versa. Besides, monsoon crop failure sometimes pushes large number of rural people to the nearby towns/cities. On the other hand, according to social capital theory, migrant networks play an important role for permanent labor migration in both developed and developing world. In most of the cases the economic factors act as major forces in initiating migratory movement, but the social capitals in the form of networking provides the information regarding demand and supply of the labour market and push the poor rural mass into the city. Migrant networks are simply the ties between the people that connect migrants, former migrants, and non migrants in origin and destination areas through kinship, friendship, recruiting agents etc. (Massey et al, 1998). Empirical evidence around the world has shown that migrant networks have significant impact on chain migration (Ainsworth, 2002). Some other studies reported that the migrants are relatively more successful to their desired level, when moved through personal networks like friends/relatives (Massey et al 1987).

Almost all studies are in conformity with the fact that most of the migrants excluding forced migration move to cities for better economic opportunities. So, migration is normally viewed as an economic phenomenon (Mitchell, 1959). Though there are some non-economic factors involved in migration, but most of the studies opine that migrants leave their origin primarily because of lack of opportunities and in the hope of finding better opportunities elsewhere in urban areas (Safa, 1975).

### **1.6.2: Urbanization and Informal Settlements**

The housing reform movement in England during 1880s defined slum as 'a house materially unfit for human habitation'. In 20<sup>th</sup> century, the Challenge of Slums, Global Report on Human Settlements 2003, made the word obsolete in the context of more

precise and rigorous terms such as 'tenement house', 'tenement district' and 'deteriorated neighborhood'

By catching all the term UNSTAT (2005) defined slum and informal settlements as (1) areas where a number of housing units have been constructed illegally and the occupants do not have any legal claim on that land (2) Unplanned settlements and areas where housing construction is not in compliance with the current planning and building regulations (unauthorized housing).

State of the World Cities, (2010/11) defined slum household as a group of individuals living under the same roof that lack one or more of the following conditions: 1. Durable housing (a permanent structure providing protection from extreme climatic conditions), 2. Sufficient living area (no more than three people sharing a room), 3. Access to improved water (water that is sufficient, affordable and can be obtained without extreme effort), 4. Access to improved sanitation facilities (a private toilet or a public one shared with a reasonable number of people) and 5. Secure tenure (protection against forced eviction).

The concept and definition of slums varies across country to country and state to state depending upon their socio-economic conditions, but the physical characteristics of slums are almost same throughout the world. These informal settlements are known by various names like Informal settlements, Low-income settlements, Shanty towns, unauthorised settlements, unplanned settlements. Some of the local popular names for these type of settlements are 'Ranchos' in Venezuela, 'Callampas' in Chile, 'Favelas' in Brazil, 'Barriadas' in Peru, 'Villas' in Argentina, 'Colonias Letarias' in Mexico, 'Barong-Barong' in Philippines, 'Gecekondu' in Turkey, 'Bastee', 'Juggi-johmpri' in India. These informal settlements are called slums in UN literature.

In India, the Slum Area (Improvement & Clearance) Act, 1956 (under section 3) provides the legal basis for defining or declaring any area as 'slum'. The Act uses the following criteria for defining slums: 1. An area in any respect unfit for human habitation, 2. An area by reason of dilapidation, overcrowding, faulty arrangement and design of such buildings, narrowness or faulty arrangement of streets, lack of ventilation, light, sanitation facilities or any combination of these factors which are detrimental to safety, health and morals.

The slums defined by state governments based on Slum Acts of the respective states i.e., based on legal stipulations unlike the definition adopted by Register General of India (RGI) and NSSO. The concepts and definition of slums vary across the states depending on their socio-economic conditions but their physical characteristics are almost same. There are differences between the parameters adopted by state governments, RGI, and NSSO. In general, the laws to notify or recognize the slums by the state governments is a part of Census and NSSO definitions, but there is no stipulation regarding the limit in the number of households in the definitions to recognize or notify the slums by the states (Report of the Committee on Slum Statistics/Census, MoHUPA). RGI adopted the following definition for the purpose of Census of Slums in India, 2001: (1) All specified areas in a town or city notified as 'slum' by State/UT or local government under any Act including "Slum Act", (2) All areas recognized as 'slum' by State/ Local government or UT, Housing and Slum Boards, which may have not been formally notified as slum under any Act, (3) "A compact area of at least 300 populations or about 60-70 households of poorly built congested tenements, in unhygienic environment usually with inadequate infrastructure and lacking in proper sanitary and drinking water facilities".

NSSO (2002) for the purpose of survey defined slum as "a compact settlement with a collection of poorly built tenements, mostly of temporary nature, crowded together usually with inadequate sanitary and drinking water facilities in unhygienic conditions. Such an area, has been considered as "non-notified slum" if at least 20 households lived in that area. Areas notified as slums by the respective municipalities, corporations, local bodies or development authorities are treated as "notified slums".

Besides the above definitions, Srinivas (1991) defined squatter settlements which were built with or without the consent of the landowner. Payne (1977) expressed squatter settlement as "a residential area which has developed without legal claims to the land and/or permission from the concerned authorities and as a result of their illegal status of land, infrastructure and services are usually inadequate".

