



Incidence of Urban Poverty in Tamil Nadu: A Micro Level Socio-Economic Analysis

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ABSTRACT

India is urbanizing, this transition, which will see India's urban population reach a figure close to 600 million by 2031, is not simply a shift of demographics. It places cities and towns at the centre of India's development trajectory. In the coming decades, the urban sector will play a critical role in the structural transformation of the Indian economy and in sustaining the high rates of economic growth. The Human Development Reports and other United Nations/World Bank reports identify South Asia as one of the most deprived regions in the World. South Asia has the largest number of people in the world living in absolute poverty which includes 46 per cent of the developing world's population. Sixty percent of these are women, with limited access to basic needs. The greatest burden of human deprivation and poverty, illiteracy and health-related problems falls on women. The present study tries to study the incidence of urban poverty at micro level in one of the fast growing towns of Tamil Nadu specifically to study the Socio Demographic background of the sample respondents; the Income and Expenditure Pattern and to explore the availability of basic needs and problems faced by the respondents in the study area; and to suggest possible policy measures to reduce the incidence of urban poverty to improve the standard of living of the respondents of the study area through the primary data collected from the selected sample respondents. The paper suggests that the government should provide better development programme facilities, so that people living below poverty line can improve their livelihood. It also suggests that Poverty alleviation programmes should also take up the issue of poverty from the social and economic perspectives.

Keywords-- Urban Poverty, Poverty Line, Basic Services, Poverty Alleviation Programmes

Prelude and Problem Statement

Urban poverty is seen in urban areas like metropolitan cities, semi town etc. According to World Bank, Urban poverty is a multidimensional phenomenon, and the poor suffer from various deprivations e.g. lack of access to employment, adequate housing and services, social protection and lack of access to health, education and personal security. Urban poverty is a complex, multidimensional problem with origin in both developing and developed domains depending upon its nature and extent. In 2001, 924 million people, or 31.6 percent of this world urban population, lived in slum settlements. The majority of them were in the developing regions, accounting for 43 percent of urban population, in contrast to 6% in more developed regions. The quality of life of people is influenced by the phenomenon of urbanization. World Development Report 2000- 2001, state that nearly half of the world's poor live in south Asia - a region that account for roughly 30 percent of the world's population. In many instances rural to urban migration has been the major factor in increasing urban poverty. For the first time in India, urban poverty estimates provided by the expert group (Lakdawala Committee) appointed by the Planning Commission, indicated that urban poverty is more severe than rural poverty. According to the group, some 83 million persons in urban India live below the poverty line compared to 229 million in rural India. According to the Planning Commission estimates (1999- 2000), around 61 million people are urban poor in the country. India has the largest number of poor living in urban areas compared to any other country in the world. India has a high population density, therefore urban poor face the problem of shelter, adequate supply of water, sanitation facilities, poor drainage and solid waste disposal. Urban poor occupy the lowest rungs of the social hierarchy and deprive of basic

I. INTRODUCTION

services and amenities. They occupy the marginal positions in the socio cultural system of the communities. Based on the 30 day consumption methodology, the NSSO data reveal that the poverty level dips 10 percent from 36 percent in 1993-94 to 26 percent in 1999- 2000. However, this still leaves a starting 26 crores Indians below the poverty line. It is observed that the percentage of urban poverty has decreased sharply from 49.01% in 1973-74 to 23.62%. Amartya Sen used two key terms to express this idea: 'functioning' and 'capabilities'. 'Functionings' refer to what a person actually manages to-do or be, they range from elementary nourishment to more sophisticated levels such as participation in the life of the community and the achievement of self-respect. 'Capabilities' denote what a person can do or be, that is, the range of choices that are open to them. In India, the first official definition of poverty (based on income) was given in 1962 by a working group consisting of eminent economists.

