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Research Article

Poverty Issues in India: A Special Emphasis on Urban Scene:

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Abstract

Keywords

Urban Poverty,
Inequality,
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The term “poverty” is a very sensational issue in the context of each & every developing countries. India is also one of them. ‘Poverty’ can be explained by two different ways, one is rural poverty & another is urban poverty. Here this article shows its interest about urban poverty. The major fact is that urban population and poverty ratio in India are positively related with its growth in gross domestic product (GDP). That means when urban population is increasing with the increase in National Income in India, urban poverty also increases. So the ultimate growth process and its impact on Indian economy are in question. In this article I am trying to find out the loopholes of this process and the possible way out for this.

Introduction

During the past five decades country’s urban population, currently placed at 377 million (as on 2011 census report), has risen steadily at annual average rates varying between 3 and 4%. The level of urbanization, as indicated by the proportion of total population living in urban areas, has risen from 17.97% in 1961 to 31.16% in 2011, and the same is estimated to be doubled in next 25 years according to the report of urban ministry of India. Here the most important feature is that, India’s urbanization is increasing with concentration of comparatively larger cities. In 1991, 65.2% of the total urban population was reported to be living in cities over 1,00,000 (class I cities); where the share of medium and small towns were 24.14% and 10.66% respectively. Whereas after 2011 the total urban population in class I cities has been reported to be more than 70%. A large part of India’s density per square kilometer is an average of 363 persons. There are some key statistics collected from the data of Census of India, 2001 and World Development Report, 2006 to define poverty as much better. Annual income generation of the country is valued at US\$ 675 billion using the then exchange rate in 2004 and per capita income stands at \$620 compared to world average of \$6280.

India lags behind the developed countries in several other dimensions like education and health. About a third of its population of age 7 years and above is illiterate with large

male-female and urban-rural gaps in literacy rates. Sex ratio is low at 933 females per thousand males. Mortality rates among infants and children are high; there are 63 infant deaths on an average for every thousand live births. Death rate among children under age 5 years is 87 per thousand. Life expectancy of 64 years at birth is 4 years lower than the world average (UNDP Report, 2006).’

The Official estimates say that 2100 kilo Calorie for urban areas and 2400 kilo Calorie for rural areas are the daily need for a good healthy life; and \$ 1 per day is the cost to get that kilo Calorie. However, about 35 per cent of the country’s population cannot afford to spend \$1 a day on their essential needs and live in extremely poor conditions. Since India has a large proportion of the world’s poor and illiterates, its progress in the spheres of poverty, education and health in the coming decade will considerably influence achievement of the Millennium Development Goals of the United Nations.

Global view of poverty:

There are several controversies among the view of the famous economists about the poverty trends in India. They have given different opinion about the recent changes in the poverty trends in the liberalization period. According to the report of OPHI (Oxford Poverty and Human Development Initiative) with the UNDP (United Nations Development Programme)

Human Development Report Office (Alkire and Santos 2010), the globally accepted multidimensional poverty index constitutes three broad dimensions and ten indicators. These three indicators are: health, education and standard of