Bergel (1955) tried to pointed out the mechanism behind the growth of slums and found that the slums are the complex product of many factors, where poverty is the foremost cause. He traced three types of slums: the original slum which consists of unhygienic and poorly constructed buildings, the second emerges from the

departure of middle and upper class families and the third is the most unpleasant form which seems to have developed even with the transition character of the area. Seely (1959): explained that the economic disparity between the rich and the poor immigrants is the main reason for the growth of slums, particularly in industrial towns. Regarding the growth of slums, Mumford (1961) traced the origin of slums in the western countries and came to the conclusion that the factory located in the nucleus of the new urban center pull the rural poor to settle around the factory sites. Harrington (1962) distinguishes between the old and new slums and concludes that the old slums are necessarily compact and tend to develop in the centre of the cities, while degeneration is caused for geographical shift in the location of the new slums, where some basic amenities are available for them. Dwyer (1975) explained that in Caracas, Hongkong, India, Malaysia and the Philipines, the urban growth is spatially linked with the growth of squatter settlements. Thus the urban growths in those countries were haphazard and unplanned. Sing (1966) estimated that the slum population varies 10 to 16 percent of the total population in the major urban centers of India. He has also pointed out the spatial structure of the old dilapidated houses of slum dwellers located around the central business district and the industrial centers. Ghosh et al. (1972) found in their survey on Kolkata that the major concentration of squatter settlement located near the railway crossing, local bus depots and in the low-land areas in the heart of the city. The growth of the city is linked with the degeneration of old slum areas and the growth of new slums in the fringe sector. Anderson (1960) outlined the characteristics of slums of Birmingham by mass poverty and overcrowding. The slums are the refugee area for the aged person, the chronically sick, the homeless and the socially maladjusted. Some of the other characteristics are poor sanitary conditions, continuous health hazards, high rate of criminal activities and social isolation. Supporting this opinion Geertz (1965) has analysed the Kampong type of settlements that have developed in Java. The Kampong was marked by social disorganization, while, theft, prostitution, gambling and drinking liquor were most common practice. On the other hand, regarding the formation, growth, economic activities and social development of Latin American squatter settlements, Mangin (1967) pointed out that the squatter settlements were formed by rural people who comes directly from their rural farms and settled in slums accompanying with crime, prostitution, family breakdown etc. The author also found

that unemployment was high and they are economically the lowest class and most poorly housed with a very low education level.

Wiebe (1975) in Madras (India) highlighted the economic factors for the growth of slums as (a) lack of demand for labour in rural areas and the high demand for labour in the city (b) continuous failure of monsoons and drought in the villages (c) lack of civic consciousness and apathy to law and (d) desire to live near to the place of work. Similarly, in view of Agbola and Agunbiade (2007) there were two reasons for squatting of Lagos in Nigeria, internal and external; internal reason includes lack of collateral assets, lack of savings and other financial assets like daily wage/low-income jobs which are semi-permanent or temporary in nature and the external reason includes high cost of land and other housing services.

According to Saha (1985), the caste and social structure is another important factor for the growth of slums, where the socially backward people tend to settle in the most unhygienic and congested areas. The kinship bond normally leads to the formation of compact slums where rural neighborhood patterns exist. He also observed that a section of slum dwellers with their physical and human capital gain the economic superiority compared to others and they try to move out from congestion and overcrowding. As a result, new slums emerge in the peripheral city areas without any planning. Turner (1969) is of the opinion that squatter settlements provide highly successful solutions to the housing problems in the urban areas of the developing countries.

Nawagamuwa and Viking (2003) in their study documented that the reasons behind rural-urban migration is due to prevalence of inequalities particularly in income results in the proliferation of informal settlements in the cities of the developing world. In this context, Srinivas (www document-1) noted that there are two reasons for squatting (i) lack of financial assets and savings, low paid jobs which are mostly semi permanent or temporary (ii) high cost of urban land and other services and apathy of the local government to assist squatters. In contrary, better access to paid jobs, better education and better health care in the city makes a 'destination of choice' for them (Srinivas, www document-3). In gathering different views regarding the concept of informal settlements, two main points has been identified; 'optimistic' and 'pessimistic'. From the 'pessimistic' points of view, rural-

urban migration, urbanization and formation of informal settlements were viewed negatively before early 1960s. According to UN-Habitat (1987) rural migrants in the slums termed as a 'parasitic population' due their little contribution to the cities. They are burden to the economic growth and the development. They are the "breeding grounds for social and political unrest". From the optimistic point of view, the slum dwellers contribute themselves to the development of the city in a positive image. According to UN-Habitat (ibid) informal settlements are not only a rational solution for shelter in the housing markets but they also constitute base camps for survival and escape from poverty. A large number of rural migrants are living in informal settlements and it is not a parasite in the city.

Eckstein Susan (1990) pointed out that shanty towns and squatter settlements are portrayed as "slums of hope and the inner-city areas "as slums of despair" in Latin America. Turner in this regard mentioned that after achieving some economic superiority, the slum dwellers try to move out from the informal settlements. This characteristic of the informal settlers is also supported by UN-HABITAT (2007).

Aluko and Amidu (2006) observed that the most vulnerable segment of the urban population in African cities was the low income groups residing in the urban fringe or in the centrally located public lands. The large segments of these low income groups have no choice but depend on informal land for access to housing and shelter (Hardoy and Satterthwaite, 1987). Thus, the factors like tenure insecurity, threat of eviction, poor access to basic amenities in these settlements undermine the slum dwellers in their socio-economic situation (Audefroy, 1994). Tenure status is one of the key elements in the poverty cycle and lack of tenure security is the barriers for most attempts to improve housing conditions, future planning among among the slum dwellers in most cases (Wegelin and Borgman, 1995). Tenure security has direct impact on access to basic services and on the investment at settlement level. Lack of tenure security also strengthens poverty and social exclusion of the urban poor (UNDP, 1991).