Urban poverty in India remains high, at over 25 percent. Over 80 million poor people live in the cities and towns of India. Urban poverty poses the problems of housing and shelter, water, sanitation, health, education, social security and livelihoods along with special needs of vulnerable groups like women, children and aged people. 11.2 million of the total slum population of the country is in Maharashtra followed by Andhra Pradesh (5.2 million), and Uttar Pradesh (4.4 million). In spite of a number urban poverty alleviation measures taken by the government still the incidence of poverty exists and further there are social, economic and regional variations observed both at macro level as well as micro level. Hence, the present study tries to study the incidence of urban poverty in one of the fast growing towns, Mayiladuthurai, Tamil Nadu, South India.

II. OBJECTIVES

The specific objectives of the present study are to study the Socio Demographic background of the sample respondents; to analyse the Income and Expenditure Pattern of the selected sample respondents; to explore the availability of basic needs and problems faced by the respondents in the study area; and to suggest possible policy measures to reduce the incidence of urban poverty to improve the standard of living of the respondents of the study area.

III. HYPOTHESES

Based on the objectives the following hypotheses have been formulated. The incidence of poverty is varied with community, religion, family size, nature of house, level of education, nature of occupation, income, level of consumption and so on. The awareness on the incidence of poverty and poverty alleviation programmes significantly differed with the level of education.

IV. MATERIALS AND METHODS

The present study has adopted the Multi Stage Random Sampling Technique. In the First Stage the Study Area, Mayiladuthurai Municipality, has been purposively chosen as it is one of fast growing municipalities of Nagapattinam District of Tamil Nadu; followed by, two wards, one is having the maximum number of households (353) and another is having minimum number of households (153) in the municipality have been chosen. Then 10 % of households from each ward (35 + 15= 50) have been randomly chosen as the sample size for the present study. The present study has been purely based on Primary Data which have been collected from the selected respondents through a well structured and pretested interview schedule.

V. MAJOR FINDINGS

Social Profile

It is observed from the analysis relating to the Social profile of the respondents, out of 50 respondents, 58% of the respondents are male and 42 % are female, with regard to the age distribution, majority 68% respondents are under the age group 25-45 years and only 8% respondents are above 65 years old. Further, 84 Percent are Hindu 12 Percent are Christian and only 4% belong to Muslim community; Majority of the respondents i.e 54% are BC while 20 % are SC community and 26% MBC community.. Further, 70 percent of the respondents reside at nuclear family. With regard to the family size distribution Majority of households have the family members in between 5 and 8 and 70 Percent of the respondents are married.

It is found that the educational status of the sample respondents which infers that among the respondents majority i.e. 42% are secondary level educated and only 2% are higher level educated and it is appreciable that no one is illiterate.

Table 1. Social Profile of the Respondents

Sl. No	Description	Respondents	
		Nos	Per cent
1	Sex Total	50	100
	Male	29	58

	Female	21	42
2	Religion		
	Hindu	42	84
	Christian	06	12
	Muslim	02	04
3	Community		
	SC/ST	10	20
	MBC	13	26
	BC	27	54
	Total	50	100
4	Age		
	Below 25	04	08
	25- 45	34	68
	45-65	08	16
	65& Above	04	08
	Total	50	100
5	Family Type		
	Nuclear	35	70
	Joint Family	15	30
6	Family Size		
	Less than 4	06	12
	5-8	42	84
	More than 08	02	04
7	Marital Status		
	Married	35	70
	Un-Married	08	16
	Widow	07	14

Source: Primary Data

Economic Profile

About 84 Percent are residing at owned house in the study area. Most of the house value lies less than Rs.3 Lakhs (41 Houses) and only 9 households are living at the high valued house. Further, majority is daily wage earners, 32 % are industries workers and 12 % of the respondents are doing small businesses.

