



## Urban Poverty and Urban Policies

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**Abstract:** *Urban Development and Urban Planning in India have become complex challenges to governments. Uncontrolled urban growth has given rise to urban complexities and inequities. Rapid urbanization is creating a distinction between urban poor and non-poor owing to exclusive urban planning. 38 per cent of India's slum households are in 46 million-plus cities. Among the top cities, slums are increasing in number and population. Land contestations over location in central city areas and rapidly developing urban peripheries adversely impact the poor groups. The alarming trend of urban poverty has been especially apparent in the last two decades. Urban workers are being increasingly pushed into the informal sector, even as the space for informal economic activities is shrinking. All the urban policy objectives have remained on paper even after seven decades of planning. The trend of multiple mega projects does not appear to have helped much. The initial years after independence were characterized by a lack of a comprehensive vision of urbanization and urban policies for India. Despite the proliferation of plans and programmes, there was an ad-hoc and piecemeal approach towards urban issues. There were many mismatches between the technocratic blueprint of Master Plans and the needs of the poor and marginalized. Different actors, different agencies, different amenities, different costs and different styles of construction made urban projects difficult to understand and assess. The paper analyses the trends of urban policies in helping and assessing the problems of the urban poor.*

**Key Words:** *Urban Policies, Urban Poverty, policies, development and poverty alleviation.*

Cities in India record high incidence of poverty, despite their being hailed as engines of growth and instruments of economic development. A large number of states report higher poverty in urban areas than in rural areas. Pro-market economic changes have negatively affected the poorer sections of the urban community and some of these have created problems of shelter and livelihood security for the poor. Trends and patterns of urbanization are direct manifestations of the process of economic development. Particularly in the neo-liberal era, understanding the causes and

consequences of these developments in terms of the changes in the distribution of socio-economic activities, along with the success and failure of state interventions, is important. Analyzing past experience, exploring areas that require strategic interventions and evaluating the available policy options and other components related to it, are crucial.

Despite urban populations' remarkable size of around 377 million people today, they represent less than one-third of the total population, that is, 31.8 per cent, according to the 2011 census. Huge



spatial disparities persist with regard to the level of urbanization, as well as the development of metropolitan cities. Poverty in India remains large and widespread, including in urban areas, although its appraisal is highly debated. The evidence on Urban Poverty, as analysed by the 'National Urban Poverty Reduction Strategy 2010- 2020' points out that the incidence of poverty measured by the headcount ratio has dipped from 49% in 1973-74 to 25.7% in 2004- 05, but the numbers of the urban poor have risen from 60 million to 80.8 million persons. Furthermore, the share of urban poor in the total numbers of poor has risen from 18.7% to 26.8% over the 1973- 74 to 2004-05 periods. Consequently, this means that in 2004-05, one in every four urban residents in India survived on less than Rs.19 (US\$ 0.42) per day In this context, two main features of urban poverty need to be emphasized. Firstly, the urban poor and slum dwellers cannot be equated; slums or informal settlements represent the most visible manifestation of housing poverty in Indian cities. Secondly, urban poor households are predominantly engaged in non-wage, informal employment. Some of the trends of Urban Poverty in India are as follows:<sup>1</sup>

Urban Poverty in India is large and widespread;

- The headcount ratio of urban poverty has declined steadily over the decades but its rate of decline is lower than that of rural poverty;
- The urban poverty gap, that is, the depth of urban poverty measured as the aggregate deficit of the poor in

relation to the poverty line, has declined to 5.9 per cent from 11.9 per cent in 1980; but continues to be deeper when compared to poverty in rural areas;

- Non-wage informal employment is a dominant characteristic of the urban poor households;
- Progress in terms of reducing the incidence of Urban Poverty has been highly uneven in the country, with a little over 40 per cent of the urban poor concentrated in the states of Bihar, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh.
- Slum settlements often referred to as informal settlements without any formal title; represent the most visible manifestation of poverty in India.

#### Urban Poverty in India

Urban Development and Urban Planning in India have become complex challenges to governments. Uncontrolled urban growth has given rise to urban complexities and inequities. Rapid urbanization is creating a distinction between urban poor and non-poor owing to exclusive urban planning. 38 per cent of India's slum households are in 46 million-plus cities. Among the top cities, slums are increasing in number and population, though urban statistics of the government agencies show a decreasing trend of urban slum population and provide a progressive picture of urban India. The 69<sup>th</sup> Round of the National Sample Survey conducted in 2012 projects that 13.7% of people in Urban India are below the poverty line as compared to 25.5% in 2004-05. However other studies and reports are showing contrasting trends. In spite of many policy interventions, both central and state governments have failed to provide a quality life to the urban poor.

<sup>1</sup> The National Institute of Public Finance and Policy(NIPFP), *National Poverty Reduction Strategy, Slum Free Cities, 2010-20* July 2009, p4



Availability, <sup>2</sup>accessibility, affordability and awareness are the prominent issues to be addressed with regard to the urban poor. There is no proper data to assess these four aspects of the urban poor. For the first time, the Ninth Five-Year Plan focused on the issues of slums and basic services. However, the data collected under various surveys proved insufficient to visualize the vulnerabilities of the urban poor for effective planning. The Tenth Five-Year Plan classified vulnerability in the form of housing, economic, social and personal aspects.<sup>3</sup>

**Housing Vulnerability:** Refers to lack of tenure, poor quality shelter without ownership rights, and no access to individual water connection/toilets, unhealthy and unsanitary living conditions.

