

Changing Profile of Urban Poverty A Case Study of Jharkhand (India)

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1 Introduction

Poverty is “pronounced deprivation in well-being.”¹ The conventional view links well-being primarily to command over commodities, so the poor are those who do not have enough income to meet their needs. This view explains poverty largely in monetary terms. Poverty may also be tied to a specific type of consumption; thus someone might be house poor or food poor or health poor. These dimensions of poverty can often be measured directly, for instance by measuring malnutrition or literacy. The broadest approach to well-being and poverty focuses on the “capability” of the individual to function in society. The poor lack key capabilities, and may have inadequate income or education, or be in poor health, or feel powerless, or lack political freedoms. Poverty is the biggest challenge to development for almost half of the world. At the start of the twenty-first century, almost half of the world’s people suffer in a state of “deep poverty amid plenty” measured as an income of less \$2 a day.² The World Bank estimates that 456 million Indians i.e., 42% of the total Indian population at present live under the global poverty line of \$1.25 per day (PPP). This means that a third of the global poor now reside in India. However, this also represents a significant decline in poverty from 60 percent in 1981 to 42 percent in 2005, although the rupee has decreased in value since then, while the official standard of 538/356 rupees per month has remained the same. Income inequality in India (Gini coefficient: 32.5 in year 1999- 2000) is increasing. On the other hand, the Planning Commission of India uses its own criteria and has estimated that 27.5% of the population is living below the poverty line in 2004–2005, down from 51.3% in 1977–1978, and 36% in 1993-1994. The source for this was the 61st round of the National Sample Survey (NSS) and the criterion used was monthly per capita consumption expenditure below Rs.356.35 for rural areas and Rs.538.60 for urban areas. 75% of the poor are in rural areas, most of them are daily wagers, self-employed householders and landless labourers. 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.³ In the U.S., the latest figures indicate 15 percent live below the (higher) poverty threshold. In the U.K, the proportion is even larger: Over a fifth of the population including more than a quarter of children, compared with one in seven in 1979 of both children and adults. Poverty as a material reality disfigures and constrains the lives of millions of women, men and children and its persistence diminishes those among the non-poor who acquiesce in or help sustain it. It is true that what it means to be poor can be very different in different societies, for instance, as between the U.S. and Scandinavia. Socio-economic structural and cultural contexts shape the experiences and understandings of poverty. Thus, “Poverty” is

*This Paper is based on my M.Phil work and I would like to thank Prof. Anand Kumar for his supervision.

¹World Bank Institute, 2005, Introduction to Poverty Analysis, Poverty Manual, p.8.

²World Bank. 2001. World Development Report 2000/2001. New York: Oxford University Press. p.3.

³UNIFEM, 1999, Carrying the Beijing Torch in South Asia cited in Neera Burra et.al.(2005), ‘Micro-Credit, Poverty and Empowerment; Linking the triad’, Sage publications, New Delhi, p.25.

at the same time culture bound and universal.⁴ As per the World Bank Report(1998) poverty imposes an oppressive weight on India, especially in rural areas, where out of four Indians one is poor or very poor, which comprises about 77 percent of the total population, living is poor. According to the Planning Commission 2001, about 23.62 percent of the urban population and about 27.09 percent of the rural population lived below the line of poverty in 1999-2000. Overall, there is about 26.10 percent of India's total population which lives below the line of poverty.

The present study would like to explore the changing profile of urban poverty in the newly formed state Jharkhand since 1970's. Here, an attempt is made to compare the poverty scenario in Jharkhand with its parent state Bihar in four different periods like 1987-88, 1993-94, 1999-00 and finally 2004-05 both before and after economic reform periods. This study seeks to provide an understanding of key concepts and issues pertaining to urban poverty, its causes and the changing nature of urban poverty in the era of liberalization. Further, the important urban poverty alleviation programmes is critically analysed to find out its contribution towards alleviating poverty in the country with specific reference to Jharkhand.

