

# Patronage, Perceived Property Rights and Persistence of slums

## Abstract

*This study endeavours to answer two questions: (a) Why do slums persist? and (b) How can we transform slums into better living space? The study identifies the continued persistence of slum attributes as defined by UN-HABITAT. Small city slums have been largely overlooked in the existing literature on urbanization. The study utilises primary data collected from 184 households and focus group discussions conducted in nine different slums of Gaya, a small city of Bihar in India. Econometric results reveal that perceived legal ownership, prolonged stay at the same location, improved housing, income and education facilitate the dissolution of slum characteristics. Our results also suggest that whereas, patronage associated with corruption within the local formal governance enabling reduction of slum characteristics, while discriminatory allocation of public resources contribute to their persistence. The paper suggests that strengthening of security of land tenure, improvement in the local level of governance and adoption of income and human capital augmenting measures can act as potential catalyst towards the endeavour to de-slum a city.*

**Keywords: Slums, Weak Institutions, Governance, Patronage, Perceived Property Rights, Human Capital**

UN-HABITAT (2016) defines a slum household as, “a household in which the inhabitants suffer one or more of the following household deprivations: lack of access to improved water source, lack of access to improved sanitation facilities<sup>1</sup>, lack of sufficient living area, lack of housing durability<sup>2</sup> and lack of security of tenure”. Persistence of these physical and legal<sup>3</sup> deprivations is tantamount to persistence of slums whereas, their dissolution aims to construct a slum-free city. This paper seeks to find persuasive factors behind sustenance and removal of these deprivations. Considering immense contributions of slum dwellers in economic space of the city, the study circumvents the possibility of forceful eviction of slums. Rather, the argument is, if these deprivations persist then slums persist. This paper attempts to answer two interweaved questions: (a) why do slums persist? In other words, what are the factors which uphold the slum deprivations? and (b) what are the required steps to attenuate these formidable deprivations? The paper is organized as follows: Section I introduces the case of slums and their associated advantages and disadvantages. Section II discusses the literature and fleshes

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1 UN-HABITAT (2016) defines an improved sanitation facility is the one that hygienically separates human waste from human contact. Improved facilities include flush/pour-flush toilets or latrines connected to a sewer, septic tank, or pit; ventilated improved pit latrines; pit latrines with a slab or platform which covers the pit entirely; and composting toilets/latrines. Unimproved facilities include public or shared facilities of an otherwise acceptable type; flush/pour-flush toilets or latrines which discharge directly into an open sewer or ditch; pit latrines without a slab; bucket latrines; hanging toilets or latrines which directly discharge into water bodies or into the open; and the practice of open defecation in the bush, field or bodies of water.

2 A house is considered ‘durable’ if it is built on a non-hazardous location and has a structure permanent and adequate enough to protect its inhabitants from the extremes of climatic conditions, such as rain, heat, cold and humidity. The building materials in the roof, walls and/or the floor measure the durability of the housing.

<sup>3</sup> Lack of security of tenure is the only legal deprivation mentioned in the definition.

out fundamental institutional issues associated with proliferation and persistence of Slums. Section III discusses the key features of the primary data collected from the field site, viz., Gaya, a small city in Bihar, India. Section IV presents an econometric model and examines its results. And finally, Section V concludes with a discussion on the policy implications.

## **[I] Urbanisation and the case of Slums**

Labour is the prime endowment of poor incumbents who enter the economic space of a city. They prefer labour effort over leisure and queued up in the urban informal labour market to earn wages. Their wages determine their reservation prices to buy wage goods and investment goods like housing, health, education for children etc. Large gap between reservation prices of buyers and sellers for rented accommodation in urban housing market compels the former to take shelter in slums. Thus, choosing a slum for shelter is a forced and restricted choice yet a rational decision by a slum dweller, when market failure in non-slum housing market unites with indifferent public order.

Slum formation is exclusively an urban phenomenon. According to a report on slum formation in India (GoI 2015), “The main reason for slum proliferation is rapid and non-inclusive patterns of urbanisation catalysed by increasing rural migration to urban areas”. During post-independence period, Indian economy has experienced multiple structural transformations and succeeded in achieving sustainable high rate of growth led by movement of resources from slow growing to fast growing sectors (Wallack, 2003). Sustainable change in GDP composition away from primary sector has analytically move together with the pace of urbanisation<sup>4</sup>. Rising slum population followed the pace of urbanisation<sup>5</sup>. Slum statistics (Table:1 below) shows that the decadal (2001-11) growth of urbanisation has been estimated nearby 32 percent, while, the slum population growth rate was 25 percent during the same decade. During 2001-2011, India has added 13.1 million population in slums however the slum populations’ share of urban population decreased. A total of 65.49 million inhabitants living in 13.9 million households who have been enumerated in slums of 2613 cities/towns (GoI,2015).

**Fig:1- Slum Statistics in India and Bihar**

<sup>4</sup>Michaels G., Rauch F. and Redding S.J. (QJE, 2010) have provided empirical evidence between structural transformation and urbanisation.

<sup>5</sup> Davis (1965, p. 41) defines urbanisation as “The proportion of the total population concentrated in urban settlements, or else to a rise in this proportion”.

Year	Total Population		Urban Population(million)		Proportion of Urban Population to Total Population		Slum Population(million)		Slum Population in Proportion of Urban Population	
	India (billion)	Bihar (million)	India	Bihar	India	Bihar	India	Bihar	India	Bihar
2001	1.028	82.9	286.1	8.6	27.81%	10.46%	52.3	0.53	18.3%	6.2%
2011	1.210	10.4	377.1	11.7	31.14%	11.29%	65.4	1.2	17.4%	10.53%

Source: Compiled from Census Reports (2001 and 2011) and Primary Census Abstract for Slums 2015 (GoI)

