

Poverty and The Extent of Exclusion in Urban Areas

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INTRODUCTION:

In the process of economic development of a nation, people will migrate from rural areas to urban areas in search of employment opportunities, educational purposes, etc., The process of migration of people from rural to urban areas is known as Urbanization. The World Bank, IMF and United Nations Development (UNDP) Program has taken urbanization is one of the tools to measure the rate of economic development. The degree of urbanization has gone on increasing in our country since 1990 due to a number of reasons. In the industrialized nations, most of the people live in urban areas. It is one of the chief characteristics of economic development. Due to a number of reasons people migrate from rural to urban areas, they are; Backwardness of agriculture, lack of infrastructural facilities in rural areas, concentration of business opportunities in urban areas, lack of suitable employment opportunities in rural areas, lack of hospitals in rural areas are some of the reasons on one side of the coin and another side of the coin is development of urban areas, concentration of industries in urban areas, well developed infrastructural facilities in urban facilities, availability of employment opportunities, concentration of industries in the urban areas are forcing the rural masses to migrate to urban areas. In the process of rapid industrialization, there will be a concentration of industries in the urban areas because infrastructural facilities are well developed and

quality human resources are available to engage business activities. In advanced countries, the percentage of the population lives in urban areas in high. The table given below shows that the percentage of the population lives in urban areas;

Country	% of Urban Population
Australia	91
England	89
Japan	79
United States	77
Russia	73
China	32
Indonesia	41
India	28

1. TRENDS IN THE URBAN AND RURAL POPULATION IN DIFFERENT YEARS:**Table Showing Total Population, Urban and Rural Population in different years**

Year	Population (In Millions)			% of Total Population		% Increase in Urban Population during the decade	Urban Rural Ratio
	Total	Rural	Urban	Rural	Urban		
1901	232.9	207.3	25.6	89.0	11.0	1:8.1
1911	246.0	220.4	25.6	89.6	10.4	0.0	1:8.6
1921	244.3	216.6	27.7	88.7	11.3	8.3	1:7.8
1931	270.8	237.8	33.0	87.8	12.2	19.1	1:7.2
1941	309.0	265.5	43.5	85.9	14.1	32.1	1:6.1
1951	361.1	298.7	62.4	82.7	17.3	43.2	1:4.7
1961	439.2	360.3	78.9	82.0	18.0	25.3	1:4.5
1971	548.2	439.1	109.1	80.1	19.9	38.0	1:3.7
1981	685.2	525.7	159.5	76.7	23.3	46.8	1:3.3
1991	844.3	627.1	217.2	74.3	25.7	35.6	1:2.9
2001	1027.0	742.0	285.0	72.2	27.8	31.2	1:2.6

From the above table, it is clearly evident that prior to independence, during the period of 1901 to 1941 the percentage of urban population increased from 11% to 14.1% (compound increase is 28.18%). During the post independence period the percentage of urban population increased from 17.3 to 27.8 (With a compound increase of 60.69%). But there is a little bit of increase in the urban population due to importance has been given to heavy and key industries in the second and third five year plans. We can understand the contribution of different sectors to the national income in different periods.

2. URBAN AND RURAL POPULATION IN DIFFERENT STATES: (According to 2001 Census)

Sl. No.	State/Union Territory	Urban to Total Population	Sl. No.	State / Union Territory	Urban to Total Population
1	Tamil Nadu	43.9	19	Uttaranchal	25.6
2	Maharashtra	42.4	20	Delhi	93.0
3	Gujarat	37.4	21	Sikkim	11.1
4	Karnataka	34.0	22	Arunachal Pradesh	20.4
5	Punjab	33.9	23	Nagaland	17.7
6	Haryana	29.0	24	Manipur	23.9
7	West Bengal	28.0	25	Mizoram	49.5
8	Andhra Pradesh	27.1	26	Tripura	17.0
9	Kerala	26.0	27	Meghalaya	19.6
10	Madhya Pradesh	25.0	28	Jharkhand	22.3
11	Rajasthan	23.4	29	Chhattisgarh	20.1
12	Uttar Pradesh	20.8	30	Daman & Diu	36.3
13	Orissa	15.0	31	Dadra Nagar Haveli	22.9
14	Bihar	13.4	32	Goa	49.8
15	Assam	12.7	33	Lakshadweep	44.5
16	Himachal Pradesh	9.8	34	Pondicherry	66.6
17	Jammu & Kashmir	24.9	35	Andaman & Nicobar Islands*	32.7
18	Chandigarh	89.8		All India Level	27.8

