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Shri S. V. Ranganath, IAS  
Chief Secretary  
Government of Karnataka  
3<sup>rd</sup> Floor, R. No. 320, Vidhana Soudha,  
Bangalore-560001

**Dear Sir,**

- Subject: (1) Inconvenience being caused to citizens in obtaining income certificates  
(2) Suggestion to issue 'household income certificate' to a family instead of in individual member's name  
(3) Unrealistic poverty line being followed in Karnataka  
(4) Suggestions for a more realistic poverty line**

CIVIC Bangalore is a not-for-profit voluntary organization working with public and government in Bangalore since 1992 on issues of urban governance. CIVIC is providing a neutral platform between Government and citizens for positive dialogue and find solutions.

Currently we have observed that urban poor families are facing a lot of hurdles in accessing services especially to get documents that are required to be produced for applying for welfare schemes, such as ration card, old age pension for senior citizens, scholarship for a school-going child; Bhagyalakshmi scheme, etc. One major problem we have identified in the field is in getting an income certificate for applying for any such scheme.

**Food department circular:** The Food, Civil Supplies & Consumer Affairs Dept., which used to do household surveys to determine who should be given BPL cards as per socio-economic criteria, has suddenly issued a circular that all households should submit income certificates issued by the tahsildar to be eligible for BPL cards.

Also, earlier, the BPL ration card issued by the (FCS&CA) department used to be accepted as income proof for accessing welfare schemes of other departments. But since the F&CS Dept. has issued a circular that its ration card should be used only for the purpose of drawing rations, households have to obtain an income certificate issued by the tahsildar's office –to access benefits from other departments.

**Problems in obtaining income certificates:** We are noticing the following problems in obtaining an income certificate:

- If the family has to apply for a BPL ration card it has to produce a family income certificate in the name of the head of the family.
- If a child of the same family has to apply for a scholarship, the child has to produce an income certificate in its individual name stating that the child, is the son/daughter of such a parent who belongs to a BPL family.
- If another child of the same family too has to apply for scholarship, another certificate with his individual name should be produced.
- If any other family member of the same family has to apply for any livelihood scheme or for pension, he/she again requires an income certificate in his/her individual name.
- As per current rules an income certificate is valid only for one year, so that this process will have to be repeated by each member of the family every year to renew the same.

This means that the whole family has to go to the Nemmadi Kendra and tahsildar's office, stand in a queue, get separate income certificates for each member of the family for different purposes and submit them to the concerned departments. This has created a huge rush and pressure both on the public and the tahsildar's office to issue certificates in the name of every single family member.

The income certificate has to be issued within a time-frame under the Sakaala scheme and non-issuance within the time-frame involves a penalty on the official. In order to avoid paying the penalty by missing the time-frame, officials are issuing tokens to the applicants who are waiting in long queues, giving time and date when they should come again merely to submit their applications. Agents/touts who are assuring poor families that they will help them in getting the income certificate very soon are ruling the roost which opens the gates for huge corruption. To control the public, police is being posted at every Nemmadi Kendra and Tahsildar office.

**Recommendations for issuing income certificates:** In Bangalore Urban, a family is recognized as BPL if its total household annual income is below Rs. 17,000. The ration card issued by FCS&CA department has the list of all family members.

In the same manner, if the income certificate is issued by the revenue department in the name of the head of the household with the names of all family members listed in one certificate and if it states that this could be used for accessing all services and schemes of the government, the burden on the government officials and the community members would be reduced to a minimum. This decreases the burden of the officials from doing repeated work on the same issue. On the other hand, public will be saved from wasting their time and money in getting any number of income certificates in each family member's name separately. This also curbs the growth of agents and corruption.

In this context, CIVIC recommends issuing of a circular to the concerned department on the manner of issuing income certificates. The income certificate:

1. Should be issued in the name of the head of the household like the ration card and contain all the names of the members of that family so that it could be used by all of them.
2. Should state that the same income certificate could be used for accessing any number of services/schemes by any member of the family.

