



## Trends of Urbanisation and Urban Poverty in India

### KEYWORDS

Urbanisation, Poverty, Rural and Urban areas, Poverty line and Agriculture sectors

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**ABSTRACT** *The urbanisation is a process of increase in urban population to total population. In India in recent decades the absolute number of population has been increasing. Its causes to many problems, major being the increase in number of poor people. The present study examines the trends of urbanisation and urban poverty in India based on secondary data. The suggestions are given for policy formulation.*

### INTRODUCTION

Achievement of equity and social justice is always one of the prime objectives of any developing countries like India, where a sizeable proportion of the population lives below poverty line. The vicious circle of underdevelopment comprises lack of accessible basic services like health, nutrition, education, and employment leading to poverty. The people living below poverty line are significantly varied in rural and urban areas of India over a period of time. However, India experienced an unprecedented increase in urbanisation, leading to many urban challenges, the most being is challenge posed by poverty. Thus, urbanisation and urban poverty are interrelated aspects.

The study of trends of urbanisation and urban poverty rates in India provides indepth knowledge on changing patterns of urbanisation in relation to rate of urban poor in recent periods. This will be useful to planners and policy makers for effective implementation of urban poverty alleviating programmes. Therefore, the present study aims at studying the trends of urbanisation and urban poverty rates based on empirical evidence.

### CONCEPTS

The concept of urbanisation and poverty are quit differ among the countries. In general, urbanisation is the process by which villages turn into towns and towns develop into cities (Sinha, 1979), while in demographic sense, urbanisation is an increase in the proportion of urban population (U) to total population (T) over a period of time (Ashish Bose, 1980:3). In India, the definition of urban is more rigorous. Both civic status as well as demographic criteria is taken for declaring a settlement as an urban. The Census of India defined the urban places on the basis of the following criteria (Census of India, 2001).

- (i) All places with a municipality, corporation, and cantonment board, notified town area committee etc.
- (ii) All places which satisfy the following criteria.
  - (a) Minimum population of 5000.
  - (b) At least 75 per cent male working population engaged in non-agricultural pursuits; and
  - (c) A density of population of at least 400 persons per sq. (1000 per sq. mile).

The World Bank treated poverty line as "a person who cannot spent even \$1 per day in 1985 purchasing power parity (PPP) prices". Rein (1968:116) considered three elements in poverty: Subsistence, inequality and externality. Montex Singh Ahluwalia (2002), deputy chairperson of the planning commission said that in the new system "poverty would be measured with reference to basic facilities like quality of education, good health sector and clean drinking water availability". However, in the present study the term poverty is measured as "the proportion of people living below poverty line".

### METHODOLOGY

The present study is based on secondary data, collected from Census of India for urbanisation and from planning commission for population living below poverty line. The urbanisation refers to 1981, 1991 and 2001 census years; while poverty rates represents to 1983, 1993-94 and 1999-2000 years.

Thus, data period on urbanisation and poverty rates are nearer to each other. These are the only recent data in India for urbanisation level. These different periods have been taken for comparison for the present study because; no agency is conducting survey on these aspects on similar periods. To study these trends of urbanisation and urban poverty rate in India, only eighteen major states are considered because, as they constitute huge share of population.

### RESULTS AND DISCUSSION

Trends of urbanisation and percentage of urban population below poverty line across major states in India are presented in Table-1. As per 1981 census, Madhya Pradesh, Uttar Pradesh, Orissa and Bihar recorded 10 to 20 per cent of urbanisation. However in these states, nearly half of the urban populations were below poverty line at 1983. These might be due to socio-economically backwardness, which led to high prevalence of poverty. Moreover in Gujarat, Karnataka, Maharashtra and Tamil Nadu, nearly one-third of population were residing in urban; while in these states, about two-fifths of urban populations were poor in 1983. In these states urbanisation accompanied with industrialization, thereby attracted more people causing to increase of poverty rates. However, hilly states had low pace of urbanisation and poverty rates, where most of the people were resides in rural areas. On the whole, India had one-fourth of urban population in 1981 with two-fifths urban poverty rates at 1983.

In 1991 Census, Bihar, Orissa and Uttar Pradesh recorded a low rate (10 to 20 per cent) of urbanisation. In these states, 35 to 42 per cent of urban population was poor at 1993-94. However, the poverty rates have come down. This may be due to implementation of poverty eradication programmes and also progress in socio-economic development. In Madhya Pradesh, one-fourth of population was in urban areas in 1991 and nearly half of the urban population was poor in 1993-94. However in 1991, Gujarat, Haryana, Kerala, Manipur, Meghalaya, Punjab, Tripura and West Bengal, the rate of urbanisation was higher than the rate of urban poverty in 1993-94, which indicated economic progress in these states. In contrast, Manipur, Meghalaya and Tripura had least rates of urban poverty, may be due to predominance of agriculture sectors which requires residing in rural areas.