Slums are dynamic socio-economic sites where urban poor live with their aspirations to splinter the fetters of poverty. Slum-dwellers interlace the productive fabric of the city. They crowd in occupations in which city's non-slum residents endeavour to keep themselves off. They contribute in capital formation in urban as well as in rural areas of which they are part of. Children of slums are major consumers of education provided by government-run schools (Banerjee et.al. 2012) and private schools with low capital base. Slums shelter the rag-pickers who contribute in the cleanliness of the city's environment. Therefore, these informal workers are significant characters of growth story of developing nations. Here, the paradox of slum life appears. Slum dwellers' services are avidly required across the economic sphere of a city, but they are unwelcomed in the non-slum housing market. Moreover, Slums generate negative externalities in respect of health risks (Duflo et.al. 2012) and are repository for the negative externalities of the city – illegal, polluting and dangerous activities (UN-Habitat-2003). Poor physical infrastructure like improved drinking water, sanitation facilities, high incidence of health problems, high opportunity cost of dwellers to access public health facility, exclusion from formal financial market for credit are few added disadvantages of life in a slum. Slum children encounter higher rates of drop-out in comparison to non-slum children in the city (Small and Newman, 2001). Arimah (2011) calls slums as physical manifestation of social exclusion where, slum residents are excluded from participating in the economic social, political and cultural spheres of the city. Fox (2008) identifies slums as 'high transaction cost zones,' and deliberates that their presence is evidence of spatially uneven economic governance. In such a context, the costs associated with slums may mitigate the potential benefits of urban growth. Moreover, Transaction cost in slums can be understood with reference to frequent health problems due to poor access to improved water, sanitation, drainage and over-crowded living conditions. Despite of prevailing disadvantages of slums, a city requires slum dwellers to roll its functioning.

## **[II] Persistence of Slums**

Several researchers identify provision and security of property rights as part of good governance (see Williamson, 2005; Khan, 2005; Phillips, 2008; Dixit, 2015). Weak governance in slums ends up with poor/no delivery of public goods to the target groups. In this section, I have argued that, slums and their persistence in cities are manifestation of the deeply ingrained weak institutional structure in urban governance.

Slums are illegally settled settlements in a city. “Lack of security of tenure” or absence of legal ownership of occupancy is the epicentre of all deprivations that slum households encounter. This can have removed only through legal encapsulation of the occupied dwelling space. Illegal occupancy conveys with fear of eviction, denial of access to formal credit market and vulnerability to exploitation by public officials and political patrons. According to Marx et. al. (2013), ambiguous property and tenancy rights, potentially reduces the efficiency of urban land and housing markets and may discourage investment or reduce participation in urban labour markets. Dafe (2009) in her study on Nairobi slum dwellers, found that the lack of formal access to land, housing and services lead to emergence and persistence of slums”. Therefore, Institutional (legal) weakness in terms of absence of property<sup>6</sup> rights disintegrate slum households from the formal institutions which is manifested through dilution of their bargaining power to access the public goods. Disavowed legal ownership of dwelling lay the weak foundation of governance structure in slums. As discussed above, apart from legal deprivation (i.e. lack of security of land tenure), slum households encounter physical deprivations like improved housing, water, sanitation, drainage etc. Constrained by low income of the slum dwellers and given the nature of above goods (i.e. public good), the later require to be allocated by the government. World Bank (2004) associates governance with effective delivery of public goods and services. The issue of governance in slums begins with a simple question i.e. “How the public goods are actually allocated under the existing institutional framework?” Governance in slums is pre-dominantly informal, characterised by influential role of corrupt political patronage or patron-client relationship.

Weak governance in slums creates frictions in allocation and delivery of public goods. In such socio-economic space, public goods allocation is discriminatory and various coercive interest groups are likely to occupy the centre-stage. These interest groups reformulate the rules of the

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<sup>6</sup> Property is not a physical thing that can be photographed or mapped. Property is not the primary quality of an asset, but the legal expression of an economically meaningful consensus about assets. Law is the instrument that fixes and realizes capital (De Soto, 2000).

game and substitute the rule-based governance. Therefore, supremacy of informal over the formal governance is the distinguishing feature of governance in slums. Emergence of Corrupt political patronage in slums is manifestation of such institutional structure. In a cross-section studies of more than 150 countries, Kaufmann et al (1999) provide empirical evidence of a strong causal relationship from better governance to better development outcomes. In this context, good and effective governance is crucial to improve the life of slum-dwellers. Effective public provisioning of goods and services strengthen an economy in fighting with poverty (Dasgupta and Ray 1986, Tebaldi and Mohan, 2010), rising inequality (Deaton and Dreze, 2002), Chong and Gradstein, 2007, Datt et al. 2016), Whereas, poor governance such as leakage in public spending and weak institutional capacity in terms of poor execution and monitoring are possible reasons behind ineffectiveness of public spending (World bank, 2004; Andrew et.al., 2008). Marx et.al. (2013) in their study on slums of developing countries identified multiple market and policy failures, acute governance and co-ordination problems in slums which lead to poverty trap and low human capital formation. Many scholars (Sharma and Bhide 2005; Besley and Ghatak, 2006; Ross, 2006,) noted the adverse effect of weak public goods provisioning on the poor. Ahluvalia (2016), Mahabir et.al. (2016) identify challenges associated with governance resulted in a significant deterioration in the state of public services and proliferation of slums in cities of India. Fox (2013) proposed that slums are manifestation of “disjointed modernization” in which urban population growth outpaces urban economic and institutional development. Zhang (2017), took underpinning of “Credibility thesis<sup>7</sup>” proposed by Ho (2014) and argues in his study that slums persist because they satisfy certain functions for social, economic, and political actors, regardless of their levels of informality, illegality, and physical inadequacy.