It is also found that only 8 % of the respondents have earned less than Rs.5000/- monthly and it is to be appreciated that 22 % belong to the income group of above Rs.15000. The same trend is attributed in the case of expenditure and savings also. Further, 8% the respondents have spent on food items less than Rs.4000/- per month and 8% of the respondents spent above Rs.12000 per

month on food items. Similarly, more than half of the respondents i.e 52 % spent less than Rs.1000 on non-food items and only one respondent spent above Rs.4000 per month on non-food items.

With regard to saving 22 % of the respondents have not saved any amount and half of the respondents i.e. 50% have saved less than Rs.10000 and on the other side only 2 respondents have saved more than Rs.20000 so far in the study area. Similarly, all the respondents are indebted to some extent, 64 % have borrowed less than Rs.25000 and only 4 % have borrowed above Rs.1 Lakh. Among the sample respondents 32% have owned assets worth less than Rs.2 Lakhs and 16% of the respondents have owned assets worth of above Rs. 6 Lakhs.

Table 2. Economic Profile of the Respondents

Sl. No	Description	Respondents	
		Nos	%
1	Monthly Income (Rs)		
	Below 5000	04	08
	5001 to 10000	15	30
	10001 to 15000	20	40
	Above 15000	11	22
2	Asset Position (Rs)		

	Below 2 Lakhs	16	32
	2 to 4 Lakhs	14	28
	4 to 6 Lakhs	12	24
	Above 6 Lakhs	08	16
3	Consumption -Food Items(Rs)		
	Below 4000	04	08
	4001 to 8000	18	36
	8001 to 12000	24	48
	12001 and Above	04	08
4.	Consumption-Non Food Items		
	Below 1000	26	52
	1001 to 2000	12	24
	2001 to 3000	11	22
	3001 &Above	01	02
5.	Indebtedness (Rs)		
	Below 25000	32	64
	25001 to 50000	08	16
	50001 to 75000	05	10
	75001 to 1 Lakh	03	06
	Above 1 Lakh	02	04
6	Savings (Rs)		
	No Savings	11	22
	Below 5000	13	26
	5001 to 10000	12	24
	10001 to 15000	08	16
	15001 to 20000	04	08
	20001& Above	02	04

Source: Primary Data

Table 3. Housing and Occupation Details of the Respondents

S.NO	Description	Respondents	
		Nos	%
1	Housing Nature		
	Thatched	13	26
	Tiled	22	44
	Terraced	15	30
2	Ownership		
	Own House	42	84
	Rental House	08	16
	Total		
3	House Value (Rs)		
	Below 1Lakh	18	36
	1 to 3 Lakhs	23	46
	Above 3 Lakhs	09	18
	Total		
4.	Occupation		
	Business	06	12
	Daily Wage Labour	28	56
	Industry Worker	16	32

Source: Primary Data

The incidence of poverty is varied with community, religion, family size, nature of house, level of education, nature of occupation, income, level of consumption and so on; to measure the variables which are closely related to income the regression model has also been applied.

$$Y = b_0 + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 \dots u$$

Y = Monthly Income

X_1 = Consumption Expenditure; X_2 = Asset Position; X_3 = Level of Education; X_4 = Community; X_5 = Occupation. b_1, b_2, b_3, b_4, b_5 , are parameters to be estimated. U = Error term

It is calculated that the value of R^2 is 0.79 which implies that 79 % of variation in the household income is influenced by these variables which are included in the model. From this model, it is found that among these variables, the Consumption Expenditure is primarily and closely related to income since the calculated regression coefficient for consumption expenditure is 0.26 followed by occupation, (0.19), Asset Position (0.14), Level of Education (0.16) and Community (0.04); from this model it could be inferred that there are host of factors, such as, religion, educational status, family size, income, consumption pattern, occupation etc. are closely related

with the income of the respondents. Hence, the hypothesis that *the incidence of poverty is varied with community, religion, family size, nature of house, level of education, nature of occupation, income, level of consumption and so on* is proved.