Hofmann et al. (2006) found that informal settlements represent a 'status quo' of housing and the living conditions is below the acceptance level in most cases. Sub-standard sanitary condition and high crime rates are few of the features in informal

settlement. These squatter settlements are also characterised by poverty, precarious living and working conditions (Kjellstrom et al. 2007).

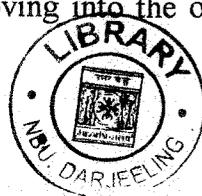
### 1.6.3: Urban Poor and Informal Settlements

Mcgee (1967) in his study found that illegal squatting is a common phenomenon in the cities of south East Asia. The squatter settlement means lack of public amenities, water and sanitation with common health hazards. Mohsin (1979) observed that the high degree of illiteracy among the slum children in Patna was primarily due to lack of educational facilities. Mani (1980) stressed on motivational aspects of education among the slum children in Madras and commented that lack of motivation and aspirations lead to dropouts.

Cities are the engines of economic growth and the place of complex networks of activities which are essential for human functions for living and working that can be operated and drawn by using the skills and knowledge (Harris, 1992). Due to high degree of commercialization of the urban economy, the poor people always needs higher cash incomes in order to survive and thus a large number of them are looking for jobs particularly in the informal sector (Wratten, 1995, Satterthwaite, 1997). Yeshwanth (1980) found a correlation between the family income and consumption pattern among the slum dwellers in Madras and came to the conclusion that more than 50 percent (52.1 percent) of the total expenditure is spent on food items.

Aiken (1981) in Peninsular Malaysia of Kuala Lumpur observed that the majority of the squatters were very poor and squatting was essentially a result of poverty for them. Unemployment, low-income and poor access to basic amenities was the major reason for widespread poverty in Kuala Lumpur for the urban poor. According to Karpat (1976) squatter settlements in Latin America, Africa, and Asia is the major concern for the third world cities, where, high levels of unemployment and low levels of income are very common. The informal sector has the capacity to absorb a greater number of the urban labour force. Therefore, this 'involved sector' of the urban economy employs most of the urban poor in Kuala Lumpur (Armstrong and McGee, 1968).

Aziz (*op.cit*) in his study found three important findings (1) the urban poor are primarily the rural migrants who are attracted to urban areas by high real wages in the unorganized sector (2) these urban poor moving into the organized urban sector by



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acquiring skill and knowledge from the informal sector and (3) the urban informal sector generates by absorbing the rural migrants and serve as a 'holding' sector for them. Laquian (2004) characterised the urban poor in Asian countries as a person with (a) lack of means to achieve a good quality of life and social well being (b) poor health, malnutrition, low levels of education, lack of skills and gainful employment (c) lack of opportunity for economic and social advancement, such as access to markets and ownership of assets, educational opportunities, health facilities etc that can provide assistance and ability to participate in the decision making process of the community. The study also found that in most Asian cities, the urban poor tend to concentrate in communities either in the inner city or in the periphery. Satterthwaite (1997) observed that the urban poor are living in inadequate over crowded shelters, suffers from diseases, lack of clean water, sanitation, air and noise pollution. The urban poor are commonly concentrated in the areas of high density with low rent. On the other hand, Beall and Kanji (1999) found that the linkage between the poor and city institutions is not unproblematic. A number of authorities have highlighted the weaknesses of local governments, which are frequently unable to address the needs of the poor and in some cases the urban poor are the victims of exclusion and discrimination.

In Asia, for example, the urban poor households are not only strongly integrated into the economy, but with different family size they always seek to diversify their income involving with different types of activities (Douglass, 1998). According to sustainable livelihood approach, the situation of the urban poor defined not only by their lack of wealth but also by their insecure and precarious condition in terms of coping with stress and shocks. The high cost of living of the urban poor is one of the factors that result in insecurity or vulnerability, and social exclusion (Chambers, 1995; Moser, 1998).

Several studies have pointed that majority of the urban poor in Bangladesh are rural poor. The incidence of urban poverty resulting from rapid urban growth indicated by the proliferation of squatter and slum settlements, especially in metropolitan areas. In many of the slums, overall conditions in housing and health services were worse than those in the rural areas (Choudhury 1978). On the other hand, Islam (*op.cit*) in his study quoted the voice of Haq-Hussian (1996) that "the

rural migrants in the city are not as much as the victims of 'culture of poverty' of Oscar Lewis. They are rather hard working and contribute significantly in the daily maintenance of the city life as well as themselves. Their involvement with services, informal and limited formal activities in the city have been found to improve their economic conditions and life chances. It may also be said that the longer their duration of stay in the city better the chance of economic and life condition".

Mitra (1994) in the study of Delhi slums found the negative elasticity of slum poverty with respect to rural-urban migration. High incidence of slums, employment problem and aggravate urban poverty was primarily due to inflow of rural poor along with high natural growth rate of urban population. Mitra also noted that in India, the excess-supply-limited-demand framework explains the growing urban poverty and the resulting growth of slum populations. The study of Hossain (2005) revealed that in Bangladesh, a significant portion of urban poor living in slums has experienced a miserable economic and social condition and cope with the adverse urban situations for livelihoods. Schak (1989) found that the beggars are living in squatter settlements around the suburb of Taipei. In terms of income generation, most of the beggar families were by no means as poor as the welfare recipient.