Poverty and the poor are always associated with (a) resourcelessness (b) choicelessness (c) insecurity and (d) deprivation which create incapacities in the pursuit of dignified life in a given society for a person, household, group or community. Furthermore, those suffering chronic poverty also suffer several simultaneous disadvantages including gender, age, caste, ethnicity, location, etc.⁵ Chronic poverty seems to be disproportionately high among historically marginalised groups such as Scheduled Castes (SCs), Scheduled Tribes (STs) the elderly, women and the disabled.⁶ The multiple deprivations suffered by these groups make it harder for them to escape from poverty. In recent years there has been an increasing trend to incorporate the gender dimension in analysis of poverty (Asthana, M.D and Sabir Ali, 2004: 152). Lanjouw and Stern (1991) also postulate a strong correlation between caste and poverty in India. The feminisation of poverty is a term used to describe the overwhelming representation of women among the poor. "Women tend to be disproportionately represented among the poor, the poorer the family the more likely it is to be headed by a women" (World Bank 1989 cited in Jackson 1996: 491). On an average one out of two persons belonging to scheduled caste and tribe groups is poor as compared with an average for the general population of less than one in three. Whereas 31.4% rural non- SC/ST households were below the poverty line, the corresponding estimates were 52% for Scheduled Tribes and 48% for Scheduled Castes (Mehta: 44).

Nevertheless, poverty studies from both developed and developing countries show that woman more than men are subjected to relative as well as absolute poverty. The argument is that poverty and gender can at time be interrelated. This concept of poverty should not only focus on poverty as a gendered experience but also address why the poor are mostly women. Poverty, whether rural or urban, therefore needed to be looked at from a range of perspectives. Poor women, men and children experience poverty in their daily life. It affects where they live, what they eat, how they spend their days, and above all, their general well being. It is a multi -faceted issue. One can look the problem of poverty in the context of caste, class, gender, age and ethnicity. Income levels and food security are invariably influenced by these factors. Most researchers now accept that any definition has to be understood at least in part, in relation to particular social, cultural and historical contexts. Nolan and Whelan are among those who argue for a definition towards the narrower end of the scale on the grounds that too broad a definition runs the danger of losing sight of the distinctive 'core notion of poverty' (1996:193). Material and physiological approaches view poverty as a lack of income, expenditure or consumption and money metric approaches that measure these deficiencies are commonly used by economists for quantitative analysis (Hulme, et.al.p.3). Relative Poverty encourages an analytical focus on income inequality trends. As Stein Ringen puts it, 'in the first case, poverty is defined indirectly through the determinants of way of life, in the second case, directly by way of life' (1987:146). Put simply, someone is "poor" when they have both a low standard of living and a low income. As Anand Kumar puts, there are new indications of pressures about continuity of chronic poverty and creation of 'new poor' in the context of liberalization. He suggests that after the 'first generations reforms' or 'structural adjustments'

⁴Oyen, Else, Miller, S.M. and Samed, Syed Abdus, *Poverty: A Global Reviewed, Hand Book on International Poverty Research*, Rawat Publication, Jaipur. p. 4.

⁵Kumar, Anand, (2004), *Political Sociology of Poverty in India: Between Politics of Poverty and Poverty of Politics*, CPRC-IIPA, Working Paper 3. p. 4.

⁶Mehta, Aasha Kapur and Amita Shah, (2004), *Chronic Poverty in India: An Overview*. CPRC-IIPA Working Paper No. 2.

and the consequential rolling back of the state, there is resurfacing of poverty in rural and urban sectors resulting in unrest and conflicts. Chambers defines poverty as “a state of want and disadvantage’, i.e. a state of deprivation ...” When qualified in the Indian context, it is associated with “lack of income and assets, physical weakness, isolation, vulnerability and powerlessness” (Middelsen 1995: 146). Here, poverty is treated as a relative concept since both definitions apply comparisons to a given living standard. On the other hand, Amartya Sen has drawn attention to the notion of the absolute core of poverty here “poverty is an absolute notion in the space of capabilities, but very often it will take a relative form in the space of commodities or characteristics” (Sen 1984: 335). According to Sen, starvation and hunger relate to the absolute notion of poverty, but equally important are the avoidance of social stigmatisation and the inability to provide for the basic education and maintenance of children. Although the ideological basis of the concept of poverty may change over time, its core concern remains the inadequacy to meet the fundamental needs such as physical health, personal autonomy and social participation.

Rowntree’s book *Poverty: A Study of Town Life* (1901) was based on investigations in York. He sought to formulate a definition of poverty by which its magnitude could be measured. Measures of poverty have remained a concern of students of the subject the world over. For Rowntree, poverty was a condition in which earnings were insufficient to meet the minimum requirements of a healthy and productive life. Nutritional data made up the core of his index to which were added data relating to clothing, fuel and other household sundries in addition to rent. Rowntree (1941) published a second study 40 years after the first. He came to feel that a single, invariant and unchanging definition of poverty would not do justice to the social reality which varied across space and changed over time. He may be said to have laid the groundwork for the ‘relative’ as against the ‘absolute’ conception of poverty.