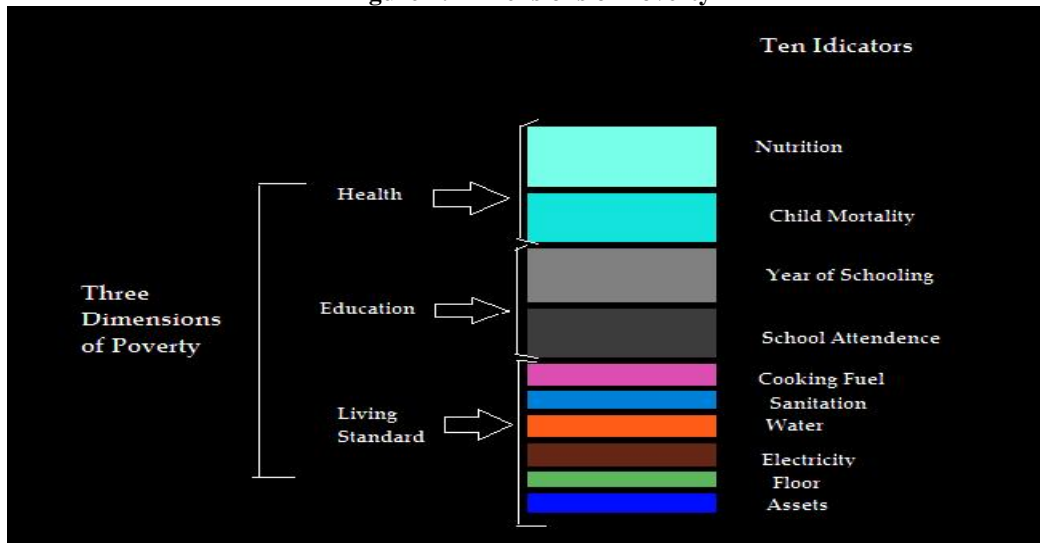
living and the ten indicators are nutrition, child mortality, year of schooling, school attendance, cooking fuel, sanitation, water, electricity, floor & assets.

Table 1: Key Statistics:

	Unit	Year	Value
Gross National Income (GNI)	US\$ billion	2004	674.6
GNI per capita	US\$	2004	620
Urbanisation rate	% of Total Population	2001	27.8
Literacy rate	% of population of age 7+ years	2001	65.4
Urban-rural gap in literacy	Percentage points	2001	21.2
Population growth rate	% Per annum	1991-2001	1.7
Life expectancy at birth	Years	1998-2002	63.9
Urban-rural gap in life expectancy	Years	1998-2002	7.8
Proportion of Poor	(Below \$1 a day) % of Total Population	1999-2000	35.3
Proportion of Poor	(Below \$2 a day) % of Total Population	1999-2000	80.6

Source: Census of India, 2001 and World Development Report, 2006

Figure 1: Dimensions of Poverty



Each of the indicators is equally weighted at one-third and the person who is deprived in one-third or more is called poor. The report shows that, in 2013, a total of 1.6 billion out of 5.4 billion people among 104 countries are living in multidimensional poverty; that is more than 30% of people living in these countries. Moreover, among these 1.6 billion people, 51% live in South Asia and 29% in Sub-Saharan Africa. If we rank the 104 countries analyzed by their Multidimensional Poverty Index (MPI) values, starting with the poorest countries, the 'bottom billion' according to national poverty exist in 30 countries. Moreover, that 66%

of the poorest billion people live in Lower Middle Income countries, and 34% live in Low Income Countries.

Indian view of Poverty

MPI data shows that in India, from 1999 to 2006, poverty fell by 16%, from 0.300 to 0.251. This fall in MPI poverty was faster than the decrease in income poverty. In particular, better housing conditions for more people, access to safe drinking water, electricity and improved sanitation facilities are more significant than the indicators like

education and health for measuring poverty.

From the latest Planning commission Report also we can show that the absolute number of poverty getting declining for both rural and urban areas; and the same can be argued for the poverty ratio. In the year 1993-94 the total poverty

ratio was 45.3%, in 2004-05 it was decreased to 37.2% and recently the current statistics said that the total poverty ratio is just 21.9% for the year 2011-12. It is really much appreciable and we should really thankful to our Govt. to take the initiative to reducing poverty.

Table 2: Poverty Ratio & Number of Poor in Different Years:

Periods	Poverty Ratio (%)			No. of Poor (million)		
	Rural	Urban	Total	Rural	Urban	Total
1993-94	50.1	31.8	45.3	328.6	74.5	403.7
2004-05	41.8	25.7	37.2	326.3	80.8	407.1
2011-12	25.7	13.7	21.9	216.5	52.8	269.3
Annual Average Decline: 1993-94 to 2004-05 (percentage points per annum)	0.75	0.55	0.74			
Annual Average Decline: 2004-05 to 2011-12 (percentage points per annum)	2.32	1.69	2.18			

Source: Planning Commission Report on 2013.