Slum dwellers of small city slums are short distant migrants who sustain strong rural linkages. Small city slums are distinguished by large city slums on carrying stronger rural social attributes and are more homogeneous socio-cultural space. Large shifting of living space from rural to urban areas has seized attention of political parties to shift their vote share estimates towards expanding urban clusters. They perceive slum dwellers as their potential voters. If a political party succeed in earning political loyalties of dwellers in small city slums, then, they can claim their voting share in rural areas too, may contrary to large city slums. Therefore, slums are politically dynamic space where many parties compete to anchor. As discussed in

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<sup>7</sup> Institutional function presides over form; the former can be expressed by its credibility, that is, the perceived social support at a given time and space. This postulate has here been dubbed the “credibility thesis”.

the previous section that, the epicentre of vulnerability of slum dwellers is “the lack of secure land tenure”, knotted with fear of eviction. This vulnerability of slum dwellers compels them to adopt “Self-preservation” as their core strategy. Self-preservation refers to “insecure feet seek secure grip”. This means that slum dwellers want secure land tenure for their dwellings that formal institutions often deny. This gives birth to Patronage politics or political clientelism in slums. Patronage is an informal institutional arrangement, based on quid-pro-quo or exchange relationship between the patron and clients (here, local elected representatives and slum-dwellers respectively). Such relationship is characterised by unequal power relation between the patron and clients. Eisenstad and Roniger (1980) emphasized that monopolisation of power with the patron is of crucial importance for the clients. Monopoly power empowers the patron to exploit the vulnerability of the clients with discriminatory and discretionary favours. Piliavsky (2014) calls Patronage in India is “a pervasive social norm”. Plethora of literature available on Political clientelism with reference to exchange of votes for discriminatory favour (Weingrod, 1968; Chandra, 2004; Jha, Rao and Woolcock, 2007; Berenschot, 2011; Gonzalez-Ocantos et al., 2012; Robinson and Verdier, 2013; Auerbech, 2016). The dominance of discretionary governance over rule-based governance may be labelled as “coercive patronage.” In slums, it is the patron (local elected representative) who decides the allocation of public goods to the clients (i.e. slum dwellers). The most significant aspect of political patronage in slums is the patron’s assurance to slum dwellers against possible eviction from their current dwelling. Here, it is pertinent to argue that if we restrict our argument that political patronage is based on exchange of “votes” and “protection from eviction” then numerous patrons compete in a slum location. To play the role of patron, it is not necessary to hold a public office. During our Focussed-Group Discussions (FGDs) in various slums, it has been informed that representatives of all political parties offer them protection from possible eviction. This appears as substitute to the legal security of land tenure. Moreover, the local elected representative provides discriminatory access to slum dwellers to access benefits from various government run welfare schemes like Public Distribution System (PDS), access to fund for toilet construction under Swachh Bharat Abhiyan (Clean India Mission) etc. Being beneficiaries of these schemes, slum dwellers develop perception that they are the natural claimant of the occupied land in the slum. The perception gets strengthened with prolonged stay at the same location in a slum,

A growing body of literature call attention to the fact that residents in informal settlements often enjoy tenure security regardless of their legal status. Several studies point out various non-legal factors that shape such de facto tenure security (Nakamura, 2015; Aristizabal

& Gomez, 2004; Gilbert, 2002; Payne, 2001; Razzaz, 1993; Varley, 1987). Furthermore, others argue that informal settlement residents' perception of their tenure security, rather than their legal or actual tenure security, influences their housing investment decisions (De Souza, 2001; Doebele, 1978; Reerink & van Gelder, 2010; Van Gelder, 2009, 2013; Van Gelder et.al. 2015). During field visit, it has been informed by many slum dwellers that they pay annual utility bills to the local municipal corporation for the limited basic facilities they avail in slums. Consistent assurance from political parties against eviction, long-duration stay at the same location, payment of annual utility bills, entitlement of various coloured utility cards (like BPL card to take benefits of food security scheme) and Voter identity card mentioning name and address of the card holder, motivate slum-dwellers to presume a “perceived sense of ownership of property rights” of their respective dwellings. Perceived property rights may persuade slum-dwellers to invest and upgrade their living standard.

On the other hand, strong foothold of patronage in slums is responsible for poor delivery of public goods. The patron offers discriminatory access to public and private goods and entitlements to the clients and potentially exploit their power to divert resources and basic amenities in their favour for electoral support or bribe. Preferably, the Patron diverts resources towards her existing political loyalists and the potential supporters.

Focussed-Group Discussions (FGDs) conducted here revealed that the patron colludes with at least one dweller from each caste group, who plays the role of intermediary between the patron and clients. These intermediaries are nodes of information for the patron as well as for the clients. They provide basic services (processing of applications to get access to public and public provided private goods), collect bribe, shield the image of the patron whenever resentment comes open. Patron-client relationship generates private revenue for the patron, intermediary and in few cases for the clients through corruption. Klitgard (1988) synthesizes the level of corruption in patron-client relationship as follows:

$$C=M+D+H-A$$

Where, levels of Corruption (C) are proportional to Monopoly (M, the number of monopolistic positions in both the public and the private sector, implying the creation of economic rents), plus Discretion (D, the power to decide how to allocate rents), plus Hidden information (H, the capacity to use as a resource in the corrupt exchange confidential information that can influence the allocation of rents), minus Accountability (A, the effectiveness of state and social monitoring of agents' conduct). In slums, the factor “A” of the above relationship is very low or negligible as Brinkerhoff and Goldsmith (2002) comments that, “Patron-client relationships are prone to misunderstanding and manipulation because no independent entity keeps an eye

on them”. This encourages the patron to impose bribe on clients to award benefits to the later of various government run schemes. Exchange of bribe and benefits of public scheme is a reality in slums. In other words, fund allocation for constructing public goods turns into private revenue shared among the patron, intermediaries and clients.

Therefore, the quid-pro-quo relationship between the patron and the clients (i.e. the slum dwellers) is based on exchange of public services and votes as well as bribe. My point of contention is if the exchange relationship is based on exchange of vote and public good provisioning only as discussed in most of the literature of patronage politics then slum improvement can be ensured easily. Rather, the central point is, a slum dweller is perceived as a potential client to accompany the interest groups in siphoning of the public funds, exclusively allocated for the former’s development. One obvious question emerges here: Why patrons take bribe from the clients who happen to be their voters too? Don’t they get fear of their possible defeat in the next election? As a matter of fact, political parties secure votes through various other measures too.

