

## FINANCIAL LIVELIHOOD CAPITAL-IMPLICATIONS OF URBAN RESETTLEMENT WITH SPECIAL REFERENCE TO COOUM RIVER RESTORATION PROJECT, CHENNAI, TAMIL NADU

\*

<sup>1</sup>Dr.J.Renee Arathi, \*\*<sup>2</sup>Dr.R.Rajkumar

<sup>1</sup>Assistant Professor, Department of Social Work, Tamil Nadu Open University

<sup>2</sup>Social Development Consultant, HEAVEN, Chennai.

### I INTRODUCTION

Urban redevelopment and environmental sustainability, urban river restoration initiatives frequently include the forcible relocation and displacement of marginalized people along riverbanks. The Cooum River Restoration Project is one such massive project in Chennai that aims to develop the banks of the heavily polluted river and clean it up. Thousands of families, mostly from informal settlements, have been forced to leave as a result, and they have since been moved to the outskirts of the city. According to this study, the financial livelihood capital of these displaced communities is significantly and frequently negatively impacted by such relocation schemes. According to the Sustainable Livelihoods Framework, financial capital refers to the financial resources that people have at their disposal, including their income, savings, credit availability, and remittances. Being close to the city center, where they may access vital services and informal labor marketplaces, is closely related to this capital for the urban poor. In the past, fishing, garbage collection, and other unofficial activities were the main sources of income along the banks of the Cooum River. These families' established livelihood practices are disrupted when they are relocated to remote, outlying places. Their daily income is diminished by the longer commute to work and the high expense of transportation. They also lose access to their financial and social networks, which are essential for unofficial support and financing. In order to undermine the very purpose of sustainable urban development, this paper will examine how the resettlement efforts of the Cooum River Restoration Project have affected the financial capital of impacted families, resulting in a loss of income, increased debt, and a heightened state of economic vulnerability.

### II LIVELIHOOD CAPITALS- A BRIEF OVERVIEW

#### Sustainable Livelihoods Approach (SLA)

The Sustainable Livelihoods Approach (SLA), created by the UK Department for International Development (DFID), is a framework for understanding how poor and vulnerable people make a living. It's a holistic approach that looks at all aspects of a person's life, not just their income.

#### The Five Livelihood Capitals

The core of the SLA is the idea of livelihood capitals—the assets and resources people use to survive and improve their lives. DFID identifies five key capitals:

1. **Human Capital:** A person's skills, knowledge, health, and ability to work.
2. **Social Capital:** The networks, relationships, and trust a person has within their community.
3. **Natural Capital:** The natural resources they rely on, such as land, water, and forests.
4. **Physical Capital:** The tools, equipment, and basic infrastructure they have access to, like roads or buildings.
5. **Financial Capital:** Their savings, income, and ability to get credit.

The SLA shows how people use these five capitals to cope with challenges and create a sustainable livelihood. It's a tool for development professionals to better understand and help communities.

### **FINANCIAL CAPITAL**

Financial capital is important because it is the monetary resource that fuels economic activity at all levels, from individuals and households to businesses and entire economies. It allows for the acquisition of other assets and facilitates investment, growth, and stability. It is important for an individual to achieve his personal goals, cope with crucial crisis situations and also for wealth generation. All other capitals work towards financial capital and vice versa.

### **III COOUM RIVER RESTORATION PROJECT (CRRP)**

The Government of Tamil Nadu initiated Cooum River Restoration project under Rajiv Awas Yojana after 2015 floods in Chennai. The Community Development wing of Tamil Nadu Urban Habitat Development Board resettled the families in the slums along the banks of Cooum River, in the new tenements of Perumbakkam, Chennai.

### **IV STATEMENT OF PROBLEM**

With the background of this project on Cooum River Restoration, the study of displacement and subsequent resettlement in the context of urban community development is crucial for several reasons. The mass resettlement of thousands of families from their original habitats to these new locations has raised concerns about the impact on livelihood capitals. This paper specifically portrays the implication on the financial capital of the resettled families.