Poverty alleviation and elimination is one of the most important challenges for the world community. Many international organizations have been struggling with this issue. The high magnitude of poverty persists in India as a whole and in some states severely, as a result, it affects the country’s development. Being a Welfare State, India performs an important role in the reduction of poverty. The specific and comparative aspects of India help us in contextualising the Indian project of nation building through planning for a poverty free welfare state.

2 Urban Situation in India

India is urbanising. 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. Ensuring high quality public services for all in the cities and towns of India is an end in itself, but it will also facilitate the full realisation of India’s economic potential. With only one – tenth of population classified as urban population, India entered the twentieth century as under urbanized. It was only after independence that urbanization started acquiring momentum. In absolute terms there has been a phenomenal growth in urban population since independence. During the period 1947-91, urban population of India has increased from 50 millions to 217 millions in 1991. It is 250 millions in 1995 (Bhasin, 2001:p13). While it was only one sixth urban at the time of Independence, in 1991, it was one –fourth urban with 25.7 percent population living in urban areas. From this point of view though it ranks 58th amongst the 83 lower and middle income countries, it is having world’s second largest urban population. One characteristic feature of this phenomenal urban growth is that large and metropolitan cities are growing much faster than the small and medium towns. Twenty –three “Million cities” of India contain one –third of the total urban population of the country. Rapid increase in cities, population only has been termed as “New urbanization” by scholars like Mookherjee & Morill (ibid.).

3 Conceptual Framework for Understanding Poverty

In this section an attempt has been made to explain the basic concepts relating to poverty which are as follows:

Absolute and relative poverty

Poverty is usually viewed as either a form of absolute deprivation or relative, but significant, deprivation. Absolute poverty is perceived as subsistence below the minimum requirements for physical well-being, generally based on a quantitative proxy indicator such as income or calories, but sometimes taking into account a broader package of goods and services. Relative poverty encourages an analytical focus on income inequality trends.⁷

Poverty and Inequality

Poverty and inequality are two analytical distinct concepts. Rapid economic growth may lead to the simultaneous increase of both poverty and inequality and this can be traced to the early stages of industrialization in the West. The rigours of poverty and inequality in 19th century England were described in vivid detail by writers as different from each other as Karl Marx and Charles Dickens. High levels of inequality contribute to high levels of poverty in several ways. First, for any given level of economic development or mean income, higher inequality implies higher poverty, since a smaller share of resources is obtained by those at the bottom of the distribution of income or consumption. Second, higher initial inequality may result in lower subsequent growth and, therefore, in less poverty reduction. The negative impact of inequality on growth may result from various factors. For example, access to credit and other resources may be concentrated in the hands of privileged groups, thereby preventing the poor from investing. Third, higher levels of inequality may reduce the benefits of growth for the poor because a higher initial inequality may lower the share of the poor's benefits from growth. At the extreme, if a single person has all the resources, then whatever the rate of growth, poverty will never be reduced through growth."⁸

Vulnerability

This approach suggests that poverty can be seen as the probability that a household will suddenly reach a position with which it is unable to cope, leading to catastrophe-hunger, starvation, family breakdown, destitution or death. It is argued that what poor people are concerned about is not so much that their level of income, consumption or capabilities are low, but that they are likely to experience highly stressful declines in these levels, to the point of premature death. Maxwell has explored the linkages between poverty, vulnerability and under nutrition and identifies the situations in which transitory and chronic food insecurity can occur.⁹ However, vulnerability is generally measured as variation after the fact – “needed are indicators that make it possible to assess a household's risk beforehand – information both on the household and on its links to informal networks and formal safety nets”, taking into account physical assets, human capital, income diversification and participation in informal and formal networks, safety nets and credit markets.

Poverty and Social Exclusion

Social exclusion can be understood as “people being prevented from participation in the normal activities of the society in which they live or being incapable of functioning”. In sum, social exclusion means incomplete citizenship and unequal access to the status, benefits, and experiences of typical citizens in society. Though social exclusion has multiple meanings, the concept can also be reduced to one central notion. If an individual is socially excluded, that person has a limited capability to effectively participate in society.¹⁰

⁷Mehta, Aasha Kapur et.al. (2003) “Chronic Poverty in India”, IIPA: CPRC, New Delhi.pp.4-6.

⁸available at: <http://go.worldbank.org/ZN6TPFA041>

⁹Ibid.p.8.