Basic Services and Households' Perceptions

The analysis relating to the affordability of the basic services and facilities to the respondents that they are highly affordable to 42% of the respondents while moderately affordable to 34% and non-affordable to 24% of the respondents. The data relating to the extent of availability of these services witnessed that they are highly adequate to 18% of the respondents while moderately adequate to 54% of the respondents and inadequate to 28% of the respondents.

The overall perception of the accessibility of basic services to the sample respondents registered that only 20% of the respondents are found with poor access, low affordability and inadequacy of basic services while 42% are found with moderately accessible, affordable and adequate of the services. Thus, only 32% of the respondents are highly accessible, affordable and adequate with these basic services to them.

Table 4. Basic Services and Facilities Access to the Respondents

Sl. No	Description	Accessible	Affordable	Adequacy
1	Potable Drinking Water	Respondents	Respondents	Respondents
	High	08 (16)	12 (24)	06(12)
	Moderate	22 (44)	18(36)	22(44)
	Low	10(20)	20(10)	12(24)
2	Health Services			
	High	18(36)	12(24)	00(0)
	Moderate	28(56)	18(36)	12(24)
	Low	04(08)	20(40)	38(76)
3	Schools			
	High	38(76)	16(32)	07(14)
	Moderate	12(24)	22(44)	27(54)
	Low	00(0)	12(24)	16(32)
4	Transportation Services			
	High	38(76)	29(58)	15(30)
	Moderate	10(20)	15(30)	27(54)
	Low	02(04)	06(12)	08(16)
5	Electricity Supply			
	High	42(84)	32(64)	13(26)
	Moderate	08(16)	19(38)	29(58)
	Low	00(6)	09(18)	08(16)
6	Sewage Collection			
	High	21(42)	24(48)	11(22)
	Moderate	26(52)	20(40)	32(64)
	Low	03(06)	06(12)	07(14)
7	Sanitation Facilities			
	High	15(30)	18(36)	10(20)
	Moderate	28(56)	12(24)	32(64)
	Low	07(14)	20(40)	08(16)

Source: Primary Data

Note: Figures in the Parenthesis denote %

Table 5. Extent of Awareness on the Poverty Alleviation Programmes

S. No	Gender Status	Level of Awareness/Number of Respondents			
		Low	Moderate	High	Total
1	Male	5(17)	11(38)	13(45)	29
2	Female	6(28)	8(38)	07(34)	21
	Total	11(22)	19(38)	20(40)	50
	Education				
3	Primary Level	4(25)	6(38)	6(38)	16
4	Secondary Level	4(19)	8(38)	9(43)	21
5	High School Level	1(50)	0	1(50)	02
6	Higher Secondary Level	1(16)	3(50)	2(34)	06
7	Diploma	1(25)	2(50)	1(25)	04
8	Higher Level	0	0	1(100)	01
	Total	11(22)	19(38)	20(40)	50
	Monthly Income (Rs)				
9	Below 5000	2(50)	1(25)	1(25)	04
10	5001 to 10000	6(40)	4(27)	5(33)	15
11	10001 to 15000	1(05)	9(45)	10(50)	20
12	Above 15000	2(18)	5(45)	4(37)	11
	Total	11(22)	19(38)	20(40)	50

Source: Compiled from Primary Data

Note : Figures in the parenthesis denote % to total

With regard to the extent of awareness about the Poverty Alleviation Programmes, among the male respondents only 45 % respondents have high level of awareness, 38 % respondents have moderate level of awareness and 17% of the respondents have low level of awareness while among the 21 female respondents 34 % of the respondents have low level of awareness, 38% have moderate level of and 28 % have high level awareness about the poverty alleviation programme;

It is found that among the primary educated respondents 25% of them are at low level and rest of others are evenly moderate level and high level of awareness about the poverty alleviation programs at urban level. Whereas, among the higher educated respondents, 100 % of respondent has higher level awareness and no one is unaware.