Fay (2005) in Latin America also observed that the urban poor are much more integrated with the market economy. But greater integration in the market economy also implies greater vulnerability to fluctuations in the economy. The greater integration in the market economy implies a higher monetization of food consumption. Food consumption is thus more sensitive to income and price fluctuations. Akrofi (2006) in Africa found that the urban poor in informal settlement survive with their own efforts and even most of the initiatives are deemed illegal. Informal settlements are overcrowded in most urban areas especially in the peri-urban areas, where, majority of the urban poor reside. These settlements are characterised by poor locations, low incomes, high population densities, housing that constructed largely by temporary materials, poor sanitary conditions, non-existent basic services and quasi-legal tenure (De Wit, 1998; Mitullah and Kibwana, 1998). On the other hand, Butterworth and Chance (1981) noted that the urban poor in Africa are struggling to meet and maintain the basic needs of food, water, shelter and safety. To them, education and ensuring social advancement for their children is secondary. The

result is a vicious cycle of poverty. A study by Stanwix (2009) on seven selective slums of Gujarat and Rajasthan found that most of the households were poor and they are suffering from access to basic amenities, the housing conditions for the most of the slums were not very good. The slum dwellers do not have any legal residential proof even though they are living in the slum areas for many years. The study also found that the households who did not have access to water, adequate sanitation and drainage facility are spending more on healthcare and reported more frequent illnesses. Spending was also positively correlated with income. The families with higher income living in better housing. Saving was much higher among the richer households.

Mohanty (2006) observed in Fiji Island that the urban poor living in the squatter settlements have limited resources and choices for their livelihood and they are more vulnerable. In this regard, Bryant (1992) also pointed out that all poor are vulnerable but not all vulnerable people are poor in Fiji. Poverty and vulnerability are closely related. The poor are more vulnerable socially, economically and environmentally. "Vulnerability by location and social disadvantage sometimes manifested as income poverty" (Cutter, 1996). Mohapatra et al (1998) in their study pointed out that income and other economic characteristics are not the crucial factor for good quality of life of the urban poor in shilling, but there are some other basic amenities which are also very responsible for good quality of life.

#### **1.6.4: Urban Poor and Informal Sector**

Hart (1970, 1973) was the first man who introduced the term informal sector and focused on its income opportunities that includes all income producing activities outside the formal sector. He also mentioned that the distinction between formal and informal income opportunities is essentially based on wage-earning and self-employment. The informal sector, on the other hand, is unprotected or even openly suppressed by the state (Weeks, 1975; Mazumdar, 1976).

Moser (1978) distinguished the nature of informal sector between the developed and less developed countries. Informal sector is characterized by some basic criteria like tax evasion, unregulated or unlicensed enterprises, illegality or criminality in less developed countries, Whereas, it offers the possibilities for growth in developed countries. The definition of informal sector prepared by ILO (1972)

refers “to the non-structured sector that has emerged in the urban centers as a result of the incapacity to absorb new entrants in the modern sector”. As a means of survival many of the new migrants find themselves engaged in the informal sector.

This informal sector typically used to refer to ways of making a living outside the formal wage economy, either as an alternative or as supplementary income (Bromley and Gerry, 1979). According to pessimistic point of view the informal sector was characterised by ‘marginality and poverty’. Empirical evidence provided by Papola (1981) in his study in Ahmedabad defined the informal sector as “a segment of the economy having certain characteristics, which lead to unfavourable conditions for the growth of enterprise and activities in this segment”. Noponen (1991) pointed out from the survey in Madras that the urban poor households survive through urban economy in different ways, Firstly: the earnings of women from self employed trading, home based services was lower than the men’s earning from casual wage or salaried work both in formal and informal sector. Second: due to economic stress in the family, the women helped in major ways by increasing earnings by secondary jobs. Males enjoy a wider range of employment opportunities than females. The largest share of the female heads of households was involved in self employed informal sector work activities. Bryant (1992) found that the urban poverty and vulnerability is remarkable among the new squatter settlements and urban fringe dwellers in Fiji, where, majority of the people are involved in the informal sector that have only erratic cash income but unable to meet basic needs. Another study by Reddy et al (2003) in Fiji observed that there has been a significant increase in the incomes and assets of those people who are involved in the informal sector in Fiji. The important point is that the average education of the informal sector workers was no higher than primary level. This study focused some of the key problems faced by the informal sector workers such as lack of access to credit facilities and problems to conduct the petty business due to national and municipal laws and regulations. With the same observation Bryant (1992), Mitra (*op.cit*) also tried to focus that there is a close relationship between the informal sector employment, urban poverty and slum inhabitation.

According to Chambers and Conway (1992) “livelihood compromises the capabilities, assets and activities required for a means of living. A livelihood is

sustainable when it can cope with and recover from stresses and shocks and manage to enhance its capabilities and assets both now and in the future, while not undermining the natural resource base". Many authors suggest that livelihoods tend to be most complex in urban areas, which the households draw on a wide variety of activities to capture income and other resources (Rakodi, 1997; Beall, 1997 Chambers, 1995).