¹⁰Brady, David(2003), “Rethinking the sociological Measurement of poverty”, Social Forces, Vol. 81, No., p. 724.

Social exclusion's theoretical roots lie in classical sociology. In the work of Max Weber the idea referred to the ways in which groups can, through a process of 'social closure' secure and maintain privilege at the expense of those different from the own members. Social exclusion is a multidimensional process of progressive social rupture, detaching groups and individuals from social relations and institutions and preventing them from full participation in the normal, normatively prescribed activities of the society in which they live. In Europe, the concept of poverty has recently been supplanted by 'social exclusion'. As the concept initially emerged from within a welfare state context, and as exclusion presupposes inclusion, debates continue regarding the applicability of social exclusion approaches to poverty in developing countries that have never had a functioning comprehensive social welfare system.

Chronic Poverty

Chronic Poverty describes people (individual, households, social groups, geographical areas, and territories) who are poor for significant periods of their lives, who may pass their poverty onto their children, and for whom finding exit routes from poverty is difficult. As opposed to transient poverty, chronic poverty involves people, households, and social groups who are poor for sustained and significant or extended periods of their lives and whose families and children may inherit this persistent condition. While chronic poverty is dynamic in that people do climb out of, or fall into poverty in significant numbers, exiting such poverty can prove difficult. Chronic poverty is often concentrated in certain geographic areas and amongst certain castes and occupational groups. It not only has economic dimensions, but also social and political ones (India Chronic Poverty Report, 2011)

The feminization of poverty

As Diana Pearce coined the term 'feminization of poverty' which implies a new phenomenon, "women have always experienced more poverty than men". The conceptualization of poverty in this way is also helpful from the perspective of understanding and combating women's poverty. Following Atkinson, Stephen Jenkins suggests that a feminist concept of poverty can be described in terms of an 'individual right to a minimum degree of potential economic independence'. Although the feminist definition propounded by Millar and Glendinning is not couched in the language of rights, it focuses on the individual's capacity to be self supporting on the grounds that people who are financially dependent upon others must be considered vulnerable to poverty' (1992: 9). The incidence of poverty among females tended to be marginally higher in both rural and urban areas in India. The percentage of female persons living in poor households was 37 per cent in rural and 34 per cent in (urban) areas in 1993-94, and 27 and 25 respectively in 1999-00. In contrast, the percentage of male persons living in poverty was 36 in rural and 32 urban areas in 1993-94, and 26 and 23 in 1999-00. The female persons accounted for slightly less than half of the poor, about 49 per cent in both rural and urban areas in both the years. The lower percentage of female persons among the poor despite higher female poverty ratio was due to adverse sex ratio. It should be noted that the above measure of gender poverty ignores intra-household inequalities in consumption. There are other dimensions of poverty such as food insecurity, malnutrition and health associated more with female members.¹¹ The role of women as producers and providers of food is often overshadowed by their primary role as care-givers. However, in most of the developing countries, including India, large number of women is engaged in agriculture, primarily the production and processing of food. With male-selective migration from rural areas on the increase, women are often left behind to take care of both family and farm on their own. With women-headed households being more prone to poverty, wages is unfavourable to women in general and access to financial, technical and other support services being denied to them, the poor nutritional status of the rural population is common. As per the Census of India 2001, 27.5 per cent of cultivators in the rural areas are female, while in the case of agricultural labour, as much as 46.9 per cent were women. Of the rural female workforce, an overwhelmingly large proportion, i.e, 80 per cent are employed in the agricultural sector. About 36.5 per cent (40.6 million) work as cultivators on their own/family land holdings, while about

¹¹R. Radhakrishna et.al. (2005), 'Handbook of Poverty in India: Perspectives, Policies, and Programmes, p.6.

43.4 per cent (48.4 million) are engaged as hired agricultural labour. It is therefore, obvious that women play a vital role in food production and agricultural activities.