With regard to the income wise extent of awareness it is found that the low income group people are comparatively having lesser awareness when compared to the high income people. The awareness on the incidence of poverty and poverty alleviation programmes significantly differed with the level of education.

VI. SUGGESTIONS

Based on the analysis, it is suggested to reduce the incidence of poverty in urban areas that measures may be taken to focus on vocational education and training since vast majority people living in poverty cannot afford and have access to training opportunities, which are commercially managed; Employment and job opportunities may be created by increasing the scope of financial investment on indigenous projects. It has now widely recognized that these programmes are effective in bringing much needed income to poor families and their communities; Encouraging entrepreneurship development which promote income generating enterprises and livelihood development not only promote self-employment among educated unemployed youth but also promote gender equality; Further it is suggested that Micro-finance activities should be promoted, strengthened and encouraged along with entrepreneurship for enabling poor to borrow for productive purposes.

Now a day the importance of universal access to basic health care and primary and secondary education is well recognized by many countries. Hence measures must be taken for the benefit of the urban poor family to secure more basic income, basic health care facilities etc.

Proper measures should also be taken to protect the urban poor from occupational health hazards,

accidents, diseases etc. Thus, by focusing directly on creating the conditions for people living in poverty to work for a better future, the decent work approach mobilizes the broad spectrum of support across society is needed to maintain progress and harmony and should reach to all poor communities.

It is believed that eradicating poverty calls for the coordination of policies that focus on different dimensions of the life of people living in poverty. Moreover, participation and inclusion are central to new approach to poverty reduction. Cooperatives and people's associations including Self Help Groups are an ideal instrument in such a strategy. Cooperatives have proved to be a key organized form in building new models to combat social exclusion and poverty. Similarly, SHG's are proving crucial instrument for availability of micro-finance and social empowerment of poor.

Effective participation by the local NGOs, Service Organisations with Government intervention is necessary for upgradation of housing conditions and empowerment of poor. The financial assistance should be made according to the paying capacity of the urban poor; in addition training for urban youths for self-employment is needed to ensure full benefits of employment generation programmes. Financial assistance provided under UPA Programmes needs to be raised. The banks tend to extend loans only for purchase of fixed assets and do not normally meet the working capital requirements of the beneficiaries.

It is fond hope that the Urban Poverty Alleviation package needs inter-agency linkages at various levels - the grassroots NGO's, Academic Organizations, Chamber of Commerce, Institutions and Government Departments Further, there is an urgent need to develop the urban data base at all levels to conduct action research projects to facilitate grass-root planning and policy formulation.

VII. CONCLUSION

Economic growth remains central to the poverty reduction strategies. It is well known that the bulk of the poor is daily wage earners still in the urban areas and/or belong to unorganized sector that have meager land holdings. It is also necessary to improve the skills of labour force and create employment opportunities for semi-skilled and skilled labour. A review of the major programs for poverty reduction in India points to the inadequacy of resources and the need for improving effectiveness of program delivery. Economic growth has increased the quantum of resources now available for poverty reduction programs. But despite this, the resources remain inadequate. Delivery of social services such as health and education needs priority attention. The need for improving implementation of the poverty reduction programmes has also been duly considered. In urban areas, the resources of the local body governments are being strengthened for more effective delivery of public services.

It is also needed more effective ways of delivering poverty alleviation measures is the growing prominence of cash transfers in policy thinking. The direct delivery of services is seen as costly and more vulnerable to corruption and inefficiency. The cash income transfers- conditional where relevant- are seen to provide more efficient means of providing purchasing power to the poor. The improvements in the efficiency of service delivery remain critical to maximize coverage of the poverty reduction programs. Poverty, therefore, is a complex phenomenon of many dimensions but not merely the economic dimension. So, the government should provide better development programme facilities, so that people living below poverty line can improve their livelihood. It also suggests that Poverty alleviation programmes should also take up the issue of poverty from the social and economic perspectives.

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