### **V NEED FOR THIS STUDY**

A comprehensive understanding of this phenomenon is essential for fostering social equity and promoting inclusive development within urban areas. Additionally, as cities undergo continuous transformation and expansion, it becomes imperative to assess the impact of displacement on urban sustainability and resilience. By identifying the factors that contribute to community resilience in the face of displacement, researches can help pave the way for the creation of stronger and more adaptable communities.

### **VI OBJECTIVES**

1. To understand the effects of restoration project on Financial livelihood capitals of the resettled
2. To suggest ways and measures to mitigate the negative implications of urban resettlements on financial capitals of target group.

### **VII RESEARCH METHODOLOGY**

The study was undertaken among displaced, relocated and rehabilitated families of Cooum River Restoration Project (CRRP) carried out by Tamil Nadu Urban Habitat Development Board in Chennai metropolitan city. Slum dwellers on the bank of Cooum river were resettled in Perumbakkam, TNUHDB tenements. The Project Affected Families (PAFs) i.e 5470 families have been resettled in Perumbakkam in the CRRP resettlement process, which constituted the universe of this study. Descriptive research design was adopted for the study. Systematic random sampling was used by the researcher to select samples from the universe. the determined sample size was 373, at 95 percent margin of error. Structured Interview Schedule was used to collect data from the respondents.

## VIII RESULTS AND DISCUSSIONS

**TABLE 1: Respondents' Mode of Income Generation**

S.No.	Income Generation / Financial Assistance	Response	No. of Respondents (n = 373)	Percentage
1	Income through daily wages	Yes	300	80.4
		No	71	19.6
2	Income through shop/trade	Yes	97	26.0
		No	276	74.0
3	Income through self-employment	Yes	67	18.0
		No	306	82.0
4	Financial assistance from relatives	Yes	15	4.0
		No	358	96.0
5	Pension	Yes	3	0.8
		No	370	99.2
6	Government financial assistance	Yes	2	0.5
		No	371	99.5
7	Old age pension	Yes	8	2.1
		No	365	97.9

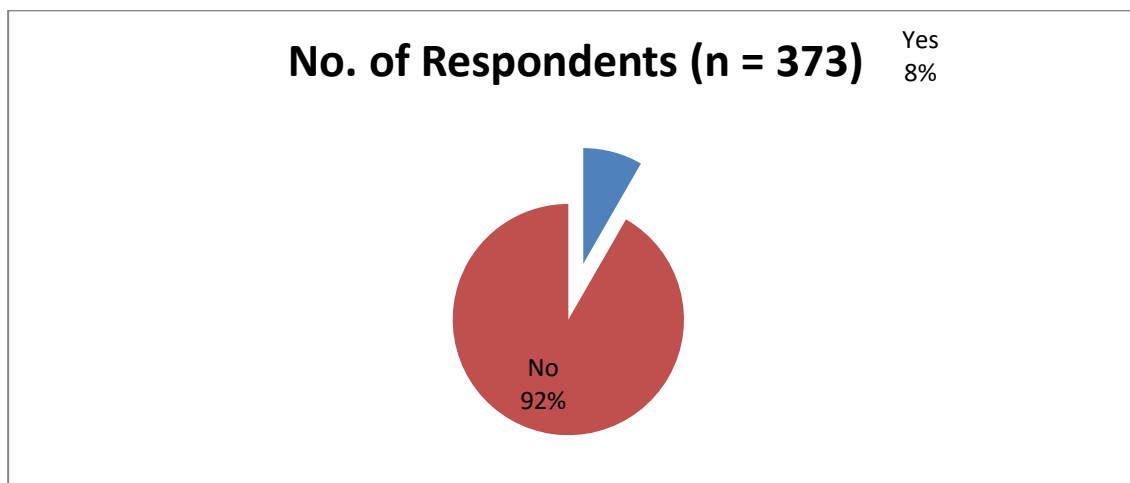
The above table shows the details on income generation by the respondents. The economic reality for this group is marked by instability. A large majority, **80.4%**, rely on unsteady daily wage labor, a temporary and often exploitative form of employment. Some households supplement their income with an auto-rickshaw. The lack of job security and schedules means they work long hours—an average of ten hours per day—without any safety measures. Additionally, contractors often take advantage of them, and the remote location and poor public transport add to their daily struggles. While most are in daily wage jobs, a smaller portion have more stable work. **26%** of the respondents own a shop or engage in trade, and **18%** are self-employed. However, efforts like providing skill training, financial support, and marketing facilities are needed to help them overcome the challenges of distance and limited job options. A very small fraction of this group gets by with support from other sources: a mere **4%** receive financial help from relatives, and only **3%**

get pensions or government assistance. This highlights the severe lack of a safety net. Notably, none of their children are engaged in part-time work to help the family financially.

