

Understanding Urban Poverty: A Historical Review

Abstract

India's urban population has grown rapidly over the last century from 25 million in 1901 to 377 million in 2011 which constitute 31.2 percent of the total population in the country. So now we can say that India no longer lives mainly in her villages. Urban population in India constantly increasing but urbanization has not come without its share of problem. Generally all urban residents have suffered from weak governance environment but it is the urban poor who have suffered the most. Poor access to basic services like education, healthcare, water and sanitation, housing and public distribution services are the main features of the urban poverty. The poverty alleviation programmes of the government were completely rural centric earlier. In this paper, authors explain how estimation of poverty and Government's programmes changes over the years.

Keywords: Livelihoods, Migrants, Poverty, Slum, Urbanization.

Introduction

Most remarkable features of the second half of the twentieth century has been the rapid growth of urban population in the world. Developing countries have experienced rapid urbanization and the spreading of huge metropolises. However, the level of urbanization in India is one of the lowest in the world. With about 31% of the total population living in the urban areas (Census 2011), India is less urbanized compared to many countries of Asia, for example, China (49%), Indonesia (50%), Japan (91%), South Korea (83%), and Pakistan (36%) (World Bank 2012). Urbanization can result from

1. Natural increase in Population.
2. Net migration from rural areas to urban areas.
3. Reclassification of villages as towns largely because of changes in the nature of economic activities.

After independence, there have been several changes that have contributed to increased mobility and migration. Some of these factors include shift of workforce from agriculture to industry and tertiary activities, progress in the field of education, better transport and communication facilities and modernization of norms and values. Withdrawal or displacement of work-force from rural economy and their absorption in urban sectors have created serious stress in receiving regions. The capacity of the cities and towns to assimilate the migrant's by providing employment, access to land, basic amenities etc. are limited. Rural urban migration has often been considered the major factor for growth of slums in urban areas. Therefore, it is necessary to view urban poverty as distinct from rural poverty and not as mere transfer of rural poverty into urban area. (Poverty in India, EPW, May, 2014)

Aim of the Study

In many ways urban poverty is worse than rural poverty. This Paper explains the debate on making of urban poverty and its notions. How methodology of estimation of poverty and urban poverty alleviation programmes change over the years. How Government led programmes helped the mitigation of poverty.

Features of Urban Poverty

The urban poverty apart from being distinct from rural poverty also has another dimension which reveals that the problems being faced by the poor in small urban areas are different from that of large cities. However, in general, the urban poverty manifests in the form of inadequate provision of housing and shelter, water, sanitation, health, education, social security and livelihoods along with special needs of vulnerable groups like women, children, differently abled and aged people. Most of the poor are involved in informal sector activities where there is constant threat of eviction, removal, confiscation of goods and almost non-existent social security cover. Even when some part of the urban population are not income-poor,

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they face deprivation in terms of lack of access to sanitary living conditions, and their well-being is affected by discrimination, social exclusion, crime, and violence, insecurity of tenure, hazardous environmental conditions and lack of voice in governance. These deprivations are often cumulative in nature i.e. one dimension of poverty is often the cause of or contributor to another dimension.

The Main Features of Urban Poverty Could be Summarized As Follows

Informalisation of Labour Markets

Most of the urban poor are engaged in informal sector activities as they lack adequate education and skills. They have a relatively low asset base, which is based mostly on their own labor and human resources. The urban poor working in informal sector often face relatively poor working conditions, lack of social insurance, job insecurity and are more prone to economic shocks.

Migration Patterns

The condition of urban poor is further complicated by the issue of migration. Migration rate (proportion of migrants in the population) in the urban areas 35 per cent was far higher than the migration rate in the rural areas 26 per cent (IMR Report, 2013). Among the migrants in the urban areas, nearly 59 per cent migrated from the rural areas and 40 per cent from urban areas. Employment and livelihoods of the High numbers of male migrants, living in temporary shelters, in the labour force is a common feature of urban life. Nearly, 56 per cent of urban male migrants had migrated due to employment related reasons. However, all migrants do not necessarily belong to the category of the poorest or the poor in the urban areas. But at the same time there is a large floating population with shifting camps (mostly construction labour) which poses problems in delivery and services (IMR Report, 2013).