Patrons in slums device multiple strategies to win votes. A large body of available literature have explored and discussed vote buying behaviour of political parties. Candidates offer cash food, alcohol, clothes, other gifts, promises to provide public goods etc. to voters to win votes (Banerjee et.al. 2011; Björkman, 2013; Rojo, Guadalupe, Jha and Wibbels. 2014). Electoral feasting on the eve of election is a common practice in slums of Gaya. Stein (1984) describes other aspect of the patronage as “Patronage serves as a “safety valve” for the client, in so doing, it serves as a homeostat for a system of inequality. Further, He cites Levine (1973) who writes “where coercive conformity exists as a form of psychological adaptation, religion will be used as a means of alleviating and partly rationalising the resultant suffering on a regular basis and can thereby become an indirect psychological support for coercive regulation. For instance, in one of the slums (suppose “X”), where this study was conducted, people from various castes stay together with almost no inter-caste conflict. The slum “X” is dominated by a caste called “*Dusadh*”<sup>8</sup>. Although *Dusadh* (30.8 percent of total SC population in Bihar, GoI, 2012) comes under the ambit of scheduled caste, the lowest order social group in the caste hierarchy, but informally, the caste claims the kshatriya status of their caste. *Dusadh* of Magadh (Gaya region) worship Baba Chuharmal<sup>9</sup>, a saviour as their God. the local elected representatives have built a big temple of Baba Chuharmal to win the heart and vote of *Dusadh*

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<sup>8</sup> For details about *Dusadh*, refer Patel (2017)

<sup>9</sup> For details about Baba Chuharmal pl. refer Channa, S. Mitra, Mencher, J. P. (2013)

community. Like-wise, in different other slums where this study was conducted, the elected representatives were found to organise birth centenary of Saint Ravidas<sup>10</sup>, Mahrishi Valmiki, Ambedkar Jayanti etc. in various slums of Gaya to woo voters belong to Chamars, Balmikis and other Dalit communities. In our data of 184 households, 20 percent households belong to Chamar while 13 percent belong to Dusadh. Therefore, in patronage arrangement, the patron designs multiple strategies to win votes of the clients and the quid-pro-quo is not solely based on exchange of public goods and votes.

In the next section, I attempt to identify various determinants behind slum dwellers' access to improved sanitation i.e. toilet facility. Lack of improved sanitation is a slum characteristic/deprivation while its removal is a step towards de-slumming a city. Provisioning of toilet under the broad ambit of sanitation is a public good although for an individual household, toilet is a private good. Hygienic separation of human waste from human contact is the central motive behind this provision. Constructing a toilet in house with such feature is an investment in the economy as it does not only provide direct benefits to household members, but it creates positive social externalities. The direct and indirect benefits are associated with reduction in health expenditure, malnourishment and productivity augmentation. Andres, et. al. (2014) in their study on children health in rural India found that, there is a 47 percent reduction in diarrhoea prevalence between children living in a household without access to improved sanitation in a village without coverage of improved sanitation and children living in a household with access to improved sanitation in a village with complete coverage. One-fourth of this benefit is due to the direct benefit leaving the rest to external gains. Günther and Fink (2010) combined 172 Demography and Health Survey data sets from 70 countries to estimate the effect of water and sanitation on child mortality and morbidity water and sanitation infrastructure lowers the odds of children to suffering from diarrhoea by 7–17 percent, and reduces the mortality risk for children under the age of five by about 5-20 percent. The authors also find evidence for the Mills-Reincke Multiplier for both water and sanitation access as well as positive health externalities for sanitation investments. In India, in 4,041 statutory towns, 7.9 million households do not have access to toilets and defecate in the open. Weak sanitation has significant health costs and untreated sewage from cities is the single biggest source of water resource pollution in India (Census, 2011). Therefore, private construction of toilet creates positive externalities in the slums in terms of health improvement and reduction in

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<sup>10</sup> Chamar, a Mahadalit caste, highest population among SC (31.3 %) in Bihar, worship Sant Ravidas, a Sage and Poet whose leaders claimed Brahmin status for Chamars and many of them felt proud to be called Ravidasis. For details pl. refer Patel (2017)

health expenditure. According to GoI (2015), 80% of urban households engaging in open defecation. In India, the government has launched Swachh Bharat Abhiyan in 2014 with one of its objective to make India Open Defecation Free (ODF) by 2<sup>nd</sup> October, 2019, through allocation of fund to construct toilets in rural and urban areas. Slum dwellers are natural beneficiary of this scheme.

### **[III] Quantitative Data Analysis**

This study was conducted in Gaya, the second largest city of Bihar in India. According to Census 2011, the city comprises of 41 slums which shelter 6.6 percent of the city's population. As per the information received from the municipal corporation of Gaya, 17 slums are located on State Government land, 5 on Central Govt and the remaining 19 are on private or trust land. The study utilises household level primary data of 184 households living in 9 different slums of Gaya from January to June 2017. The data were collected through detailed household questionnaires and FGDs in each of the nine slums. The household level primary data columns demographic variables, slum characteristics, occupation of members of the household, access to basic amenities and public schemes, ownership of dwelling, years spent in slums, income, expenditure etc. 52 percent of our respondents were female between the ages of 19-70 while male respondents were between the ages of 20-80. Average age of our respondents was 37 years. More than 99 percent of the sample households migrated from nearby villages of Gaya district of Bihar. Average number of household members of the sample is 5.8 among which 95 households have more than 5 members (ranges from 6 to 24 members). Average number of household members for these 95 households is 7.3. Among 184 households, 64 own toilets within their household premise. Among them, 47 received funds from the Swachh Bharat Abhiyan. Those who receive funds from Swachh Bharat Abhiyaan, 42 of them complain bribe paid to the ward councillor through the intermediary. The rest 22 constructed toilets with their own private funds before this scheme got launched. 120 households who didn't receive funds informed rejection of their applications on some technical ground. 34 percent of our sample households avail water facility within their housing premise. 48 percent households collect water within 50 metres distance from their dwelling while 18 percent collect water from 50-100 metres distance. In our data, 63.5 percent households live in pucca house while the rest live in Katcha house.