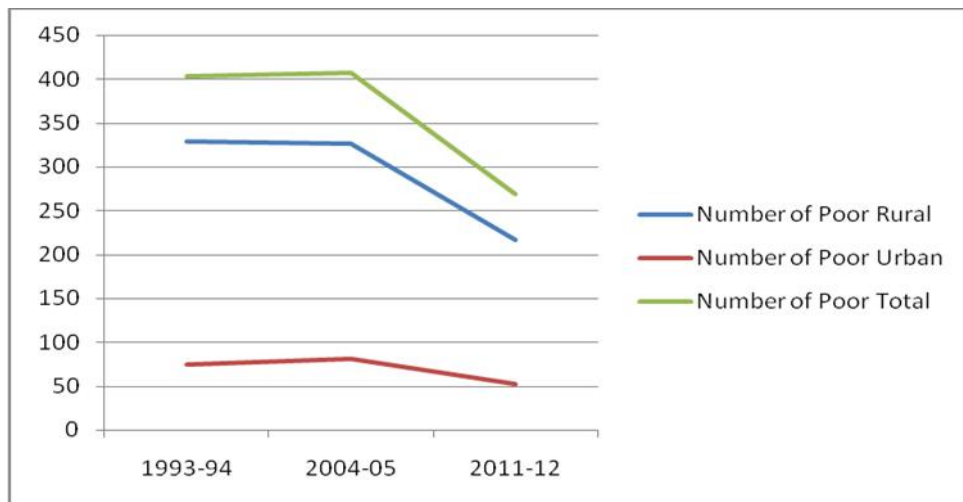
Contrast to this idea or report there are few economists who have presented a different statement on the basis of NSS reports of several years. Economists like Angus Deaton, Jean Dreze, 200, Datt and Ravallion 2002, Chandrasekhar and Ghosh 2002 etc. have analysed a marked increase in inequality and hence poverty not in terms of income, but with the help of some different indicators. They have pointed out that,

1. There is large variation of per capita expenditure across states.

2. Disparities of per capita expenditure within rural – urban areas.
3. Increased inequality within urban areas.

These studies have discussed about the indicators like crime rates, quality of environment which didn't have been used earlier. In particular they have stated very crucial but controversial results. First, the all India HCR (Head Count Ratio), that is, the proportion of the population below the poverty line, have declined and there is also fairly rapid increase in literacy & school participation.

Figure 2: Number of Poor in Different years:



Source: Table-2 data of Planning Commission Report, 2013.

Here from the above data and graph we can state that the poverty in Indian scenario has been declined over days.

However still there are controversies about this data. This is mainly because of estimating poverty in a different way.

That is on the other side, the rate of declining infant mortality has been slowdown and there is a significant change in the pattern of food consumption. Precisely, luxury food consumption increased with a significant decline in cereal consumption. Hence the total food security is in question over years, especially at the liberalization era.

There is a large variation of poverty reduction across 25 states. For example, Bihar, West Bengal, Uttar Pradesh, Madhya Pradesh, Rajasthan, where more than 60% of people were poor in 1999, showed relatively small reductions in absolute poverty. In contrast, four less-poor states – Andhra Pradesh, Karnataka, Kerala, and Tamil Nadu – reduced the percentage of poor people by more than 13 percentage points each in absolute terms. However,

poorer states controlled multidimensional poverty more efficiently than rich states as they reduced greater income poverty.