A livelihood is considered to consist of the assets, activities and entitlements that enable the people to make a living (Singh et al, 1994). Chant (1994) explored that increased numbers of urban poor Mexicans try to make their living through informal sector activities. In terms of gender differentials the average earnings of women in his samples were just under half of their male counterparts. Sethuraman (1997) focused on the fact that the informal sector is a major source of employment and income in developing countries and it is expanding. It provides jobs to millions of the poor who were unemployed otherwise and many of urban poor improved their capabilities and incomes by working in this sector.

Oberai and Chanda (2001) highlighted that the informal sector stands out "as a potential provider of employment and incomes to millions of people who would otherwise lack the means of survival or as a breeding ground for entrepreneurship on a mass scale". This provides for survival but not necessarily help to create decent job. According to Breman (2002) informal sector included those people who work in the street, in homes, small-scale enterprises, power loom workshops etc. Breman further said that the realities of the informal sector can also be expressed strongly with the existence of slums. Timalsina (2007) in his study highlighted that street vending has been found increasing and it is the way of livelihoods to the urban poor in Kathmandu (Nepal). The author concluded that livelihood of the urban poor who are involved in informal sector in Katmandu can be termed as "struggling for living and living in the present, investing in the future" which indicates livelihood sustainability for the future generation. Reddy (2007) shown that informal sector is closely associated with poverty and squatter problems. With the similar opinion by Reddy, Mohanty (*op cit*) also stated that majority of poor get absorbed in the urban informal sector and the growth of activities in informal sector is directly linked to the growth of urban poor squatters in Fiji. According to Fidler and Webster (1996), the urban informal sector is

a major provider of employment and income to the three categories of socio-economic groups in urban areas: survivalists, the self-employed and very small businesses.

### **1.6.5: Social Capital**

#### **1.6.5 (1): Origin and Concept of Social Capital**

In literature, there is a lot of controversy over the use of the term 'capital' (Schmid 2000; Smith and Kulynych 2002). According to the *Merriam--Webster Dictionary*, the term "capital", refers to "accumulated wealth" especially used to produce more wealth. In economic thought the term 'capital' originally meant an accumulated sum of money, which could be invested in the hope of a profitable return in the future (Field, 2003). The livelihood of the people requires a range of assets to achieve their self-defined goals, no single capital endowment is sufficient to provide the desired outcomes on its own. In a sustainable livelihood approach, the different forms of capital are equally important. Apart from human, physical, financial, natural and cultural capital, social capital is both a new as well as old concept used in various disciplines. The term "social capital" is a subset of the notion of the concept "social cohesion" developed by Durkheim in the late 19<sup>th</sup> century (1897) who studied the effects of modernization and industrialization on the forms of solidarity or social bonds.

The common opinion regarding the definitions of social capital by so many writers, researchers focused on the social relationship, faith and trust and interactions among people that have productive benefits livelihood strategy. Social capital itself does not have any clear definition and as a result definition of social capital depends on the discipline and level of investigation (Robison et al. 2002). On the basis of primary focus, a number of authors, writers defined social capital as;

- i. "Made up of social obligations (connections) which is convertible, in certain conditions, into economic capital and may be institutionalized in the form of a title of nobility" (Bourdieu, 1986)
- ii. "A resource (capital) that accrue to people by virtue of their mutual acquaintance and recognition (social) and that can be used for a variety of productive activities (Coleman, 1990; Bourdieu, 1991).
- iii. "It is a resource that actors derive from specific social structures and then use to pursue their interests; it is created by changes in the relationship among actors" (Baker, 1990).

- iv. "Friends, colleagues, and more general contacts through which people receive opportunities to use their financial and human capital" (Burt, 1992).
- v. "Ability of the actors to secure benefits by virtue of membership in social networks or other social structures" (Portes 1998).
- vi. "The information, trust, and norms of reciprocity inhering in one's social networks" (Woolcock, 1998).
- vii. At the same time, however, to other researchers social capital means the community level networks among individuals that lead to efficient outcomes regarding livelihood (Putnam, 2000).

### 1.6.5 (2): Types of Social Capital

- i. In literature, there are three types of social capital that includes;
- ii. "Bonding" is a horizontal association characterised by strong ties connecting family members, neighbours and close friends sharing similar demographic characteristics (World Bank, 2001; Whitley and McKenzie, 2005; Wallis, 1998).
- iii. "Bridging" is a vertical association characterised by weaker, but more cross-cutting ties within a hierarchical society e.g. connections with business associates, acquaintances, friends from different ethnic groups and organizations, friends of friends etc; (Dolfsma and Dannreuther, 2003; Narayan, 2002)
- iv. "Linking" social capital characterised by connections between those with differing levels of power or social status e.g. links between the political elite and the general public or between individuals from different social classes. This dimension of social capital is relatively new proposed by Woolcock (2001).

### 1.6.5 (3): Why Social Capital is Capital?

Instead of having controversy, social capital is similar to other forms of capital in the sense that it can be invested with the expectation of future flow of benefits (Adler and Kwon, 1999), is appropriable in the sense that the networks friendship can be used for other purposes, such as information gathering or advice (Coleman, 1988), is convertible because the advantages conferred by one's position in a social network can be converted to economic or other advantage (Bourdieu, 1986) and requires maintenance (Gant et al. 2002).

On the other hand, Social capital is different from other forms of capital because it resides in social relationships whereas other forms of capital can reside in the individual (Robison et al. 2002). It cannot be traded by individuals on an open

market like other forms of capital, but it remain embedded within a group (Glaeser et al. 2002). In terms of liquidity, economic capital is most liquid and can be easily convertible into human, physical and social capital. In contrary, the 'convertibility rate' of social capital into economic capital is lower, because social capital is less liquid and more 'sticky' (Anheier et al, 1995; Smart, 1993). In sum, social capital is an important family resource and thus commonly called "capital."