Poor Living Conditions

In many urban areas, a large number of people live in cramped, overcrowded and often unsanitary conditions especially in slums which are prone to environmental hazards such as natural (floods, landslides, etc.) and man-made disasters (e.g. fire, accidents, pollution,etc.)

Problem of Housing

Most of the urban poor live in deplorable housing conditions with high implicit and explicit costs of housing. The Census 2011 data reveals that 3.1 percent of the urban population does not have an exclusive room for living, while 32.1 percent live in one room house. Another major problem the urban poor face is the lack of legal entitlements on property and assets. Due to lack of security of tenure, affordable housing and shortage of living space, urban poor are forced to live in "resettlement colonies" at more and more distant areas, needing for long commutes, by using generally inadequate public transport. There are also houseless people without any address. Their number and proportion is difficult to estimate.

Lack of Access to Education

In the urban areas, the poor face a lack of access to quality education which results in higher proportions of the monthly income of the urban poor being spent on basic education for their children. It

also results in the filtering out of female children from secondary education with the drop-out rates of female students at the secondary level being very high.

Lack of Access to Health Care

Urban slums and low income settlements are faced with a multitude of health problems. The nutritional health indicators of urban poor are worse than rural people. Increasing number of communicable and non-communicable diseases, malnutrition among children, inadequate water and sanitation facilities, etc. add to poor health conditions of the urban people. About 29.4 percent of the urban population does not have access to tap water and 18.6 percent have no latrine facility within the house.

Lack of Access to Financial Services

The poor standard of living and lack of basic services is aggravated by the limited access to financial services. The urban poor work largely in the unorganized sector, which has not received priority from the formal financial sector in the absence of secured income, assets and lack of credit history.

Lack of Social Safety Nets

In the urban areas, some slums residents live in clearly defined occupational or caste based groupings, however, most of them do not have clearly defined safety nets. The social fabric of the urban poor is strained as support from family, community based networks and safety nets are limited whereas in the rural areas such social networks do.

Exist and provide the necessary support. This social exclusion restricts people from participating on fair terms in local and national social life. (Urban Poverty Research Source Book, 1996)

Measurement of Poverty

An extraordinarily large amount of work has been done in India on what poverty is, what measures it, and what distinguishes the poor from the non-poor. A review of the work shows that poverty reflects the inability of an individual to satisfy certain basic minimum needs. The inability is expressed in terms of a level of expenditure or income that is considered necessary to satisfy those minimum needs. Those who are not able to attain that level of expenditure or income are counted as poor and others as non-poor. Among the attempts that have been made to determine what those minimum needs are and what is the money equivalent or the level of expenditure corresponding to those needs.

In the decade of 1950, B.S. Minhas published his estimates of poverty rates as cyclical and a strong function of each year's harvest. Minhas disagreed with the practice of using calories as the basis for poverty estimation and proposed a poverty line based on real expenditure per year (Rs 240 per annum). In 1956-57, a good harvest year, he estimates India's poverty rate to be 65 percent that is 215 million people. For 1960, Minhas estimated the poverty to be 59 percent (Rath and Dandekar, 2014).

A working Group was formed in 1962 to attempt to set a poverty line for India. This Working Group used calories required for survival, and income needed to buy those calories in different parts of rural India, to derive an average poverty line of Rs. 20 per month at 1960-61 prices. Estimates of poverty in India during the 1960s varied widely. Dandekar and Rath, on the behalf of than Indian government, estimated

that the poverty rate in 1960s remained generally constant at 41 percent. Ojha, estimated that there were 190 million people that is 44 percent of total population, below official poverty limit in 1961. In 1967 this below poverty line number increased to 289 million people that is 70 percent of the total population. Bardhan also concluded that Indian poverty rates increased through the 1960s, reaching a high of percent. Those above the 1960s poverty level of Rs 240 per year, were in fragile economic groups as well and not doing well either. Minhas estimated that 95 percent of India's people lived on Rs 458 per year in 1963-64, while the richest 5 percent lived on an average of Rs 645 per year (inflation adjusted to 1960-61) (Rath and Dandekar, 2014).