Here we can show the current statistics of the poverty line estimates of the year 2011-12 for different states for both the rural and urban sectors. The table shows that states like Andhra Pradesh, Arunachal Pradesh, Assam, Punjab, Rajasthan, Sikkim, Karnataka, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Delhi, Goa, Gujarat, Haryana, Himachal Pradesh are above from Indian estimates of poverty line. However, states like West Bengal, Jharkhand, Odisha, Jammu & Kashmir are still far below the poverty line estimates of the Indian scenario. Moreover, urban estimates of Kerala & Tamil Nadu are still low than Indian estimates.

Table- 3: State Specific Poverty Line Estimates 2011-12:

Sl. No.	States	Monthly Per Capita (Rs.)	
		Rural	Urban
1	Andhra Pradesh	860	1,009
2	Arunachal Pradesh	930	1,060
3	Assam	828	1,008
4	Bihar	778	923
5	Chhattisgarh	738	849
6	Delhi	1,145	1,134
7	Goa	1,090	1,134
8	Gujarat	932	1,152
9	Haryana	1,015	1,169
10	Himachal Pradesh	913	1,064
11	Jammu & Kashmir	891	988
12	Jharkhand	748	974
13	Karnataka	902	1,089
14	Kerala	1,018	987
15	Madhya Pradesh	771	897
16	Maharashtra	967	1,126
17	Manipur	1,118	1,170
18	Meghalaya	888	1,154
19	Mizoram	1,066	1,155
20	Nagaland	1,270	1,302
21	Odisha	695	861
22	Punjab	1,054	1,155
23	Rajasthan	905	1,002
24	Sikkim	930	1,226
25	Tamil Nadu	880	937
26	Tripura	798	920
27	Uttarakhand	880	1,082
28	Uttar Pradesh	768	941
29	West Bengal	783	981
30	Puducherry	1,301	1,309
	All India	816	1,002

Source: Planning Commission Report, 2013.

Note: Computed on the basis of Tendulkar Methodology on Mixed Reference Period.

Urban Poverty Scenario

Inequality, between 1993-94 and 2004-05, has increased both for rural and urban India at a large pace (Sen and Himanshu, 2007). As regard the incidence of poverty during the same period by following the official (i.e. the Planning Commission’s) methodology, it has continued to decline, as during the period between late 1970s to the early 1990s, but at a slower pace. In particular, though there is a high growth path in recent years, which is 8 to 10 percent, especially for urban centres; i.e. the growth path is quiet ‘premature’ in its nature. It is ‘premature’, in the sense that all of the critics of this high growth scenario are very much insecure about the long run sustainability of growth. One of the obvious and among the most significant, constraint for sustaining high growth rate continues to be the state of infrastructure, both in urban and rural areas. Problems relating to power generation and a decent transport network are particularly critical.

Poverty in India is generally defined in terms of calorie norms and the ‘poverty line’ is based on the year of 1973-74. Therefore it’s so unrealistic in present day because the expenditure pattern and also the general behavior have been changed, and now it becomes an indirect method. Hence immediately one can arise the question that, which the right

price index is and how could be they implemented. But, ultimately all the questions are in a dark shadow.

World Bank reports argued that 62% of the Indian population consumed less than the minimum requirement in 1990, 53% in year 2000 and is expected that this will be down to 31% by 2015. Moreover, data shows that there are huge differences in the characteristics of poverty line estimates and average calorie deficiencies across states within India. Some World Bank study also notes that (in 2000), three populous states, with more than 20% of the Indian population, had more than 60% of their citizens suffering from food deprivation. As per the NSS data show, per capita availability of food grains has been falling since the early 1990s and the current level is among the lowest recorded for the last half century; since the early 1990s. Per capita availability of food grains has declined from 177 Kg per person per year, and this figure is quite close to those recorded around the well-known Bengal famine of the 1940s 155 Kg. So the nutrition indicator is not responding with good results. However, here we should point out that the increased trends of taking fast food also affect the nutritional level of urban Indian people and urban poor, i.e. because urban poor peoples are now very much addicted to the cheap fast foods.

