

Relevance of Urban Poverty Schemes in India

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Date of Submission: 5-05-2019

Date of acceptance: 06-06-2019

I. INTRODUCTION

It is said that “a country is poor because it is poor.” This idea has come down from Ragnar Nurkse who pinpointed the problem of the vicious circle of poverty. Low level of saving reduces the scope for investment; low level of investment yields low income and thus the circle of poverty goes on indefinitely.

India's current official poverty rates are based on its Planning Commission's data derived from so-called 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.

Development and poverty go hand in hand. The high-speed, colossal growth, as impressive as it may be, poses several problems if not threats: pollution (air, soil, water), and a disproportionate concentration of poverty, among others. The case of urban poverty in India has been exemplary in terms of mismanaging (or not managing at all) urban growth. Cities have become the best place to foster poverty and destitution at a scale and extent never seen before.

Building and enhancing the size of cities cost billions and as the country had shortage of finances it radically reduced public services and investment in infrastructure which led to increase in the population of the urban poor.

As the size of cities increased so did the size of slums, and along with destitution urban poverty brought diseases, violence (more than there is in villages) and disintegration of communities. By welcoming more and more rural migrants and creating more urban poverty, slums take up abundant areas in economically backward states like Odisha, Bihar etc. With innumerable people flowing into cities like flood housing, rather affordable housing remains a harrowing concern among others.

But over the past decade poverty has been waning but to how much extent remains to be seen. Employment generation schemes, poverty alleviation schemes, educational schemes are working well in many of the slums. This has helped only part of the poor, those not too far below the poverty line. For the rest, the poorest of the poor, no government policy, no pro-poor local organization has managed to reach them and help them as of now.

The reasons range from social discrimination (some organizations help only people from their community or social class/caste), to the difficulty to locate the poorest as they often migrate throughout the city in quest of a temporary job.

Due to the rampant social corruption in India, typically things get worse at the local level with huge differences between cities. So for example Mumbai fares 4 times worse than the capital and Calcutta over twice worse than Delhi in terms of providing public services, in particular basic health care and education to the impoverished. Funnily enough, the rich enjoy much better services and infrastructure in Mumbai than in the two other cities. Now where did that money come from?

Poverty in India is a historical reality. From late 19th century through early 20th century, under British colonial rule, poverty in India intensified, peaking in 1920s. Famines and diseases killed millions each time. After India gained its independence in 1947, mass deaths from famines were prevented, but poverty increased, peaking post-independence in 1960s. Rapid economic growth since 1991, has led to sharp reductions in extreme poverty in India. However, those above poverty line live a fragile economic life. Lack of basic essentials of life such as safe drinking water, sanitation, housing, health infrastructure as well as malnutrition impact the lives of hundreds of millions.

It's no secret that they are the flagship of Indian corruption and have this irritating habit to regularly extract money from the poor as a strange toll for working on their territory. Starting with this alone would represent a great step to directly increase the income of many of the slums' residents. In slums, the poorest of the poor are unfortunately often not organized into communities anymore. This lack of social fabric makes them all the more fragile to their environment and to any shock (rise in food prices, not finding a job for a few days, etc) as they can't rely on anybody for temporary help.

The local governments lack to solve urban poverty in India is ground research. Finding out who needs what, finding out the right people to target and try to represent and seek a consensus on everybody's interests and not only those who can afford to gang up and promote their interests. The advantage of incorporating direct insights from the poor is to gain both in nuance and thus efficiency regarding the most urgent and effective ways to tackle their problems. The expert committee set up by the Planning Commission last year under C Rangarajan, former chairperson of Prime Minister's Economic Advisory Council, has redefined the poverty line. 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. The Rangarajan report has added 93.7 million more to the list of the poor assessed last year as per the Suresh Tendulkar committee formula. Now the total number of poor has reached 363 million from 269 million in 2011-12. This raise in the poverty line income bar means 93.7 million more people are now below poverty line (BPL).