Further decade of 1970 and 1980, Dandekar and Rath in 1971 used a daily intake of 2,250 calories per person to define the poverty line for India. Using NSSO data regarding household expenditures for 1960–61, they determined that in order to achieve this food intake and other daily necessities, a rural dweller required an annual income of 170.80 per year, adjusted to 1971 Rupee. An urban dweller required 271.70 per year (22.60 per month). They concluded from this study that 40 percent of rural residents and 50 percent of urban residents were below the poverty line in 1960–61. India's Planning Commission set up a Task Force. It determined that the average rural dweller needed around 2400 calories, and those in urban areas required about 2100 calories per person per day. To satisfy the food requirement, the Task Force estimated that a consumer spending in 1973–74 of Rs.49.09 per person per month in rural areas and Rs.56.64 in urban areas was appropriate measure to estimate its poverty line. Poverty remained high in India through the 1970s and 1980s. It created slogans such as Garibi Hatao for political campaigns, during elections in early 1970s through the 1980s.

In 1990s, another Expert Group was instituted in 1993, to examine poverty line for India, chaired by Lakdawala. It recommended that poverty lines should be calculated for each state because of large regional economic differences. There are wide variations observed in estimation of poverty in the decade of 1990. One reason for this variation is differences in the methodology and other is small sample survey. A 2007 report for example, using data for late 1990s, stated that 77 percent of Indians lived on less than 20 a day. In contrast, according to Rath and Dandekar, Datt estimated India's national poverty rate to be 35% in 1994, at India's then official poverty line of Rs 49 per capita, with consumer price index adjusted to June 1974 rural prices.

In the decade of 2000, Saxena Committee report, using data over 1972 to 2000, separated calorific intake apart from nominal income and then stated that 50 percent of Indians lived below the poverty line. The Planning Commission of India, in contrast, determined that the poverty rate was 39 percent.

The calories based methodology to measure of poverty has been revised. India's current official poverty rates are based on its Planning Commission's data derived from Tendulkar methodology. It defines poverty not in terms of annual income, but in terms of

consumption or spending per individual over a certain period for a basket of essential goods. Further, this methodology sets different poverty lines for rural and urban areas. Since 2007, India set its official threshold at 26 a day in rural areas and about 32 per day in urban areas. (Vaidyanathan, 2013)

The Rangarajan committee estimation is based on an independent large survey of households by Center for Monitoring Indian Economy (CIME). The methods include on certain normative levels of adequate nourishment, clothing, house rent, conveyance, education and also behavioral determination of non-food expenses. According to the report of the committee, the new poverty line should be Rs 32 in rural areas and Rs 47 in urban areas. The earlier poverty line figure was Rs 27 for rural India and Rs 33 for Urban India. (Down to Earth, 2014)

In addition, several scholars have made independent assessments of poverty, and arrived at conclusions that are at variance from the official estimates.

Urban Poverty Alleviation programmes in India

The Urban Basic Services Scheme (UBS) was initiated on a pilot basis in 1986, with the involvement of the UNICEF and the State Governments, for the basic social services and physical amenities in urban slums. The primary objective was to enhance the survival and development of women and children of urban low income families. It also aimed learning opportunities for women and children, and community organization for the slum population. The services to be delivered included environmental sanitation, primary health care, pre-school learning, vocational training and convergence of other social services at the slum level (Mathur, 2008). UBS applied to all urban slums. During 1990-91, the previous UBS scheme was revised and enlarged with 100% central funding and came to be known under the new name of Urban Basic Services for the Poor (UBSP).

State sector scheme of Environmental Improvement of Urban Slums (EIUS).It sought to provide an integrated package of social services by creating neighborhood committees of the residents at the slum level. Its emphasis lay on mother and child healthcare; supplementary nutrition and growth monitoring, pre-school, non-formal and adult education; and assistance to the handicapped or destitute. In 1993-94, the UBSP mission was expanded to include the achievement of the objectives of the National Action Plan for children. By the end of the 8th Plan, the primary objective of UBSP programmed was "to create participatory based community structures which identify and prioritize social service needs, and help implement, maintain, and monitor delivery".(Mathur, 2008). UBSP was eventually submerged under the Swarna Jayanti Shahari Rozgar Yojana (SJSRY).