Table 4: Number and Percentage of Population below poverty line by states - 2011-12 (Tendulkar Methodology):

Sl. No.	States	Poor in Urban Sectors	
		Percentage of Persons	No. of Persons
1	Andhra Pradesh	5.81	16.98
2	Arunachal Pradesh	20.33	0.66
3	Assam	20.49	9.21
4	Bihar	31.23	37.75
5	Chhattisgarh	24.75	15.22
6	Delhi	9.84	16.46
7	Goa	4.09	0.38
8	Gujarat	10.14	26.88
9	Haryana	10.28	9.41
10	Himachal Pradesh	4.33	0.3
11	Jammu & Kashmir	7.20	2.53
12	Jharkhand	24.83	20.24
13	Karnataka	15.25	36.96
14	Kerala	4.97	8.46
15	Madhya Pradesh	21.00	43.1
16	Maharashtra	9.12	47.36
17	Manipur	32.59	2.78
18	Meghalaya	9.26	0.57
19	Mizoram	6.36	0.37

20	Nagaland	16.48	1.00
21	Odisha	17.29	12.39
22	Punjab	9.24	9.82
23	Rajasthan	10.69	18.73
24	Sikkim	3.66	0.06
25	Tamil Nadu	6.54	23.4
26	Tripura	7.42	0.75
27	Uttarakhand	10.48	3.35
28	Uttar Pradesh	26.06	118.84
29	West Bengal	14.66	43.83
30	Puducherry	6.30	0.55
31	Andaman & Nicobar Islands	0.00	0.00
32	Chandigarh	22.31	2.34
33	Dadra & Nagar Haveli	15.38	0.28
34	Daman & Diu	12.62	0.26
35	Lakshadweep	3.44	0.02
	All India	13.7	531.25

Source: Planning Commission, 2013.

Notes: 1. Population as on 1st March 2012 has been used for estimating number of persons below poverty line. (2011 Census population extrapolated) 2. Poverty line of Tamil Nadu has been used for Andaman and Nicobar Island. 3. Urban Poverty Line of Punjab has been used for both rural and urban areas of Chandigarh. 4. Poverty Line of Maharashtra has been used for Dadra & Nagar Haveli. 5. Poverty line of Goa has been used for Daman & Diu. 6. Poverty Line of Kerala has been used for Lakshadweep.

The percentage of persons below the Poverty Line in 2011-12 has been estimated as 25.7% in rural areas, 13.7% in urban areas and 21.9% for the country as a whole. The respective ratios for the rural and urban areas were 41.8% and 25.7% and 37.2% for the country as a whole in 2004-05. It was 50.1% in rural areas, 31.8% in urban areas and 45.3% for the country as a whole in 1993-94.

In 2011-12, India had 270 million persons below the Tendulkar Poverty Line as compared to 407 million in 2004-05, that is a reduction of 137 million persons over the seven year period. During the 11-year period 1993-94 to 2004-05, the average decline in the poverty ratio was 0.74 percentage points per year. It accelerated to 2.18 percentage points per year during the 7-year period 2004-05 to 2011-12. Therefore, it can be concluded that the rate of decline in the poverty ratio during the most recent 7-year period 2004-05 to 2011-12 was about three times of that experienced in the 11-year period 1993-94 to 2004-05.

With the recent database Gujarat is a very popular state with a significant SDP growth rate over years. The city has witnessed almost a 5 per cent per annum growth rate of population since 1981, whereas urban Gujarat has grown at the rate of only 2.9 per cent per annum during the 1980s and 2.3 per cent p.a. during the 1990s. Only 11.86 per cent of the population in the city was below the poverty line in 1993-94, as compared to 24.18 per cent in Vadodara and

31.79 per cent in Ahmedabad (Dubey and Mahadevia, 2001). Surat is fairly well integrated with the national as well as the global economy. Thus, on the economic growth front, the city has done very well, but incomes have not been translated into an imposed standard of living and the security of a section of residents of the city.