Urban population is highly concentrated in advanced states like Tamil Nadu, Karnataka, Maharashtra, Gujarat, Punjab etc., The primary reason for migration of people to urban areas in those states is well developed infrastructure and ample of employment opportunities. Here it is clearly evident that, urbanization is high in industrially advanced states and it is very less in backward states like Orissa (15%), Bihar (13.4%). The national average is 27.8% of the total population is living in urban areas and the remaining people still live in rural areas. The urban population in 16 states is greater than the national average of 27.8% and remaining 19 states' urban population is less than the national average. The rapid migration of people to urban areas increased the population of certain cities. According to 2001 census, there are 35 cities having more than 10 lakh population. Greater Mumbai, Kolkata and Delhi accounted for 4, 23, 76,088 crore population and it is nearly 3% of the total population of our country.

Sl. No.	State/Union Territory	% of Population below the Poverty Line during 2004-05 (Based on URP-Consumption)		
		Rural	Urban	Combined
1	Tamil Nadu	22.8	22.2	22.5
2	Maharashtra	29.6	32.2	30.7
3	Gujarat	19.1	13.0	16.8
4	Karnataka	20.8	32.6	25
5	Punjab	9.8	7.1	8.4
6	Haryana	13.6	15.0	14
7	West Bengal	28.6	14.8	24.7
8	Andhra Pradesh	11.2	28.0	15.8
9	Kerala	13.2	20.2	15
10	Madhya Pradesh	36.9	42.1	38.3
11	Rajasthan	18.7	32.9	22.1
12	Uttar Pradesh	33.4	30.6	32.8
13	Orissa	46.8	44.3	46.4
14	Bihar	42.1	34.6	41.4
15	Assam	22.3	3.4	19.7
16	Himachal Pradesh	10.7	3.3	10
17	Jammu & Kashmir	4.6	7.9	5.4
18	Chandigarh	7.1	7.1	7.1
19	Uttaranchal	40.8	36.5	39.6
20	Delhi	6.9	15.2	14.7
21	Sikkim	22.3	3.3	20.1
22	Arunachal Pradesh	22.3	3.3	17.6
23	Nagaland	22.3	3.3	19
24	Manipur	22.3	3.3	17.3
25	Mizoram	22.3	3.3	12.6
26	Tripura	22.3	3.3	18.9
27	Meghalaya	22.3	3.3	18.5
28	Jharkhand	46.3	20.2	40.3
29	Chhattisgarh	40.8	41.2	40.9
30	Daman & Diu	5.4	21.2	10.5
31	Dadra Nagar Haveli	39.8	19.1	33.2
32	Goa	5.4	21.3	13.8
33	Lakshadweep	13.3	20.2	16
34	Pondicherry	22.9	22.2	22.4
35	Andaman & Nicobar Islands*	22.9	22.2	22.6
	All India Level	28.3	25.7	27.5

URBANIZATION AND SLUM AREAS IN INDIA:

Rapid urbanization creates slum areas when the government unable to provide adequate infrastructural facilities to the increasing urban masses and at the same time, the urban areas unable to provide better employment opportunities to the growing urban masses. For the first time, during the year 2001 census an attempt has been made to collect detailed data regarding slum areas of the country. The towns that were covered were those with over 50,000 populations as per the 1991 census. The towns numbered 607 and their 2001 population is 17.84 crores. Slums accounted for 4.03 crores or 22.59% of their population. Arunachal Pradesh, Dadra Nagar Haveli, Daman & Diu, Himachal Pradesh, Lakshadweep, Manipur, Mizoram, Nagaland and Sikkim reported no slum population in the census.