**Economic vulnerability:** Refers to irregular/casual employment, low-paid work, lack of access to credit on reasonable terms, lack of access to formal safety net programs, low ownership of productive assets, poor net worth, and legal constraints to self-employment.

**Social Vulnerability:** Refers to low education, lack of skills, low social capital/caste status, inadequate access to food security programs, lack of access to health services, and exclusion from local institutions.

**Personal Vulnerability:** Refers to proneness to violence or intimidation, especially women, children, the elderly, disabled and destitute, belonging to low castes and minority groups, lack of information, and lack of access to justice.

From the Eleventh Five Year Plan onwards, the planning process emphasized inclusiveness, quality of life and provision of basic services to the urban poor. The link between Urban Poverty and Vulnerability is a very complex issue. Poverty is the condition of denial of resources that are considered necessary for social and economic well-being.

### **Urban Poverty Policy Trends**

Urban Development and Urban Planning in India have become complex challenges to governments. Uncontrolled urban growth has given rise to urban complexities and inequities. Rapid urbanization is creating a distinction between urban poor and non-poor owing to exclusive urban planning. For the first time, the Ninth Five-Year Plan focused on the issues of slums and basic services. However, the data collected under various surveys proved insufficient to visualize the vulnerabilities of the urban poor for effective planning. The Tenth Five-Year Plan classified vulnerability in the form of housing, economic, social and personal aspects. Urbanization in the post-liberalized era is exclusionary not only in the regional sense but also as a social and spatial process within the city. In the desire to develop market-friendly, world-class, metropolitan cities, the segregation and exclusion of the urban poor has become more systematic. Their spatial removal and exclusion from market and government interventions, in the name of up gradation and relocation, has become common.

Land contestations over location in central city areas and rapidly developing urban peripheries adversely impact the poor groups. The alarming trend of urban poverty has been especially apparent in the last two decades. Urban workers are being increasingly pushed into the

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<sup>2</sup> Ibid, p,40

<sup>3</sup> Supriti, Sharon M Barnhardt, Ramesh Ramanathan, *Urban Poverty Alleviation in India*, (Ramanathan Foundation 2002), Volume II, Bangalore, 2002, pp24-59



informal sector, even as the space for informal economic activities in the towns and cities is gradually shrinking. The early urban policy regimes of the 1970s were a little better; the urban development projects allowed the poor to live and work in the city, without legitimate titles to housing and commercial premises. But in the 1990s, there has been a paradigm shift in the attitude of the government authorities towards the urban poor. There is now a direct attack on the earlier para-legal sub-structures which incorporated the poor into the urban space.

#### **Urban Policies since Independence in India**

A Major point of the world is experiencing rapid urbanization that is categorized by many new developments in its urban systems. Governments are responding to this through different policy interventions. Despite the path of planned development in India, the area of urban development lags behind in sustainable planning. Urban policies in India are ad hoc, fragmented and ineffective. Lack of proper approach, political will and improper implementation strategies, capacity and resource constraints and lack of spatial perspective in planning have further worsened the situation.<sup>4</sup>

Urban policy objectives have remained on paper even after seven decades of planning. The trend of multiple mega projects does not appear to have helped much. The initial years after independence were characterized by a lack of a comprehensive vision of urbanization and urban policies for India.

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<sup>4</sup> **India Urban Poverty Report**, Ministry of Housing and Urban Poverty Alleviation, Government of India, (Oxford University Press, 2009), p77-78.

Despite the proliferation of plans and programmes, there was an ad-hoc and piecemeal approach towards urban issues. There were many mismatches between the technocratic blueprint of Master Plans and the needs of the poor and marginalized.

Master Plans in almost all Indian cities have not achieved much success in meeting the needs of the poor. Removal of slums was given utmost importance and the plans sought to achieve low-cost housing. In the eighties and nineties, the government concentrated on slum development and also on housing programmes. However, the sad reality is that urban policies were not able to resolve problems comprehensively. This throws light on the deficiencies and drawbacks of the approaches adopted so far.

#### **Poverty Alleviation Initiatives suffer from the following drawbacks:**

1. Urban Poverty Alleviation Initiatives (UPIs) do not have an empowerment approach;
2. Among all the programmes, housing programmes enjoy the highest priority;
3. Improving old schemes was the most neglected aspect; the economics of urban poverty is not understood;
4. Eradicating urban poverty is a lower priority than eliminating rural poverty.
5. Community participation is being increasingly emphasized but later neglected;
6. The Programmes lack innovation;
7. Training is not broad enough to prepare beneficiaries for self-employment;
8. Programme design is beginning to include NGOs, but their role can be more robust;



9. Land use patterns are overlooked.
10. Allocated budgets are not spent; Results fall far short of expectations;
11. Information about the schemes is limited; planning and budgeting are faulty;
12. Implementing agencies do not strictly follow guidelines;
13. The focus on quantitative performance targets is too strong; releasing new or renamed schemes reduces continuity.

Different actors, different agencies, different amenities, different costs and different styles of construction made urban projects difficult to understand and assess. In most of the states, ULBs were equipped with adequate technical staff to implement and monitor a programme of this magnitude. Without learning from the past, the Government still preferred housing as the remedy to reduce Urban Poverty. The projects laid more emphasis on quantitative outputs rather than qualitative outcomes. Notwithstanding the basic purpose of the 74<sup>th</sup> Constitutional Amendment Act, new policy pronouncements equate ULBs with parastatal agencies.

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