The discussion about urban poverty is quiet impossible without any say on urban slum. It is important to note that some economists argued that there is no difference between poverty and slums because only the poor lived in slums. According to Dandekar and Rath, 1971, slum is a ready & classic solution for the problem of urban poor and their low-cost living. Moreover, they have argued that, 'the urban poor are only an outflow of the rural poor into the urban area. Fundamentally, they belong to the same class as the rural poor.' Census data shows how a large section of the urban population lives in slums in the four metropolitan cities, such as 41.3% in Greater Mumbai, 29.6% in Kolkata, 28% in Chennai and about 15% in Delhi. The census data of 2011 recorded 1.3 crore urban slum households. So, if a household is estimated at five members, the urban slum population would be around 65 million. The figure of 65 million slum dwellers is considerably lower than the Sen Committee's projection of 93 million slum dwellers in 2011 (based on the 2001 census).

In absolute numbers while million-plus cities have 52 lakh slum households, the count is 85 lakh in the sub-million cities. "We are creating a bigger problem by failing to manage both bigger and smaller cities. Places like Khurja and Bulandshahr close to Delhi have become slums due to faulty planning and poor programme implementation. We can't allow unchecked and unplanned urban growth. Governments must understand this and take steps keeping aside their political reasons," said H R Suri, former head of Institute of Town Planners India.

The govt. of India had been planned in the 74th Amendment to get remedy for managing the housing policy for the increasing slum population. They have built up some flats for residing the poor in urban India. It challenges the traditional hold of the rich on the control and direction of use of urban lands. The slum policy aims to develop a way out for the structural inequality without learning lessons from the past. It presents a strange alliance between 'social activism' and the World Bank approach to improve the quality of life in Indian cities. Academics are skeptical about their 'common cause' and their approach to housing poverty. However, it's very hurt to know that these poor households are selling their flats to get more money and liked to live still in the slums or squatter settlements.

Moreover, the urban poor are generally consisted with 'informal' or 'unorganized' type of employment and hence with the increase in rural to urban migration, increased urban slum households the informal employment is increasing. Another issue is that there is a positive correlation between informal employment, urban slums population and crime rate. Many researchers have argued that the slum population is generally illegal and in most of the cases they are related to the criminal activities; and hence crime rate is increased with the increase in urban slum population.

Conclusion

Finally, we can conclude with the fact that the people below the poverty line should be given a prior attention with their social and economic up-gradation. National Institute of Urban Affairs (NIUA)'s studies has found that the incidence of urban poverty has registered a decline in recent years; however they are still deprived from the productive employment, shelter and services. According to the studies of NIUA, urban poverty in India appeared to be collective and multidimensional, and could not be adequately captured in one-dimensional and sector terms. Hence our government should enhance the standard for living of the urban poor by providing them basic needs. Moreover, level of schooling, proper housing conditions, and nutritional health are also included in the estimate. So government should rigorously follow the basic rule for controlling poverty in a developing country like India.

India's development deficits are comparable to Sub-Saharan Africa in the sense of poverty. Even though the incidence of poverty, in terms of the percentage of population with less than 1 PPP \$ a day in Sub-Saharan Africa is higher than in India, in terms of absolute count, the latter is worse off; India has almost 60 million more poor than Sub-Saharan Africa. However, it is important to note that the paper has limited scope, as of getting the reliable data and no attention is paid here to issues relating to quality of these data. Moreover, qualitative data is very hard to collect. As per the recent count, around one-fifth of all primary rural schools in the country did not have any building and another one-fourth had only one room and one teacher for all (five) classes and urban primary schools are basically gradually decreased in number and the quality of teaching is very low. Likewise, there are problems with several other quantitative indicators of achievement, but we are not in a position to pursue these here. However, we will still look forward, to the government, to the World Development Institutions; to proceed further to the future hope to build a developed India in a true sense.

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