### **1.6.6: Social Capital and the Urban Poor**

In social capital theory, migrant networks play an important role for permanent labor migration in both developed and developing world. In most cases, the economic factors forced to take initiative for migration, while, social networks in the form of social capital plays a significant role in providing information about the employment opportunities in the urban labour market. These migrant networks are simply the ties between the people that connect migrants, former migrants, and non migrants in origin and destination through kinship, friendship, recruiting agencies etc (Massey et al, 1998). Empirical evidence has shown that migrant networks have significant impact on chain migration (Ainsworth, 2002). Some other studies revealed that the migrants are relatively more successful to their desired level, when they moved through personal networks like friends/relatives (Massey et al 1987). Several studies of urbanization in Dhaka and elsewhere reveal that "acquaintances in the city play an active role in searching for accommodation for the new migrants" (Siddiqui et al, 1993; Majumder et al, 1996)

A study by Mitra (2004) on urban labour market found that social networks play an important role in accessing jobs in both formal and informal sector. Social capital enables the urban poor to cope with uncertainties and risks as well as social capital increase accessibility to jobs and earnings at the individual level (Edleman B et al. 2006)

Banerjee, (1986) found that the inflow of urban labour force for searching jobs comes directly from rural areas through contacts, and these contacts operate through relatives, friends, members of own caste groups and co- villagers. Edelman and Mitra (2006) in their study highlighted that political contact helps to access facilities such as tenure security and basic amenities. According to Aldrich and Sandhu, (1995) social capital is effective in generating improved outcome, while, political contact is simply

a temporary relief. Mortuza, (1992) and Huq-Hussain (1996) in Bangladesh found that the social networks support the new entrants to make their city life easy and encourage them to face the challenge and uncertainties of urban life even with providing jobs. In comparison, Reingold (1999) observed that there was an important racial and ethnic difference in the structure and composition of social networks among inner-city residents from low-poverty areas in Chicago, while, it does not seem that any particular group is excluded from employment opportunities. Social networks as a source of social capital have a positive image to overcome the constraints of urban poverty. Poverty may be cause of market-generated inequalities, but the poor have the potential to mitigate these inequalities either by individual strategies of self-help or by using their social relationships to build up their lack of human or material capital (Richards et al. 1998).

Aldridge et al (2002) pointed out that social capital not only an important variable for educational attainment, economic and business performance, but it is equally important in access to public health, community governance, and solve the economic problems (Bowles et al (2002). Fay (op cit) also observed that urbanisation not only results the urbanization of poverty, but it is also helps to reduce poverty. In other words, Warah, R (2005) in Kenya observed that migrants who were connected to each other had a better access to employment and housing in cities than those who are unconnected. Lack of access to housing, basic services or employment, in turn, further impacts poverty levels. The urban poor have little choice but to cope with urban life they use their social networks for everything like information about housing, employment, credit as well as physical security (Thomas 1995). Similarly, Roberts (1978) in his study found that social networks play a major role to build a house, find work, or getting financial help or medical emergencies through which the Latin American poor cope with the urban life. Edleman and Mitra (2006) noticed that apart from reducing the long-term vulnerability, social networks enable the slum dwellers to achieve self-sufficiency. They also noted that the social capital that the low income households possess needs to be maintained and should be used to develop access in basic amenities and improved living conditions.

### **1.7: Research Questions:**

The study will be designed to address the following questions:

1. Who are the urban poor?

2. What are the major causes of migration into the urban squatters?
3. What are the causes of the rapid growth of informal settlements in the urban areas?
4. What types of social capital are used by the informal settlers for their socio-economic mobility?
5. What are the livelihood opportunities available in a rapidly growing urban economy?
6. What are the livelihood outcomes in terms of economic activities, expenditure, consumption, savings and access to basic amenities, family and social networking, of the urban poor?
7. What are the reasons behind the socio-economic disparities among the residents of the inner city and peripheral informal settlements?
8. What are the public and government responses towards creation of basic amenities and enabling infrastructure as well as livelihood opportunities for the urban poor?
9. What are the constraints of the urban poor in meeting their basic needs and securing livelihoods?
10. How are the livelihood resources or livelihood assets utilised by the urban poor for survival?
11. What are the survival strategies adopted by the urban poor?

### **1.8: Research Hypothesis:**

The following hypothesis has been formulated to throw light on the issues relating to the study:

1. The process of urbanization leads to deepening of poverty among informal settlers.
2. Formation of social capital is an explicit poverty elimination strategy.
3. Rural urban wage differential is the cause of high growth of informal settlements in urban areas.
4. Informal settlers are economically vulnerable owing to lack of education and skill.
5. Positive co-relationship exists between migration, informal settlement and informal sector activities.
6. Informal sector is the sole provider of employment to the urban poor.
7. The income-food expenditure relationship of informal settlers follows the Engel's law.

8. The urban poor are vulnerable and are excluded from basic amenities enjoyed by the urban population.
9. Institutional credit facilities are absent due to illegal status of settlements.
10. Access to credit depends to a great extent on the quality of social relations.