**TABLE 2: Distribution of the expenditure incurred by the respondents**

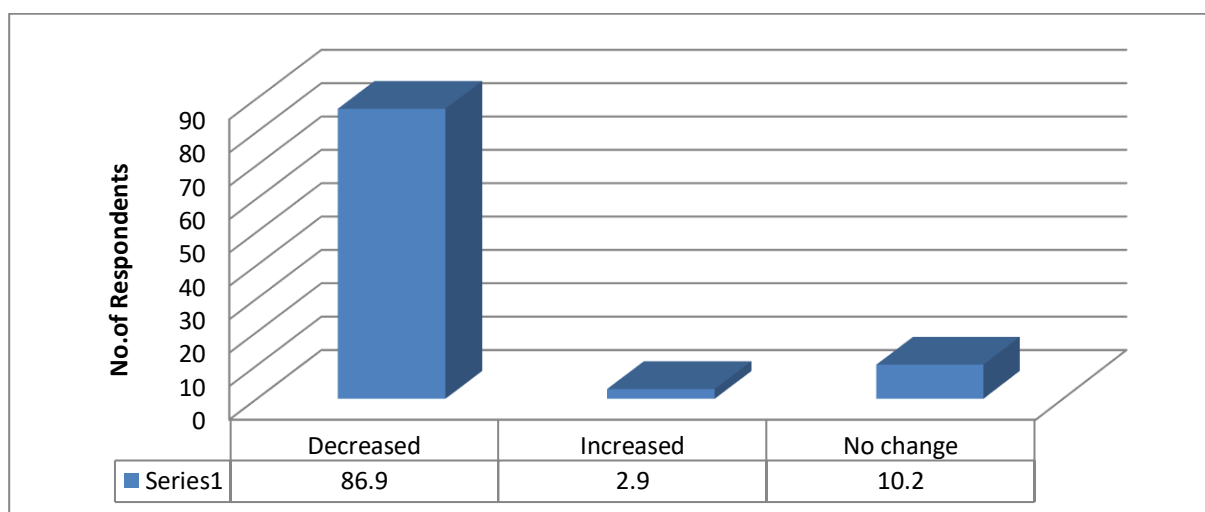
S.No.	Purpose of the Expenditures	Mean	Mode	Maximum	Minimum
1	Education	9944.444	2000	100000	500
2	Health	1996.721	1000	20000	500
3	Food	3695.333	3000	30000	500
4	Transport	1562.814	1000	6000	100
5	Marriage	17000.000	15000	50000	2000
6	Loan interest	8819.091	2000	200000	500

Respondents' major expenditures highlight their financial strain. Education is a significant cost, with spending ranging from Rs. 500 to Rs. 10,000. The most frequent amount spent (the mode) is Rs. 2,000, while the average (mean) is Rs. 9,944.44. Marriage is another major expense, with costs ranging from Rs. 2,000 to Rs. 50,000. The most common and average amount spent is Rs. 15,000. A key finding is the **exorbitant loan interest** being paid. Respondents are spending between Rs. 500 and Rs. 20,000 on interest alone, with the most common amount being Rs. 15,000 and an average of Rs. 8,819. Additionally, a considerable portion of their income goes to basic necessities: the average monthly expenditure on food is Rs. 3,695, and on transport, it is Rs. 1,562.



**Figure 1: Establishing a Micro-Enterprise (Petty Shop)**

The above figure shows that a minimum of 8.3 percent of the respondents had the opportunity nominal proportion to open petty shops in their new locality while a vast majority of 91.7 percent did not start a petty shop or any such small level business. In their previous locality the majority of the respondents were daily wage labourers and they are oriented towards such jobs instead of opening shops or businesses.