3. Should be issued annually for a family so that the resources of the state and the urban/rural poor families' time and money is saved and the same could be utilized instead for economic growth.
4. Should be issued at the ward level in cities through a single-window system to save people from having to run from pillar to post.

**Unrealistic poverty line:** We wish to bring to your kind attention other anomalies in relation to the state's poverty line and the income certificates. As you are well aware, the Planning Commission has submitted an affidavit to the Supreme Court that Rs. 32 per capita per day in urban areas and Rs. 26 per capita per day in rural areas are the poverty lines at 2010 prices. This works out approximately to a daily household expenditure of (32x5) Rs. 160 and (160x365) Rs 58,400 annual household expenditure in urban areas as the poverty line. But Karnataka is strangely adhering to Rs. 17,000 as the annual household poverty line for urban areas which works out to Rs. 46.57 per household per day and Rs. 9.32 per capita per day. **These numbers are less than a third of the poverty lines fixed by the Planning Commission.** And whereas the Planning Commission says that the poverty line is linked to rise in cost of living and increases every year, **the poverty lines of Karnataka have been stagnating at the same level since decades.** It is not known why the citizens of Karnataka are being made to suffer by keeping the State poverty line so much lower than the one affirmed by the Planning Commission to the Supreme Court.

**Rampant corruption in issuing income certificates:** It is obvious that no one in cities can be found surviving on just Rs.17,000 annual household income. **If households give their true annual income, none will be found eligible to belong to the BPL category.** This does not mean that people are not poor. It only means that such a poverty line is unrealistic. But in order to claim any welfare benefits, people are obtaining false certificates of annual household income by bribing officials. **This has resulted in the issue of income certificates becoming a 'big business' for agents/touts and officials of the revenue department. It is sadly common experience and knowledge that anyone can get an income certificate in Karnataka specifying Rs. 17,000 as household income by paying bribes. The mandatory verification to be undertaken by officials by visiting the household and assessing its socio-economic status is simply not happening.** This has resulted in those capable of paying bribes managing to corner all welfare benefits by producing false income certificates. The genuinely poor, who are unable to pay bribes, are given income certificates showing that they earn more than Rs. 17,000 making them ineligible for any welfare benefit.

**Recommendations regarding poverty line:** In this regard, CIVIC wishes to make the following recommendations:

1. The current unrealistic poverty lines based on Rs. 17,000 and Rs. 11,000 income should be done away with immediately **as these are criminalizing poor and ordinary citizens by making them file false statements.**
2. With immediate effect, the poverty line fixed by the Planning Commission should be adopted (Rs. 32 per capita per day, Rs. 160 per day per household, Rs. 4,800 per month and Rs. 58,400 per year per household in urban areas and the corresponding figures for rural areas.)
3. Within a fixed time-frame of a year, instead of an income criterion, locational, social and occupational vulnerability should be taken as the criteria for identifying the poor as done in Delhi under Mission Convergence.
4. If an income criterion needs to be retained for any reason, then the minimum wage as per the 15<sup>th</sup> Indian Labour Conference calculated by the Sixth Pay Commission should be the

poverty line (Rs. 350 per household per day; Rs. 10,000 per household per month and Rs.1,20,000 per year per household).

We hereby request you to look into these issues immediately to solve the problems of the poor of the state.

We also request you to kindly give us an appointment to discuss these and related issues with you in greater detail. We hope all concerned officials will be invited for the discussion to which we intend to bring other civil society organizations members working on these issues.

Thanking you.

Yours sincerely,

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**Brief background of CIVIC:** From the past 6 years, CIVIC is intensively working with the urban poor in a few wards to help them in accessing better service delivery of basic services from various departments. Through partnership with NGOs and government departments it is also involved in advocacy to: bring systemic changes at government level for making the process of accessing services smoother; involve public in governance through participatory planning and budgeting for their areas; and adopt social auditing of works and schemes to bring in accountability.