Table Showing Number of Slum Areas in Different States, Total Population in Slum Areas and % of Slum Population in total Population

Sl. No.	Name of the State / Uts	No of Reporting Towns	Population of Towns Reporting Slums	Total Slum Population	% of Slum Population in Total Population	% of Urban Population in Total Population
1	A & N Islands	1	1,00,186	16,265	16.23	NA
2	Andhra Pradesh	76	1,57,52,946	51,49,272	32.69	27.1
3	Assam	7	13,47,111	84,644	6.28	12.7
4	Bihar	23	48,17,624	5,07,383	10.53	13.4
5	Chandigarh	1	8,08,796	1,07,098	13.24	NA
6	Chattisghar	12	26,92,612	7,88,127	29.27	NA
7	Delhi	14	1,09,79,341	20,25,890	18.45	NA
8	Goa	2	1,75,478	14,529	8.28	NA
9	Gujarath	28	1,14,27,259	13,46,709	11.79	37.4
10	Haryana	22	43,00,013	14,21,839	33.07	29
11	Jammu & Kashmir	5	14,51,995	2,70,084	18.6	NA
12	Jharkhand	11	24,18,755	3,09,557	12.8	NA
13	Karnataka	35	1,10,21,192	12,67,759	11.5	34
14	Kerala	9	25,09,719	45,337	1.81	26
15	Madhya Pradesh	42	98,23,309	23,88,517	24.31	25
16	Maharashtra	62	3,36,24,960	1,06,44,605	31.66	42.4
17	Meghalaya	1	2,67,881	1,10,714	41.33	NA
18	Orissa	15	28,18,455	6,35,150	22.54	15
19	Pondicherry	3	5,12,705	72,275	14.1	NA
20	Punjab	27	56,52,211	11,51,864	20.38	33.9
21	Rajasthan	25	74,53,084	12,06,123	16.18	23.4
22	Tamil Nadu	63	1,41,75,792	25,30,289	17.85	43.9
23	Tripura	1	1,89,327	29,378	15.52	NA
24	Uttarakhand	6	10,20,720	1,95,604	19.16	NA
25	Uttar Pradesh	65	1,87,91,750	41,56,020	22.12	20.8
26	West Bengal	51	1,42,50,720	38,22,309	26.82	28
27	All India Total	607	17,83,93,941	4,02,97,341	22.59	NA

REASONS FOR URBAN POVERTY IN INDIA:

Urban poverty is one of the chronic and persisting of our nation before and after independence. The respective governments have been taking a number of steps to mitigate the problem of urban poverty, it has been going on increasing. Particularly during the past two decades the problem of urban poverty has been going on increasing at a high rate due to rapid industrialization in the urban areas. There are a number of factors which are contributing for the growth of urban poverty; they are

1. Backwardness of Agriculture sector.
2. Unemployment
3. Low level of wages.
4. Exodus of urban population.
5. Low development of industrialization.

GOVERNMENT PROGRAMMES TO ELIMINATE URBAN POVERTY:**1. SELF – EMPLOYMENT TO THE EDUCATIONAL UNEMPLOYED YOUTH – SEEUY**

This programme has been launched by the Central Government in the year 1983 – 84 with an objective of providing financial assistance to young and educated youth. The government has been allocating 30% out of the total budgeted funds to SCs and STS. The program has been merged with Pradhana Manthri Rojghar Yojana in the 1994.

2. SELF – EMPLOYMENT PROGRAM FOR URBAN POOR – SEPUP:

The central Government has launched this program during the year 1986. The program is applicable to all those who are living under the poverty line in towns, cities and metropolitan cities. The main aim of the program is to provide self – employment to the urban poor by providing subsidies and loans from banks. This program has been merged with Nehru

Rojghar Yojana during the year 1992 – 93 as a part of the micro – finance program.

3. NEHRU ROJGHAR YOJANA:

This program has been launched in the year 1989 on October 2nd by the Central Government. The primary objective of the program is to eliminate urban unemployment, underemployment and reducing the level of poverty by creating employment opportunities in the urban areas. Respective state governments identify the beneficiaries under this program. The program has three sub plans. They are;

A. Scheme of Micro – Enterprises – SUME

The program has been launched in the year 1990 on august 15th. The main goal of the program is to provide financial assistance to establish small enterprises in the urban areas. The program has been merged with Self – Employment Program for Urban Poor – SEPUP in the year 1992 – 93.

B. Scheme of Urban Wage Employment – SUWE:

The main objective of the program is to provide employment to the urban poor people.