In 2001 census, Bihar, Orissa, and Uttar Pradesh were still at low level of urbanisation and consisted with high poverty rates at 1999-2000. Moreover, Madhya Pradesh had one-

fourth of urbanisation and nearly two-fifths of urban population were poor. In contrast rest of the states recorded low level of poverty than their level of urbanisation. It is worthwhile to note that Punjab recorded low poverty rates than the level of urbanisation, the cause being is that green revolution flourished at Punjab, there by resulted low rate of urban poverty. On the whole in India, in general with an increase in urbanisation, the urban poverty had declined significantly.

### SUMMARY

Urbanisation coincides urban poverty. As per 1981 census, Madhya Pradesh, Uttar Pradesh, Orissa and Bihar recorded 10 to 20 per cent of urbanisation. However in these states, nearly half of the urban population was below poverty line at 1983. Similarly in 1991 census, Bihar, Orissa, Uttar Pradesh and Madhya Pradesh had low rate (10 to 25 per cent) of urbanisation, while in these states, 35 to 42 per cent of urban population were poor at 1993-94. Thus, the poverty rates declined. In 2001 census; Bihar, Orissa and Uttar Pradesh were still at low level of urbanisation and consisted with high poverty rates at 1999-2000. Moreover, Madhya Pradesh had 26 per cent of urbanisation and nearly two-fifth of urban population was living below poverty line at 1999-2000. These states

are socio-economically backward thereby leading to high prevalence of poverty rates.

However, hilly states had low levels of urbanisation and urban poverty. This might be due to predominance of agriculture sector. Moreover, it is worthwhile to note that, in Punjab, rates of urbanisation always higher than the urban poverty rate. On the whole, with an increase in rate of urbanisation, urban poverty rates have declined. This can attributed implementation of anti-poverty programmes in urban areas, industrialization and improvement in infrastructural facilities, resulted in better employment opportunities.

### SUGGESTIONS

- 1) Poverty alleviating programmes are to be more emphasized in less socio-economically developed states like Bihar, Orissa, Uttar Pradesh and Madhya Pradesh where the rate of urbanisation is low.
- 2) Hilly states had low rate of urban poverty, hence anti-poverty programmes should be aimed more at rural areas.
- 3) Industrialized states like Gujarat, Karnataka, Tamil Nadu and West Bengal had a sizeable rate of urban poverty. Hence, urban poverty eradication programmes may link with industries.

**Table-1: Trends of Urbanisation and Percentage Urban Population below poverty line across major states in India**

S. No.	States	% of urban population 1981	% of urban population below poverty line <sup>2</sup> , 1983	% of urban population 1991	% of urban population below poverty line <sup>2</sup> , 1993-94	% of urban population 2001	% of urban population below poverty line <sup>2</sup> , 1999-2000
1.	Andhra Pradesh	28.25	36.30	26.84	38.33	27.08	26.63
2.	Bihar	09.84	47.33	10.40	34.50	10.47	32.91
3.	Gujarat	31.06	39.14	34.40	27.89	37.35	15.59
4.	Haryana	21.96	24.15	24.70	16.38	29.00	9.99
5.	Himachal Pradesh	07.72	09.43	08.70	09.18	09.79	4.63
6.	Karnataka	28.91	42.82	30.91	40.14	33.98	25.25
7.	Kerala	18.78	45.68	26.44	24.55	25.97	20.27
8.	Madhya Pradesh	22.34	53.06	25.27	48.38	26.67	38.44
9.	Maharashtra	36.03	40.26	38.73	35.15	42.40	26.81
10.	Manipur	26.44	21.73	27.69	07.73	23.88	07.41
11.	Meghalaya	18.03	21.73	18.69	07.73	19.63	07.41
12.	Orissa	11.82	49.15	13.43	41.64	14.97	42.83
13.	Punjab	27.72	23.79	29.72	11.35	33.95	05.75
14.	Rajasthan	20.93	37.94	22.88	30.49	23.38	19.85
15.	Tamil Nadu	32.98	46.96	34.20	39.77	43.86	22.11
16.	Tripura	10.98	21.73	15.26	07.73	17.02	07.47
17.	Uttar Pradesh	18.01	49.82	19.89	35.39	20.78	30.89
18.	West Bengal	26.49	32.32	27.39	22.41	28.03	14.86
19.	India	23.33	40.79	25.72	32.36	27.78	23.62

### Sources:

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- 2) Planning Commission, Government of India (2002), National Human Development Report 2001, Planning Commission, New Delhi.

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