### **1.9: Research Methodology**

The main thrust of this study is to analyze the formation of different forms of social capital/networks to integrate the slum dwellers into the mainstream market economy and the role played by social capital in devising their livelihood strategy. It is also known that the social capital/network varies with the communities, race, sex, area of the residence, etc. So, the methodology of this study has been planned keeping in view the role and formation of social capital among the residents of inner-city and peripheral city squatter settlements assuming that the residents in the inner city are the older migrants and the residents the peripheral city are relatively the new migrants.

#### **1.9.1: The Sample Squatter Settlements and Sampling Technique**

Following the objective of the study, the purposive reference technique has been adopted to collect the information regarding older and new settlements from the existing and retired officials of the Urban Poverty Alleviation Cell (U.P.A), Councillors, Community Organizers, Siliguri Municipal Corporation, officials of the Refugee Relief and Rehabilitation Department, Siliguri, Government of West Bengal. The red shaded area in the map namely the Mazdoor and Lichubagan colony located in the heart of the city as well as the older central business area of Siliguri town have been identified by the officials as the inner-city squatter settlements where the residents are relatively older migrants.

On the other hand, from the outer boundaries (added area) of Siliguri Municipal Corporation another two squatter settlements namely Rajibnagar and Shivnagar Colony (yellow shaded area in the map) have been chosen as peripheral squatter settlements where the residents are normally the new migrants. From each of the inner and peripheral areas, two squatter settlements have been chosen that are inhabited by diverse communities within the population. The above information was once again collected from the respective officials of U.P.A, Councillors, Community Organisers, Siliguri Municipal Corporation (SMC), Refugee Relief and Rehabilitation Department, Siliguri, Government of West Bengal.

In case of selection of the sample households from each of the squatter colonies in the inner city, initially, an older migrant has been identified as the first sample respondent with the help of Resident Community Volunteers (RCVs). Assistance was sought from the first sample household to identify other older migrants. The new identified older migrant was further asked to identify another migrant possessing similar characteristic. This process was continued until the desired sample households were identified. Cross verification was also made amongst the referrals with regard to the validation of the duration of migration. The same technique was also adopted in case of selecting the sample households for the relatively new migrants in each of the colonies of the peripheral city. The technique through which such types of hidden population has been identified is popularly known as "*Snowball Sampling*" or "*Chain Referral Sampling*" or "*Network Sampling*" etc. This method relies on referrals from initially sampled respondents to other persons who are believed to have the same characteristics. This technique is used especially when it is difficult to identify members of the desired population. For the present study both linear and exponential non-discriminative snowball techniques of sampling have been applied.

#### **1.9.2: The Sample Size of the Squatter Households**

Out of 154 notified slums in SMC, four slums of the two categories (inner-city settlements and peripheral settlements) have been selected from the universe. In the inner city squatter settlements, there were 348 households in Mazdoor Colony with the inhabitants of 1656 slum dwellers and 375 households in the Lichubagan Colony with the residents of 1835 squatters/slum dwellers. On the other hand, in the peripheral city squatter settlements namely Rajibnagar and Shivnagar Colony, there were 359 and 615 households with the resident of 1710 and 3010 slum dwellers respectively.

From each of the inner and peripheral city squatter colonies/settlements a fixed number of 60 households have been taken. As a whole, 240 sample households from the four sample squatter settlements have been surveyed in the aggregate, taking 120 from the 2 inner city squatter settlements where the residents are the older migrants and 120 from the 2 peripheral squatter settlements where the residents are relatively the new migrants.

### **1.9.3: Survey Methodology**

In pursuing the study, both the analytical and empirical methods have been combined. The relevant data and information have been collected from both the primary and secondary sources. The survey was conducted through a well structured questionnaire canvassed among the sample squatters of both the inner and peripheral city squatter settlements. With the help of Resident Community Volunteers (RCVs), Sundays and holidays were fixed for interview with the households by the researcher, since most of the residents in the slums remain busy with their work schedule in all other days of the week. Exhaustive information has been collected through personal interviews with the households. In most of the cases, the head of households have been selected for an interview. But in some cases it was not possible to interview the head of the households owing to their busy work schedule and in that case information was collected from their spouses or other senior members of the household. The primary survey has been conducted during the periods of October 2010 to March 2011. At the end of the primary field survey, the questionnaire was further scrutinized and the necessary improvements were made referring back to the households.

### **1.10: The Conceptual Framework**

Asian countries have large populations which contribute huge numbers to the population shifting from rural to urban areas. This is the specific nature of urbanization in Asia. A key determinant of migration is the income differential between rural and urban regions (Gilbert and Gugler, 1982). Lee (1966) has divided the forces that influenced migration into negative and positive factors. The former are push factors that tend to force migrants to leave their native place, while the latter are pull factors attracting migrants to destination areas in the expectation of more livelihood opportunities and improving their standard of living.

A livelihood is considered to consist of the assets, activities and entitlements that enable people to make a living. The term "livelihoods" is used to refer to "the assets (all capitals) and income-generating activities that taken together determine the living gained by the individual or household" (Ellis, 2000). Lack of gainful employment coupled with poverty in rural areas, for the migrants with little financial capital or otherwise, the only option is to occupy a piece of vacant land to build their shelter.

These informal settlements are characterized by various names like informal settlements, squatter settlements, shanty towns, unorganized settlements, uncontrolled settlements, etc. Informal or spontaneous settlements are those settlements where the persons or squatters illegally occupy the government land, private land, railway land which is not registered in their names. Squatters are people who occupy land or buildings without the explicit permission of the owner (UN-HABITAT 2003).