Rural Poverty

There are two facets of poverty one is urban poverty and rural poverty. Rural poverty arises from number of factors like low agricultural production, population increase, health hazards, low income, less adequate facilities, illiteracy, lack of accessibility to natural resources etc. (Ali,2007:271). Effective implementation of anti poverty programmes by both central and state governments will certainly reduce the incidence of rural poverty. According to the 2001 Census of India, scheduled castes and tribes comprise 16.2 percent and 8.2 percent, respectively, of India's population, yet 47.3 percent of India's rural poor are concentrated in these groups. The incidence of poverty among scheduled caste and tribe households are much higher than for the rest of the population – in 1999-2000 the proportion of rural SC and ST households below the poverty line were 30.1 and 39.4 percent respectively, as compared with a poverty rate of 17.7 percent for rural non-scheduled households. The vast majority of the rural poor in India are engaged in agriculture including fishery and livestock either as agricultural wage labourers or marginal farmers and self-employed. The rural poor are primarily those with limited ownership of assets – including land. (Sundaram and Tendulkar 2000). They are also getting increasingly concentrated in certain parts of this country. The major social groups, SC and ST in particular, form disproportionately large sections of the poor. The ST pockets of poverty can be relatively easily identified. In particular the Eastern part of the country and pockets with preponderance of tribal population such as Bastar in Madhya Pradesh and the Santhal Pargana Areas of Bihar (now Jharkhand) are the weaker sections of who suffers from abject poverty.

Urban Poverty

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 which is a cruel reality is considered to be the most demanding urban challenge and number one urban problem because it is poverty which leads to many other problems in the urban areas (Bhasin, 2001:15). Taking various dimension of urban poverty into consideration, De'souza (1979) says that the causes of slum formation and squatter settlements are neither industrialization nor the size of the city but urban poverty. 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 urbanisation. 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 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 crore 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%

in 1999-2000 but in the absolute number, it has been increasing since 1973-74 except 1999-2000. These approaches have outlined a focused approach to defining poverty in terms of an inability to participate in society, involving both a low income and a low standard of living. The work of Amartya Sen offers an alternative perspective on the role of low income in the definition of poverty. Sen used two key terms to express this idea: 'functioning' and 'capabilities'. 'Functioning's' 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.¹² The UNDP similarly distinguishes capability-based 'human' poverty from 'income' poverty (1997-2003). The connection between income and capability is also made more complex by the relevance of relative deprivation. As Adam Smith noted, the social capabilities may depend on a person's relative income vis-a-vis those of others with whom he or she interacts.¹³ In India, the first official definition of poverty (based on income) was given in 1962 by a working group consisting of eminent economists. This pegged the rural poverty line at a monthly family income of Rs. 100 and the urban one at Rs. 125 (TOI, Nov. 17, 2008). In 1971 V. M. Dandekar and Nilakantha Rath used a different measure to estimate poverty. They used an average calorie norm of 2,250 calories per capita per day for both rural and urban areas, as a criterion to define the poverty line. The current poverty line was fixed in 1979, when a Planning Commission task force defined the poverty line as the per capita expenditure level at which the average per capita calorie intake was 2400 and 2100 calories for rural and urban areas respectively.¹⁴ According to India Urban Poverty Report 2009, India has shared the growth pattern and rapid urbanization with some of the fastest growing regions in Asia. As per the latest NSSO survey reports there are over 80 million poor people living in the cities and towns of India. The Slum population is also increasing and as per the Town and Country Planning Organization (TCPO) estimates 2001, over 61.80 million people were living in slums. The Report also explored that the ratio of urban poverty in some of the larger states is higher than that of rural poverty leading to the phenomenon of 'Urbanisation of Poverty'. 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. Poor people live in slums which are overcrowded, often polluted and lack basic civic amenities like clean drinking water, sanitation and health facilities. Most of them are involved in informal sector activities where there is constant threat of eviction, removal, confiscation of goods and almost non-existent social security cover. Economic growth is a necessity, but not a sufficient condition for alleviating poverty. Though there is a phenomenal growth of the GDP, the incidence of decline of urban poverty has not accelerated over the years. Urban Poverty is a major challenge for policymakers in our country as the urban population in the country is growing; urban poverty is also on the rise due to various factors. There is an urgent need to develop strategies to develop poverty reduction approaches to attack the multi-dimensional issues of urban poverty.

4 Context of the Study

Jharkhand as a state is known as a vast reservoir of natural resources in terms of forest areas as well as minerals. However, in spite of this immense potential, it has not been able to utilize them properly and is thus counted among the backward states in the country. Its inheritance is considered to be one of the major reasons for this backwardness which is reflected in the development backlog over the years. The state has about 2.69 crore population living in 24 districts. Housing problem is quite serious in urban areas, especially for the people of middle or lower Income group. Improvement of housing facilities is an important objective of the State Government. This department is responsible for laying overall policy frame work and co-ordination of activities of different agencies. It works primarily through the Jharkhand State Housing Board which has been constituted to provide schemes to needy person at affordable prices. The Board acquire land at district headquarter and develop plots and construct houses/flats under different groups of society as per actual need of the locality. Apart from this the Housing Department is going to directly undertake in the last quarter