C. Scheme of Housing and Shelter Up gradation – SHASU:

The program is meant for the towns where the population is less than 2 millions. By under taking the activities of up grading the housing facilities in the urban areas, it provides employment opportunities.

With the help of above three programs, Nehru Rojghar Yojana provides employment opportunities to one million people every year. 30% is reserved to the women. Importance has been given to SCs and STS. The

program has been merged with Swarna Jayanthi Rojghar Yojana from 1st December, 1997.

4. Urban Basic Services for Poor:

With a small change in the old scheme of Urban Basic Services program, the government has started the program during the year 1990 – 91. This is centrally sponsored program. The main aim of the program is to organize, coordinate and empower the society. The total expenditure of the program is borne by center and states in the ratio of 60:40. The program is implemented in the slum areas. During the eighth plan period, the target of the program is to provide benefits to 7 million people of 500 towns. By the end of the year 1997, the program has identified 7.5 million poor people in 4, 993 slum areas of 303 towns.

5. PRIME MINISTER ROJGAR YOJANA: (PMRY)

Unemployment has been a curse to the development of our nation particularly since independence. The educated unemployed youth has become unproductive and frustrated and they have been attracted towards anti social elements like naxalism, factionism and terrorism etc., It is the need of the time to pay attention on the educated unemployed youth by the government. Small scale and village and cottage industries are suitable to provide better employment opportunities to them to avoid from anti social activities. Creation of self – employment opportunities is the only solution for them. Policy makers and economists thought that establishing small scale units is the best solution to provide employment opportunities with moderate investment and they contribute to the national income and satisfy the unemployed youth.

This program has been started during the year 1992 on October 2nd. Initially, the program was meant for urban areas only later in 1994 year onwards it has been extended to the whole nation. The target of the program for the 8th five year plan is establishing 7 lakh tiny units in industrial estates though which 1 million people will get employment opportunities. Technical training and marketing facilities will be provided to small entrepreneurs under this program to develop their business units. From the year 2003 onwards, the program is extended to Self Help Groups.

6. PRIME MINISTER'S INTEGRATED POVERTY ERADICATION PROGRAM – (PMIUEP):

This new scheme has been launched during the year 1994 – 95 in class – II towns where the population is in between 50,000 and 1, 00,000. The program encourages to establish small industrial units and business units under self – employment scheme. The government gives a subsidy of 15% and gives a financial assistance up to Rs 1,00,000. In addition to generate self employment opportunities and skill development, the program aims to achieve society development, housing development and empowerment in the society.

This scheme was firstly implemented at Chengnacheri of Kottayam District of Kerala. Under this plan, efforts were being made to create new opportunities of employment. The unemployed persons were trained in handicrafts and were encouraged to adopt self – employment ventures. Enterprise units could be established at the cost of Rs 1 lakh under this scheme. Since December ist, 1997 this scheme has been replaced by Swarna Jayanthi Shahri Rojgar Yojana (SJSRY).

7. SWARNA JAYANTHI ROZGAR YOJANA – (SJSRY)

The Swarna Jayanthi Rozgar Yojana is a unified centrally sponsored program launched instead of the previous Urban Poverty Alleviation Programs viz., Nehru Rozgar Yojana, Prime Minister's Integrated Urban Poverty Eradication Program and Urban Basic Services Program for the Poor. The program has been launched according to the recommendations of the planning commission experts. This program is applicable to all towns in India and it takes one town as a unit. It gives utmost importance to urban poverty slum areas. There are two sub programs in the SJSRY;

A. URBAN SELF – EMPLOYMENT PROGRAM:

The program has three layers, they are (1) Individual financial assistance to establish self employment units in urban areas (2) Financial assistance to women to establish self – employment units in urban areas and (3) Financial assistance to poor women groups to establish self employment units in the urban areas and it is known as Development of Women and Children in Urban Areas (DWACUA).

B. URBAN WAGE EMPLOYMENT PROGRAM – (UWEP)

This program is applicable to the towns where the population is less than 5 lakh. It considers those who are living below poverty line in the urban areas. It creates public assets. The three urban schemes already in operation were merged with this new scheme. These were; Nehru Rozgar Yojana. Urban Basic Service for Poor (UBSP). Prime Minister's Integrated Urban Poverty Eradication Program (PMIUPEP).