**Figure 2: Changes in Income after Relocation**

The above figure portrays the type of change in income of the respondents after shifting to their new locality, a high majority 86.9 percent of them said that their income decreased while there was increase for a negligible proportion of 2.9 percent and about 10.2 percent said that their revenue remained unchanged. In his study on the resettlement caused by the Arenal Hydroelectric Project in Costa Rica, Partridge (1993) discovered that the program's successful socioeconomic outcomes were attributable to a number of factors, including careful planning, the use of anthropological research to inform the programme, community involvement in the planning process and—above all—the gradual introduction of new agricultural technologies to resettled farmers. Though positive impacts are found in a few projects, loss of livelihood and income are the major issues in many such cases. Planning and people's participation are significant factors to bring positive outcomes in resettlement process. Requisite consideration for the potential human resources for income generation could have brought positive outcomes.

**TABLE 3: Reason for Reduced Income after Relocation**

S.No.	Response	No. of Respondents (n = 373)	Percentage
1	Lack of space for opening a petty shop	18	4.8
2	Lack of job opportunities in new place	314	84.2
3	Low wages	41	11.0

The table no..5 explains the reason for the decrease in income as perceived by the respondents. A high majority 84.2 percent of them said that there was a lack of job opportunities in their new locality and a negligible proportion 4.8 percent of them said that they couldn't open petty shops or small level business and the remaining 11 percent indicated low wages as reason for decrease in their income. During the FGD, it was found Only a meager number (approximately 25 percent) of them had started vending vegetables and other such products in the current location. A very few women go to the nearby IT offices as housekeeping (cleaning work); however, they feel that the duration of working hours is longer with low wages. Hence most of them do not prefer to

take up housekeeping in the offices. Women prefer to take up domestic work in houses and they travel 8-10 km for the same.

**TABLE 4: Respondents Hurdles towards their Financial Development**

S.No.	Hurdles	Response	No. of Respondents (n = 373)	Percentage
1.	Lack of Capital	Yes	315	84.5
		No	58	15.5
2.	Lack of skill	Yes	67	18.0
		No	306	82.0
3.	Distance	Yes	252	67.6
		No	121	32.4
4.	Lack of job opportunities	Yes	248	66.5
		No	125	33.5
5.	Health problems	Yes	57	15.3
		No	316	84.7
6.	Difficulty in getting permission to do business	Yes	70	18.8
		No	303	81.2
7.	Difficulty in getting bank loan	Yes	96	25.7
		No	277	74.3

A large majority (**84.5%**) feel their income dropped due to a lack of financial capital. As a vulnerable group with over 80% working as daily wage laborers, they find it difficult to get the funds needed to start their own business or trade. A significant number of respondents (**67.6%**) also cite inadequate transport facilities as a reason for their financial decline. The distance to the city center, where they once had access to various job opportunities, makes commuting both costly and time-consuming. Additionally, difficulty in getting bank loans was a major issue for **74.3%** of the respondents. Most respondents (**82%**) believe they don't lack the skills for financial growth, while a smaller group (**18%**) admit they do. This suggests that the issue isn't a lack of inherent ability, but rather a lack of opportunity and access to jobs in their new environment. Their previous location in central Chennai gave them access to various opportunities, such as vending and other informal trades, that are now unavailable.

**TABLE 5: Distribution of gender based petty shop owning after shifting.**

Response	Male		Female	
	No. of Respondents (n = 373)	Percentage	No. of Respondents (n = 373)	Percentage
<b>Yes</b>	11	2.9	20	5.4
<b>No</b>	112	30	230	61.7
<b>Total</b>	<b>123</b>	<b>100.0</b>	<b>250</b>	<b>100</b>

The table no.7 shows that among the total 123 male respondents, a negligible 2.9 percent of them opened a new petty shop or business and among 250 female respondents a negligible 5.4 percent opened a new petty shop or business. As discussed earlier, as they were oriented towards daily wages labour, they lag in proactively for self-employment.