No household in the data being scrutinised owns legal land tenure for her dwelling. But, patron assurance against eviction, holding various government approved identity cards e.g. voter id card, Aadhar card, coloured ration cards etc. and annual utility bills in their names together

help many slum dwellers to develop false but strong perception that they cannot be dislodged from the present dwelling. During field visits, the respondents were asked about their land tenure status. 52 percent of our sample claims that they are the legal owner of the occupied space. The basis for their claim was the annual utility bills they pay to the municipal corporation. They also revealed that they are staying at the same location since generations, so they can't be evicted. Average number of years of stay of households is 37.5 while the median value is 40 years. This means that half of our sample households (i.e. 92) have been staying in slums for more than four decades. Long stay at the same location too assist slum dwellers in strengthening a false perception that they cannot be removed from their present location. This instigates them to carry out private investment. In our sample of 184 households, 106 households claim that they are staying at the same land for forty or more than forty years. Out of 106, 60 owns a pucca house and 31 have water source within their household premise.

Urban poor have poor endowment of resources, but, rich in social capital. Sixty percent of the sample households maintain good bridging social relations while forty percent have earned strong bonded social capital in their slums. "Sharing of assets" is an asset in poor locations. For example, during summer season, when there is irregular water supply, slum dwellers receive help from those who have regular and improved water facility within their premise. Slums in small cities are replica of rural social system as they migrate from nearby villages and live in caste-dominated small clusters in a slum and they possess strong bonding social capital. In slums there are dwellings of those castes also whose population is meagre to form a cluster thus they social dependency is more on bridging social capital.

For the purposes of this study, I have chosen a binary dependent variable "*access to toilet*" which refers "if the household members go for open defecation or no access to toilet within the dwelling premise (=1) and own a toilet located within her dwelling premise (=2). The sample households who have toilets within their dwelling premise they have constructed either through funds allotted through "Swachh Bharat Abhiyan" or with their own private investment. In the data, of 184 households, only 64 households (30%) have toilets facility within their dwelling premises. To examine the influencing factors behind, I estimate the following logit model:

$$\ln\left(\frac{P}{1-P}\right) = \alpha + \beta_1 X + \beta_2 Y + \beta_3 Z$$

Where, P denotes the probability that ith respondent uses toilet for defecation  $\alpha$  is a constant; X includes demographic and social variables; Y is perceived legal tenure for the place of residence; Z other control variables; and  $\beta_1$ ,  $\beta_2$  and  $\beta_3$  are parameters to be estimated. Our model is as follows:

The Model:

$$\begin{aligned} \text{access to toilet} = & \beta_0 + \beta_1 \text{ number hh members} + \beta_2 \text{ income groups} + \beta_3 \text{ years of education} \\ & + \beta_4 \text{ distance of water source} + \beta_5 \text{ years of staying} + \beta_6 \text{ type of house} \\ & + \beta_7 \text{ social capital} + \beta_8 \text{ perceived land tenure} + \beta_9 \text{ corrupt patronage} \end{aligned}$$

Description of independent variables incorporated in the above model is as follows:

***number hh members:*** The variable denotes total number of members live in a household. It is expected that the household having higher density, members are more likely to go for open defecation. Slum houses are illegal occupancies and there is a possibility that they have less space to build a toilet and prefer to go for open defecation.

***income groups:*** The sample households are divided into three income groups (on monthly basis): Income: 0-5000=1, 5001-10000=2 and >10000=3. Upward income mobility enhances the households' capability to invest and motivates them to upgrade their living standard. It is expected that with shift in income level, a household chooses to construct toilet rather than go for open defecation.

***years of education:*** This variable represents number of years of formal schooling the head of the household completed. Number of years of schooling make people aware about hygienic practices like potential adverse consequences of open defecation. It is expected that higher level of education may catalyse the toilet building.

***distance of water source:*** This variable measure how far is the source of water from the household. Larger distance may incentivise a household to go for open defecation rather than to construct toilet. The variable *distance of water source* is divided into three categories: If water source is within the household premise=1, water source is within the distance of 50 metres from the household =2 and source of water available at more than 50 metres distance=3.

**years of staying:** *years of staying* measures the length of time (in years), the household is staying at the said place. Staying at the same place for longer period may help in strengthening the slum households' perception of secure land tenure and bring down the fear of risk of long-term investment like toilet construction. Prolonged stay also assist in accumulation of social capital and adaptation to the deprived life of slum etc.

**type of house:** This variable is a binary variable i.e. the slum dweller owns Katcha house=1 and Pucca house=2. Ownership of Pucca house carries few additional benefits: One, the household can upraise the house which may help them to reduce per room density; two, if the acquired space does not permit the household to construct a toilet, then it can be constructed on the roof of the house.

**social capital:** *social capital* represents social capital. Strong social ties give voice to the slum dwellers to put pressure on local government to provide basic infrastructure through various government schemes. The variable answers the question: "*What kind of prevalent social ties you maintain in your basti/colony?*" *social capital* =1, if the household maintains better bonding<sup>11</sup> social capital than bridging<sup>12</sup> social capital and *social capital* =2, when reverse holds true.

**perceived land tenure:** *perceived land tenure* =1 if the head of the household is convinced and aware of the reality that he/she doesn't legally own the land tenure whereas, *perceived tenure* =2, when the head of the household holds false impression about the ownership of the dwelling space or they presume that they cannot be evacuated. This appears with payment of annual utility bill in name of the head of the dwelling for consumption of public goods in slums.

**corrupt patronage:** This variable is binary. *corrupt patronage*=2, when the respondent had paid bribe to the local elected representative to get benefits through various government schemes, while *corrupt patronage* =1, when the respondent did not pay any bribe to get these benefits. Pecuniary corruption or political loyalty instigates the patron to make discriminatory decision to ensure the funds get approved for the clients. In addition, limited funds allocated for various schemes give patron the discretionary power to divert funds towards politically loyal clients. Here, It is not certain that the dwellers have been actually discriminated or they

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<sup>11</sup> Refers to social ties within homogeneous groups. Here, it represents neighbours belong to same caste, family.

<sup>12</sup> Refers to social ties among heterogenous groups. Here, it represents neighbours belong to different castes.

were simply ineligible or denied due to limited funds. That's why, bribe associated with patronage has been considered for analysis.