7. SELF – EMPLOYMENT TO THE EDUCATIONAL UNEMPLOYED YOUTH – SEEUY

This program is launched in the year august, 1996. creation of water supply, community toilets, community both rooms, roads expansion, public lights, establishing primary hospitals, providing primary education, adult education, maternity services, health facilities to the children, providing vaccination are the main objectives of this program. During the year 1996 -97 the government earmarked 250.01 crores, in 2004 – 05 Rs 613.78 crores. By the year ending 2005 – 06 the government provided a total sum of 3,089.68 crores to this program since its inception. The government stopped this program during the year 2006 – 07 and replaced by INTEGRATED HOUSING AND SLUM DEVELOPMENT PROGRAM.

8. VALMIKI AMBEDKAR AWAS YOJANA – (VAMBAY)

This program is launched on December 2nd, 2001 and meant for those who are living in urban slum areas without habitation. The program's main objective is to construct new houses or renew the existing houses. Providing community toilets is also a part of this program is done through Nirmal Bharath Abhiyan. VAMBAY has been subsumed in Integrated Housing and Slum Development Program (IHSDP) launched along with Jawaharlal Lal Nehru National Urban Renewal Mission on 3rd December, 2005.

9. JAWAHAR LAL NEHRU NATIONAL URBAN RENEWAL MISSION – (JNNURM)

JNNURM, which is for a seven year period from 2005 – 06, has two main components – Basic Services to the Urban Poor (BSUP) Program and Integrated Housing and Slum Development Program (IHSDP). The program is two sub – plans;

This is a massive urban modernization program launched by the government of India. It envisages an investment of \$20

billion over a period of 7 years. Under this program 63 qualifying cities are selected and nine eligible sectors are identified. The main thrust of the program is improve urban governance and services delivery system and therefore envisaged a mandatory reform.

10. SCHEME FOR INTEGRATED DEVELOPMENT OF SMALL AND MEDIUM TOWNS (SIDSMT)

during the sixth plan, this scheme (SIDSMT) was stated in the form of Union Government sponsored program to stop the migration of the population from the rural areas to the urban areas, to create employment opportunities in small and medium towns, and to provide adequate infrastructural facilities in these towns. This scheme was carried on in the Seventh and the Eighth Plan also. In the Eighth plan, an amount of Rs 155 crore was allocated for this program. In the financial year 1998 – 99, an expenditure of Rs 35 crore was made on this scheme. By March, 1998, 920 towns were included under this scheme. Under this program, financial assistance is provided for transport, development of markets and whole sale markets, tourism facilities, park and play – grounds, construction of slaughter – houses, lighting on the roads, construction of drains and other related activities.

11. SCHEME OF INFRASTRUCTURAL DEVELOPMENT IN MEGA CITIES:

A centrally sponsored program was started in 1993 - 94 in five Mega cities of Mumbai, Chennai, Kolkata, Hyderabad and Bangalore for infrastructural development. This program was started on the demand of the state governments to solve the problem of the Mega Cities which resulted due to migration of the people from other places. This program which is administered by the Urban Development

Ministry is being implemented with three categories of projects;

1. Remunerative projects.
2. User charge based projects.
3. Basic Service Projects.

CONCLUSION:

Though the various respective governments have been implementing innovative or merging of existing schemes with new schemes, the urban poverty has been on escalation. Where is the mistake, why the government is unable to mitigate the urban poverty, where are the loopholes all those questions need answers. The basic cause for unable to control the urban poverty is lack of political will. The political leaders completely neglected the significance of agriculture sector for the overall development. Instead of giving boost to the agriculture and rural development its not possible to decrease the urban poverty. Once we develop the agriculture and rural areas by allocating sufficient funds, there will be decline of migration to the urban areas. And there is no question of urban poverty and slum areas. Another important cause is quality of education; the government is slowly escaping from its responsibility of establishing primary and secondary schools. Private sector dominated the primary and secondary school education. There is no quality in education and poor people are deprived of basic education and is also one of the reasons for urban poverty. Child labour is to be eradicated and literary rate is to be increased. The government has to allocated sufficient funds for primary health facilities in the rural areas, which is also one of the reasons for migration.