Relevance of urban poverty alleviation programmes:

About 28% of the population in the country lives in the urban settlements. By 2026 the urban population is expected to increase by 38% as against a 36% overall increase. In absolute terms, this implies a significant share of the total population of 371 million and an urban population of 249 million. 23.6% of the urban population is estimated to live below the 'poverty line'; and although, a substantial percentage of this population is economically active and contribute to the economy, studies indicate that over 61.8 million of them are forced to live in slums with inadequate housing conditions with little access to basic services. This impinges on their right to adequate housing universally defined as security of tenure, protection from forced evictions and demolition of homes as well as affordability, accessibility, habitability of housing and availability of basic services and infrastructure.

The fruits of economic growth have not benefited everyone uniformly. Some are left behind and some others are not touched by the benefits of economic growth. There are various reasons for this uneven development in the society. Modern economy is technology driven and not labour-intensive. High volume of high quality goods and services are produced with fewer labour hands. In short, the modern economy is not generating much employment and sometimes it displaces and replaces labour with machines and tools.

The period of 1999-2000 to 2004-2005 saw rapid economic growth in the country but it has not impacted on the unemployment problem of the country. During this period, the unemployment rate remained almost same for rural males and decreased by just one percentage for urban male. On the other hand, unemployment among females increased by one percentage for urban and rural females. One-third of the country's population is still illiterate and a majority are not educated up to the age of 15 year. Even among the educated, all do not have employable skills of the modern economy. The education system is not tuned to the changing economic scenario.

The large agriculture workforce in rural areas is not sustainable with dwindling cultivable land and use of modern methods of cultivation. As a result, the rural labour is pushed into cities in search of work but they do not have any employable skills in the urban formal sector often end up doing odd jobs in urban areas.

Urban poverty is the spill over effect of rural poverty. Urbanization in this country is mainly due to acute poverty in rural areas rather than due to the economic opportunities in urban areas. Further, poverty is not uniformly spread in the country. States like Odisha, Bihar and Madhya Pradesh have high level of poverty and the levels have not come down significantly in the post-economic reform era. The benefits of the economic reforms are not evenly distributed and some are even deprived of the benefits. Further some of them do not have the capacity to participate in the economic development process. The government needs to intervene for such groups and try to mainstream them in the development process. They need welfare measures in the form of poverty alleviation programmes to ensure that they survive in this era of economic reform. Poverty alleviation programmes have been broadly classified into self-employment programmes, wage employment programmes, food safety programme and social security programmes.

Though the majority of India's poor continues to reside in rural areas, there is a growing urbanization of poverty in India. Urban and rural poverty rates have been converging in recent years. Statistics of 'poverty gap' indicates that the depth and severity of poverty is higher in urban areas than in rural areas. The contemporary growth pattern and associated process of urbanization have led to flocking of rural poor to the urban centers. A large proportion of the urban poor are concentrated in small and medium towns compared to big or metropolitan cities. A negative correlation is observed between level of poverty and size of the town. Urban poverty is said to be multi-dimensional in nature. The urban poor confronts deficits in the form of the basic civic amenities like housing, water, sanitation, health care, education and regular income. This suggests that greater policy attention would need to be paid to the social dimensions of urbanization. It has been observed that Indian policy makers have over-emphasized rural poverty eradication in the past. Though increasing urbanization and concomitant pressures have brought urban issues into focus, funding for urban poverty still lags behind the magnitude of the problem. The foregoing discussion underscores the importance of revitalizing

the existing programmes particularly in backward regions/towns where majority of urban people is concentrated. The need of institutionalizing community participation, security of tenure for financial inclusion and greater assimilation of poor in urban planning is strongly felt.

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Dr Madhubrata Satpathy" Relevance of Urban Poverty Schemes in India" International Journal of Humanities and Social Science Invention (IJHSSI), vol. 08, no. 5, 2019, pp.79-81