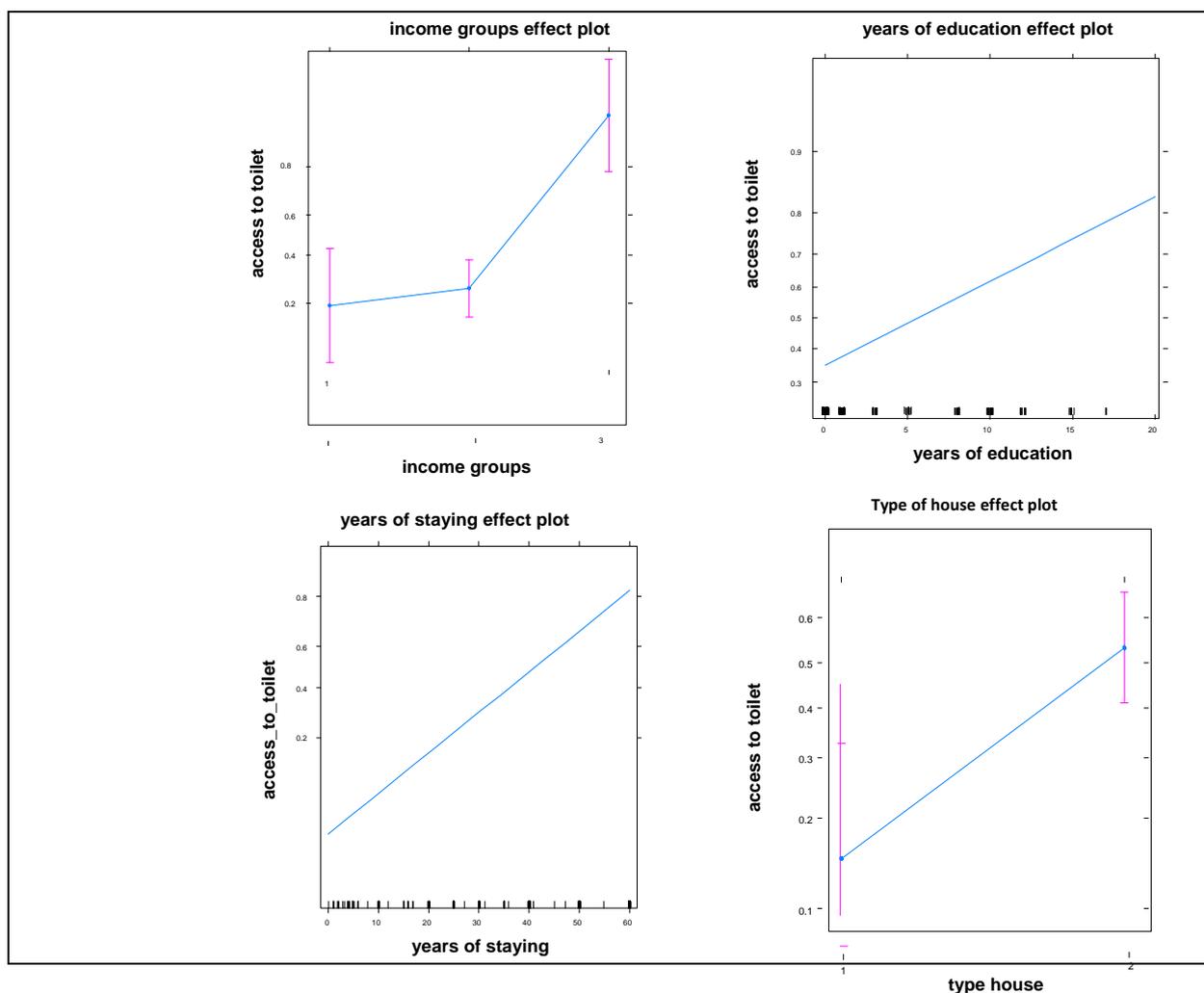
The given model (above) tries to measure the likelihood of access to toilet facility (or building a toilet) for slums' households and how the likelihood gets influenced by the chosen independent variables. This model potentially answers our central question i.e. why do slums persist? The variables which positively contributes in getting access to toilet (through public allocation of funds to build toilets) are the factors which play significant role in improvement of slums or eradication of slums through depletion of slum characteristics. But, we need to investigate those variables carefully as the potential determinant/s may be counterproductive and sustain the deprivations in slums. I estimated the logit model whose result is as follows (Table 2):

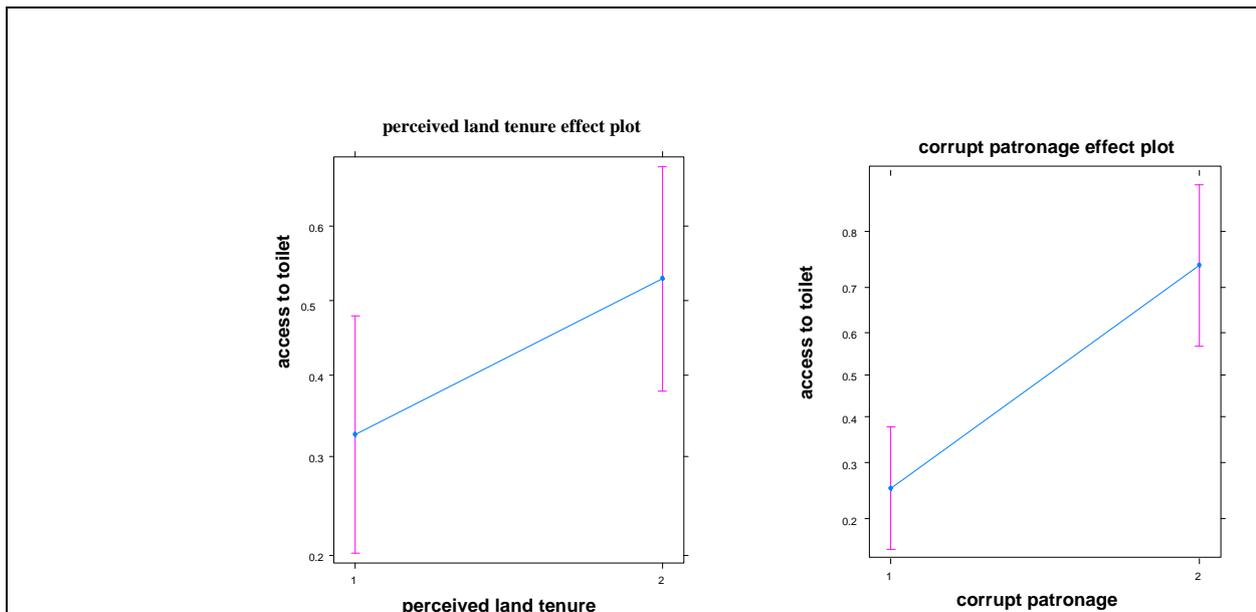
<b>Table 2: Summary of estimation results:</b>		
<b>Coefficients:</b>	<b>Estimate</b>	<b>Odds-Ratio</b>
(Intercept)	-6.84677*** (1.37555)	0.001063
number hh members	-0.11839 (0.08665)	0.888352
income groups2	0.34706 (0.62779)	1.414897
income groups3	3.86823*** (0.8941)	47.85772
years of education	0.11155* (0.04995)	1.118006
distance of water source2	0.28593 (0.49201)	1.331005
years of staying	0.07972*** (0.01493)	1.082979
type of house2	1.89097*** (0.59737)	6.625818
social capital2	-0.24201 (0.44847)	0.785047
perceived land tenure2	0.84814* (0.45797)	2.335296
corrupt patronage2	2.15025*** (0.53138)	8.586983