**TABLE 6: Gender and Lack of Skills for Financial Development**

Response	Male		Female	
	No. of Respondents (n = 373)	Percentage	No. of Respondents (n = 373)	Percentage
Yes	21	17.07	46	18.4
No	102	82.9	204	81.6
<b>Total</b>	<b>123</b>	<b>100</b>	<b>250</b>	<b>100</b>

The table no. 8 shows that among the male respondents, a sizeable 17.07 percent of them and among the female respondents a nominal 18.4 agreed that that they got support for their financial development. Globally, research studies prove that a nation's social and economic development depends on the women work force of the country. Skilling and upskilling of women needs attention of the Governmental, Non-Governmental and Private organization (CSR), and working for the betterment of resettled people.

## **IX SUGGESTIONS FOR FINANCIAL CAPITAL ENHANCEMENT**

- Bank Accounts and Financial Literacy: Partner with banks to conduct financial literacy workshops and open zero-balance savings accounts for the women. This moves their money from informal, unsafe locations to secure, interest-earning accounts.
- Microcredit and Small Loans: Link them with microfinance institutions or Self-Help Groups (SHGs) to provide small, low-interest loans. This allows them to invest in better equipment, manage family emergencies without high-interest debt, or even start small complementary
- Assist them in enrolling in government social security programs. This includes schemes like the Pradhan Mantri Jan-Dhan Yojana for banking, and health insurance schemes like Ayushman Bharat, which can cover expensive health issues, preventing the need to sell assets or take on debt.
- Emergency Fund: Encourage and help them set up a community-based emergency fund. This pooled resource, managed by the women themselves, can provide a quick safety net during a family crisis, illness, or loss of income.

Apart from the above , Women's empowerment initiatives may be prioritized with specialized training and skill development programs tailored to their needs and interests. Partnerships may be established with cooperative banks or nationalized banks to facilitate easier access to financial services for women and marginalized communities. Access to banking services may be improved by increasing the availability of ATMs in the resettlement area. Systematic and organized skill development programs may be implemented targeting youth and women in the resettlement area, with training opportunities offered in areas of high demand. Capacity-building initiatives should be



undertaken to empower affected communities to participate meaningfully in decision-making processes and to build their resilience to future challenges. This may involve providing training and support for community leaders, local organizations, and government officials involved in the project.

## X CONCLUSION

According to the respondents' financial capital analysis, the community is largely dependent on daily wage labor, with little entrepreneurship or financial assistance from family or the government. High costs for healthcare, education, and loan interest point to financial strain that is exacerbated by large loans for necessities. The majority reported a decline in income upon relocation, despite some attempts to open petty shops or companies. They cited issues like a lack of employment possibilities, financial resources, and bank loan availability. The need for focused interventions to enhance financial resilience and livelihood possibilities in the resettled population was highlighted by gender variations in entrepreneurial endeavors and financial support receipt.

## References

1. Cernea, M (1999a). Why economic analysis is essential to resettlement: a sociologist's view. *Econ Polit Weekly*, 34, 2149–2158.
2. DFID. (2007). The sustainable livelihoods distance learning guide. <http://www.livelihoods.org/infor/dlg/Index.htm>.
3. Fernandez and Paranjapye. (1997). Rehabilitation Policy and Law in India: A Right to Livelihood. ECONET and Indian Social Institute, Pune and Delhi.
4. Mehta, B. H. (1995). Community Organisation in Urban Areas. In *Social Welfare in India* (pp. 205, 208, 210, 212 and 217). The Planning Commission Govt. India: New Delhi.
5. Phonepraseuth (2012) From resettlement to sustainable livelihood development : the potential of resettlement and livelihood restoration arrangement to achieve livelihood sustainability , URL: <https://mro.massey.ac.nz/handle/10179/3594#>
6. Sangeeta Goyal. (1996). Economic Perspectives on Resettlement and Rehabilitation. *Economic and Political Weekly*, 31(24), 1461–1467. <http://www.jstor.org/stable/4404267>
7. TNUDP <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/178381468035093702/india-tamil-nadu-urban-development-project>
8. United Nations Development Programme (1997). Human Development Report 1997: Human Development to Eradicate Poverty. New York.
9. World Bank. (2004). Involuntary Resettlement Sources Book: Planning and Implementation in Development Projects. The International Bank for Reconstruction and Development: Washington, DC, USA.