Nehru Rozgar Yojana (NRY)

NRY was a Centrally Sponsored scheme launched in October 1989 with the objective of providing employment to the unemployed and underemployed urban poor - targeted towards persons living below the poverty line. Within the target group of the urban poor the Scheduled Castes and the Scheduled Tribes had special coverage through

earmarking of funds NRY activities included skill up gradation, assistance for setting-up micro-enterprises, wage opportunity through construction of public assets and assistance for Shelter up gradation.

The NRY Consisted of Three Schemes

The Scheme of Urban-Micro Enterprises (SUME) was designed to encourage unemployed and under-employed youth to employment. This scheme was applicable to all urban settlements. The scheme had a provision that 30% of beneficiaries would be women. The scheme had a loan-cum subsidy component and a training and infrastructure component. The expenditure on the subsidy element of the scheme was shared between the Central Government and the State Government/Urban Local Bodies on a 50:50 basis. Under this Scheme several States set up State Urban Development Agencies/ District Urban Development Agencies (SUDAs/ DUDAs) for adjustment of administrative mechanism for implementing the Nehru Rozgar Yojana (Mathur ,2008).

The Scheme of Urban Wage Employment (SUWE) provided for creating wage opportunities for the urban poor by utilizing their labor for construction of socially and economically useful public assets within the jurisdictions of Urban Local Bodies. Construction works like community centers, common works heads, and common selling places for the poor, paving of lanes, low cost water supply, construction of drains and sewers, pay-and-use community baths-cum-latrines and children's' ponds were included in the scheme. This scheme was applicable to all urban areas with a population below one lakh.

The Scheme of Housing and Shelter upgradation (SHASHU) The scheme aimed to provide employment for those involved in housing and building activities. It had two components, training and subsidy-cum-loan assistance. The training component was meant for skill upgradation and subsidies and loans were meant to provide infrastructure support facilities to beneficiaries, and machinery equipment to training institutions. The scheme operated in urban settlements having a population between 100,000 to 2 million with relaxation in the population criteria for hilly states, Union Territories (UTs) and new industrial townships.

Some Other Programmes

1. Jawaharlal Nehru National Urban Renewal Mission.
2. Rajiv Awas Yojana.
3. National Urban Livelihood Mission.
4. Aasra yojna (in Uttar Pradesh)
5. National Slum Development Programme
6. Valmiki Ambedkar Awas Yojana
7. Night Shelters For The Homeless
8. 2 Million Housing Programme

Discussion of Policy Implementation

There are many policies for remove for urban poverty. India have largest demographic dividend of world, at this result we have need lots of resources for necessity. Main question is – how these policies are being failed on grassroots level? Poor and poverty are both related with bottom level but unfortunately, there are large gap between policy making and policy implementation. There are many variations in the context of geographical, social, economic and political level. We cannot adopt same policy in different areas.

Rural urban migration creates many social – economic and environmental problems in urban area. It is a result of mass migration from rural to urban. Government launched MANREGA for prevent rural migration and social –economic development of rural area but question is – Why are people migrating from rural to urban area? It indicates the gap in policy implementation. Quantity of urban poverty leaps and bounds with migration, negative role of local leader and bureaucratic, barrier of communication between top class and bottom level. Role of NGO is very important in policy making and policy implementation on ground level because it established the voice of poor to decision maker.

Conclusion

Poverty is source of all type of problem so we should give notice on poverty. Huge population and unemployment is the base of poverty. We should be made such policies which are be utilize for rural area because 70 % population live in rural area. We will have to do social well being in rural and urban both. Problem of poverty work as push factor in rural area and that factor create critical problem of urban poverty. So, we should adopt as such type of policy which may be fruitful for rural and urban both. Poverty to be generates many socio-ecological problems like Problem of slum area and environmental issues which disturbed balance of development in urban area. So there are following area where we must be work for remove urban poverty:

1. To give focus on rural development because development can prevent rural–urban migration.
2. Government should give more power to, local government body for welfare programmes in urban area.
3. Policy should make on the grass root level and implementation by local level.
4. Auto centric development approach is important way of poverty.
5. Every person will have take responsibility in the context of social development.

At last, Government have to concentrate to fill the gap between policy making and policy implementation because we cannot obtain any result without fair implementation of policy on ground level.

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