Null deviance: 254.01 on 183 degrees of freedom  
 Residual deviance: 136.39 on 173 degrees of freedom  
 AIC: 158.39

As expected, income groups, years of education, years of staying, corrupt patronage, perceived land tenure and type of house are strongly associated with the likelihood to access to toilet facility in the households. In logit model, it is relatively difficult (but not impossible) to discern from inspection of the coefficients how these variables combine to influence the probability of getting access to toilet. To overcome the difficulty to interpret the marginal effects of an independent variable we take help of a library called “effects” in software “R”. “effect” displays the interaction of independent variables in the logit model fit to the data. The vertical axis is labelled on the probability scale, and a 95-percent pointwise confidence interval is drawn around the estimated effect. The function effect returns an object of class effect, containing information for constructing an effect display. The essential input to effect includes a linear (lm) or generalised-linear (glm) model object, and a term for which the effect is to be computed (Fox,2003). The effect displays of contributory variables are as follows:

**Figure: 1**





Above results illustrates that, with rise in income, years of schooling, number of years of stay in the same dwelling, a household is more likely to access to toilet. In addition, corrupt patronage tied with bribe payment, perceived property rights and ownership of a pucca house augment the probability to get own toilet facility. Here, shift into higher income group appears as a very crucial determinant of access to toilet, a proxy for slum improvement, when we control all other variables in the model. Above plot illustrates that income (monthly in Rs.) shift from level 1 (0-5000), to level 2 (5001-10000) do not enhance the probability (probability remains between 0.2 to 0.3) to access to toilet but sudden upsurge in probability can be observed (moves up to 0.8) with shift to income level 3 (>10000=3). As evident from the data, mean income of our sample is Rs. 9700 per month while median income is Rs.7500 per month. However, “take home” income per month for 18 percent households is Rs 3,800. Assuming a household size of five, this implies that these households in slums of Gaya are well below the poverty line. Only 24 percent of our sample households fall under the income level 3 (i.e.>10000). In our sample of 184, 64 households own toilets. Out of these 64, income of 45 households fall in level 3 and among 45, 30 households own toilets and among 30, 13 claims that they paid bribe to get funds approved for toilet construction. This indicates the preferential allocation of public funds in favour of comparatively higher income households. Above results indicate that low probability to have own toilet is associated with households with lower income. Rise in income potentially enhances the households’ capability to invest. Engagement of worker in gainful employment with secure income may reduce the fiscal burden of the

government and reduce the target group population to deliver benefits through various government schemes.

Above results show that, households' heads who are illiterate or spent less number of years in school are less likely to have access to their own toilet facility in comparison to households whose heads have spent more. In the sample, 52 percent of respondents are illiterate, 19 percent could not complete even primary education and only 16 percent received education till and post matriculation. In addition, 67 percent of women head or women counterpart of the male heads are illiterate. Average years of schooling for male head was 3.03 years while for the female counterpart of male head and households with only female head was 1.5 years.

It is also evident from the above results that, corrupt patronage enhances the likelihood of access to toilet with smooth fund allocation to construct it. 28 percent of our respondents voiced discrimination and bribe payment against the ward councillor in allocation of ration cards while 26 percent have paid bribe to get funds approved for toilet construction under Swachh Bharat Abhiyan. Lack of improved sanitation is a deprivation defined in a slum's definition, which can be removed with construction of toilet. A significant proportion of allocated funds for toilet construction under Swachh Bharat Abhiyan is being paid as bribe to the intermediary of the patron to get the funds approved to construct a toilet in each household. During our FGDs conducted in nine different slums, the discussants have made few startling revelations in context of allocation of funds for running *Swachh Bharat Mission*, a scheme to make India open defecation free. Mr. 'A' lives in a slum 'X' narrates the reality during a focus group discussion as:

*“Here, most of the slum dwellers go for open defecation. The intermediary of the ward councillor of our ward collected information like Aadhar card, Jan-dhan account details from many households with an assurance to approve funds for toilet construction. While interaction, he also took verbal assurance from us that a portion of money shall require to be paid as bribe to municipal officials. Whole amount of first instalment, I paid him in the bank itself just after withdrawal, then I received the second instalment after few weeks. The intermediary asked me to pay Rs. 500 more for accomplishing the process of fund disbursement. What can be done? Fund got approved only for those who assured bribe or are very close to the councillor. Those who didn't, were disqualified. I got the money. I have bribed Rs. 4500. Rest of the amount was inadequate to build a toilet. I invested some of my own money and build it. How can you build a toilet after bribing a significant portion?”*

Another dweller, Mr. 'B' added,

*“In the same way, I too got money and build a toilet with some additional private fund. Toilet has been built but the toilet has no door. We have hanged a cloth there. I need to bring water also from the tap which is hundred metres away.”*

In another slum, during focus group discussion, Mr. 'C' told the same story and added that

*“...disqualification to get benefits of schemes is based on the private information about political loyalty with the ward councillor.”*

Focus group discussants also informed that, in case of getting funds for toilet construction, after payment of bribe the remaining fund remain insufficient to construct a toilet if not supplemented with their own private funds. They inform that in few cases, clients utilise the remaining funds for their private consumption. In few other cases, the quality of public goods gets affected adversely. This appears counterproductive and restricts slum characteristics to deplete. Above discussion suggests that corrupt patronage tied with bribe payment and discriminatory allocation of public goods in slums produce a live case of fractured governance. Fractured governance is an aspect of government failure which potentially disrupts the welfare of urban poor. In such societies, moral cost of people is low, and corruption gets institutionalised.