Many of these settlements are growing almost as rapidly as the urban population growth rates. Besides, as cities grow, urban poverty is becoming increasingly relevant. UN estimates suggest that over 90 per cent of world population growth over the next 25 years will be in urban areas. By 2025, half the population in Asia and Africa may be living in cities and more than 80 per cent in Latin America. With this, the total number of urban poor will grow simultaneously.

Not surprisingly, the Asian region has the largest proportion of population living in slums or informal settlements. UN-Habitat (2003) estimates that in 2001, Asia had 554 million slum dwellers, or 60 percent of the world's total; Africa had 187 million slum dwellers (20 percent of the world's total), while Latin America and the Caribbean had 128 million slum dwellers (14 percent of the world's total). Worldwide, estimates are that one billion people are living in either slum or informal settlements, and this includes one third of the world's urban population (UNDP, 2005). In south Asia, slum and informal settlement populations constitute 58 percent of the total urban population, compared to 36.4 percent in East Asia, and 28 percent in south-east Asia. In addition, areas in developing countries with high concentrations of slums and slum dwellers are the fastest-growing urban areas. Many of these slum and informal settlements are located in poor and highly vulnerable locations.

The NSSO survey information (2004-2005) showed that out of a total work force of 422.61 million informal workers in India, only 34.84 million workers are employed in the formal workers. The NSS 61<sup>st</sup> round also covered non-agricultural enterprises in the informal sector in India. As per the NSS 61<sup>st</sup> round, 83.89 million workers were employed in the non-agricultural informal sector of the economy. It is being increasingly realized that the informal sector possesses massive potential in creating large scale employment opportunities for the urban poor. Thus, the informal

sector acts as a vehicle of employment provider and social development and social security, and yet it is marginalized from the development agenda.

The Siliguri Municipal Corporation (SMC) has 154 notified informal settlements namely slums and squatter settlements are located in almost all the wards with 1,75,012 population i.e., 36.41 percent of the total population of SMC (Census, 2001). Out of total population of slums, around 94,433 persons i.e., 55 percent (UPA Cell, SMC) are living below poverty line which is more than double the national level. Hence, the present study will explore the increasing rural-urban migration, informal settlements, and the formation of social capital among urban informal settlers for sustaining their livelihoods.

### **1.11: Chapterisation**

The proposed study consists of the following nine chapters.

**Chapter I:** This chapter introduces the statement of the problem, importance and relevance of the study, the objective of the study, research questions, justification of the study, scope of the study, research methodology, research hypothesis, chapterisation of the study, limitation of the study and review of related literature will also be discussed in this chapter.

**Chapter II:** Informal Settlements and Urban Poor: The chapter covers the studies on urban slums and squatters in different parts of South Asia.

**Chapter III:** Urbanization, Migration and Demographic Changes in North Bengal: This chapter covers the demographic changes over the last sixty years in North Bengal with the special focus on Darjeeling district.

**Chapter IV:** Urban Poor in Informal Settlements of Siliguri Municipal Corporation: A brief history and features of the Siliguri town, urbanisation, migration and formation of informal settlements, occupation of informal settlers, locational environment, access to basic amenities, health and education, problems and constraints of urban poor is highlighted in this chapter.

**Chapter V:** Demographic Characteristics & Socio-Economic Status of the Urban Poor in the Inner City Settlements.

**Chapter VI:** Demographic Characteristics & Socio-Economic Status of the Urban Poor in the Peripheral City Settlements.

**Chapter VII:** Migration, Livelihood Opportunities and the Informal Sector in the Context of Informal Settlements under Siliguri Municipal Corporation: This chapter is

a synthesis of the experiences of the urban poor in the two types of settlements under study.

**Chapter VIII: Social Capital Formation and Livelihood Strategies of the Squatters in the Inner and Peripheral City under Siliguri Municipal Corporation:** In this chapter the role of social networking has been examined in access to livelihood opportunities like migration, housing settlement, access to employment, credit market etc., in both the settlements of SMCA under study.

**Chapter IX: Summary Findings & Conclusion, Policy Review & Suggestions.**

### **1.12: Limitation of the Study:**

In recent past, both slums and squatter areas are often referred to as informal settlements. Alternatively, informal settlements are also commonly known as slums (UN-Habitat 2003). In Siliguri Municipal Corporation, no distinction has been made regarding informal settlements, and slums. All the informal settlements have been termed as slums. Hence the study used the term informal settlements as synonymous to slums and squatter settlements and the terms have been used interchangeably.

### **1.13: Data Processing:**

After field investigation, the survey data has been analysed in terms of percentage, descriptive and inferential statistics. The descriptive statistics that includes mean, Standard Deviation (SD), ANOVA (Mean Difference) etc., have been used to analyse the socio economic variables of the households. On the other hand, correlation coefficient and the inferential statistics especially the chi-square test have also been applied to find out the degree of relationship and difference among the variables between inner and peripheral city squatter settlements. The technique of Multivariate analysis has been applied for the validation of Engel's law, based on expenditure pattern of food and non-food items in both inner and peripheral city. A model of Multinomial Logistic Regression has also been used to capture the role of social networks as a source of social capital in accessing employment /occupational choice within cities. Finally, an additive composite index on the quality of life of the squatter households has been constructed for the inner and peripheral city in order to gain understanding of the differential impact of the socio economic variables on the well being of the population respondents.