In addition, prolonged stay at the same location encourages the slum dwellers for long-term investment. 52 percent of our sample households have perceived sense of legal property rights for their land and 79 percent of them invested in pucca housing. Sixty percent of our sample households revealed that they are staying at the same place since at least three generations. Households staying at the same location since generations accumulate significant amount of social capital which strengthens their perception about ownership of property rights. Longer years of stay at the same location, payment of annual utility bills for public good consumption in slums are non-legal factors which collectively develop and strengthen “perceived property rights”. Stronger the perceived property rights, slum dwellers are more likely to invest in toilet construction. On the contrary, weaker the perceived property rights discourage households to invest in improved sanitation.

#### **[IV] Discussion and Policy Implications**

The study began with an argument that “persistence of slum characteristics is tantamount to persistence of slums”. In this direction, the study attempts quantitative and qualitative investigation, considering a case of access to toilet, a proxy for a defined slum characteristic i.e. improved sanitation. Although, the study doesn't discuss other slum characteristics like lack of access to improved water source, lack of sufficient living area and lack of housing durability but the present description of the study would be helpful to understand the underlying dynamics behind persistence and removal of these characteristics. Presence of appallingly high

illiteracy and low level of education among slum dwellers prevent them to comprehend the importance of improved sanitation. Likewise, low level of income of slum dwellers not only hinders the private investment but low-income households face exclusion while attempt to access public funds under government scheme. This is evident from the sample that approximately 50 percent of the households who own toilet belong to the highest income strata among slum dwellers which represents 24 percent of the aggregate sample size. This biased distribution of public resources indicates that the coercive patronage in slums excludes the most deprived and play significant role in maintaining the slum characteristic. In addition, ingrained corruption in the patronage relationship yields poor quality public goods and adversely affect the consumption of poor slum dwellers as they supplement the investment with private income. This appears counterproductive. Therefore, fractured local governance require to be improved to access to improved sanitation. Positive dimension of patronage for slum dwellers is the verbal assurance of security against eviction. The study finds the prominent role of “perceived property rights” in removal of slum characteristic. Although, ‘perceived property rights’ is not the perfect substitute of ‘legal property rights’, but its role in slum improvement has been accepted by several authors (discussed in section II). Provision of legal land tenure in slums has been contradicted by several authors in recent years (eg. Gilbert 2002, Mitchell 2005, Arimah, 2011; Ho, 2015). These studies cautions that allocation of legal property rights may not resolve the existing problems but potentially delivers other kind of complexities. This issue requires more scrutiny and beyond the purview of this paper. But, given the productive dimension of perceived property rights, it would not be inappropriate to argue in favour of provision of legal land tenure to the slum dwellers in the endeavour towards slum improvement. The above stated discussion brings to the fore the role of human capital in catalysing the process of slum improvement. Human capital generates positive externalities, augments understanding to improve the quality of life, enhances productivity and an important variable for slum improvement. Education makes people aware of the role of improved sanitation in health improvement and various government schemes for their upliftment. Therefore, the policy should be directed to engage slum dwellers to earn more human capital which may assist them to earn more wages in future.

Slums under study, are settled either on public or private trust land. Focus group discussions conducted in nine different slums unveil that, although, slum dwellers receive notice time to time for dislodgment but the elected local representative with handful of his associates in slums move to court against this and succeed. This helps them to win confidence of slum dwellers and secure their vote share. In slums, the patron seeks vote in exchange of security against

eviction and demand bribe in exchange of provisioning public goods. This appears contradictory but, further interrogation revealed that the slum dwellers are more concerned about their eviction rather than payment of bribe. Slum dwellers also embrace the popular opinion that, to get a work done, one must pay bribe. In other words, bribe payment is a norm in the governance structure in slums. Lack of legal land tenure, allow the political patronage to take its root in slums. Political patronage in slums is intimidating due to its monopoly power over allocation of public goods and has wide policy implications. Effective delivery of public goods enhances private consumption through their positive external effects. Entrenched corruption with patronage in terms of preferential allocation of public good and bribe payment appears to be not only counterproductive but exclusionary. Payment of significant portion of allocated fund as bribe to the patron does not only affect the quality of toilets but compels the clients to not to construct the toilet with the remaining funds appear to be insufficient. The focus group discussants revealed a very startling fact that you can get funds to build toilet only if either an individual pay at least 40 percent of the approved fund as bribe or he is politically loyal to the ward councillor.

Our FGDs across slums unearthed one more interesting revelation about corruption. Another motivation behind bribe is enactment of Bihar Municipal Act, 2007 which provisioned up to 50 percent reservation to the women from Scheduled caste, Scheduled tribe and other backward classes. The act directs the election commission to accept the principle of rotation in case of seat allotment to women from above categories and unreserved category. The winner candidate is not aware whether she/he would be able to contest next election from the same ward/location or not. This insecurity might have induced them to take bribe. These institutional factors are cumulatively affecting the effective implementation of “Swachh Bharat Abhiyan” adversely and play instrumental role in maintaining the slum characteristics.

In sum, persistent miscarriage in providing good governance at local level as reflected by dominant presence of corrupt patronage, friction in rising on higher income path and low human capital accumulation are reasons behind persistence of slums. The study proposes improvement in local level of governance and to implement income and human capital up-gradation measures to remove slum characteristics.

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