¹²Lister, Ruth (2005): Poverty, Polity: USA. pp. 15-16

¹³Grusky, David B, and Ravi Kanbur, (eds). (2006). Poverty and Inequality, Stanford University Press: California. p. 35

¹⁴Times of India (200 Official Definition of Poverty', New Delhi Edition, 62, Nov 17, p. 10

of the year Financial Year 2008-09 as well as in the subsequent financial year a programme of housing for the BPL people in rural areas as well. In spite of these schemes and programmes implemented in the poorest states like Jharkhand, the target group has not got the benefit out of it and the development initiatives have not in fact trickled down to the poor in spite of high economic growth. Economic growth is a necessity, but not a sufficient condition for alleviating poverty. Inclusive paradigm of growth is the necessity to alleviate poverty and promote development in the country and in the poorest region like Jharkhand. Hence, the accountability and transparency in the economic institutions and the civil society organizations have to play the significant role in implementing these programmes to reach the development package to the poor to alleviate poverty and empower the weaker sections in the state. The UNDP report says with around 49.9% of its people living below poverty line, Jharkhand has the highest level of poverty in the country, next only to that of Orissa. But interestingly, the picture is somewhat different in terms of urban poverty.

Objectives of the Study

The main objectives of this study are as follows

- To examine the social features of the urban poor in Jharkhand.
- To examine the basic causes of urban poverty in Jharkhand.
- To analyse the impact of urban poverty alleviation programmes in alleviating poverty.
- To analyse the changing nature of urban poverty in the era of liberalization.

5 Development Challenges in Jharkhand

Jharkhand is rich in natural resources - forests, minerals and abundant land. It has a diverse population consisting of adivasis (27.7 per cent), scheduled castes (8.4 per cent), and other groups, as well as several religious denominations - Christians, Muslims, Hindus and animists. Yet, more than half its population lives below the poverty line, gaps between rural and urban areas are wide, as also between different groups of the population. Along with Bihar, it has been identified as the most food insecure state in the country (WFP/MSSRF 2001). The Vision 2010 document admits to a 52 per cent deficit in food grain production as well as 230 gram per capita daily availability as against 523 grams for India as a whole. The challenge of development includes both the elimination of persistent and endemic deprivation, as well as the prevention of sudden and severe destitution, a result of economic inequality rather than lack of food supply. In May 2002 a series of starvation deaths were reported in Palamu district of Jharkhand. Jharkhand is very rich in terms of availability of natural resources. It is adorned with some of the richest deposits of iron ores and coal in the world. Despite this, state is confronting challenges of underdevelopment, high incidence of poverty, unemployment, malnutrition and ill health. The vulnerable social groups like SC, ST, Women, and migrants are at marginal end. The indigenous groups comprising 85 to 90 per cent of the total population of Jharkhand have been the worst hit by the large-scale exploitation of the natural resources of the region through the development of mines, industries and commercial exploitation of forests. The majority of them stay in a state of semi-starvation throughout the year. The remaining 10 to 15 per cent of the population of the area are immigrants who migrated to a mass wealth for themselves. The history of the indigenous people of Jharkhand is one of struggles against such outside exploiters whom they call 'dikus' (Mathew: 1989). These dikus have gradually reduced them to a non-dominant position. In order to meet these challenges, and to make existing sources of livelihoods stronger, result oriented and sustainable, an independent society named Jharkhand State Livelihood Promotion Society (JSLPS) has been formed by the Government of Jharkhand under the Rural Development Department with financial support by UNDP. In a recent report issued by the World Bank in 2007 entitled 'Jharkhand: Lack of access to infrastructure can be measured in terms of transportation, telecommunication, power, water supply and irrigation. The extent of deprivation is higher in Jharkhand as compared to the rest of India and higher in rural areas than in urban areas. Jharkhand (along with Bihar) has one of the poorest road connectivity among all Indian states, resulting

in high transportation costs. Development of infrastructure is the key to poverty alleviation. In terms of road density the state ranks third lowest in this sub-sample, better than Bihar and AP, but much worse than the other states such as Orissa and West Bengal. The lack of telecommunication places the rural poor in Jharkhand at a clear disadvantage compared to other states. This is especially true as a third of the population lives in difficult high terrain where it is not easy to build routine road networks.

6 Social Composition of Poor

In a recent report issued by the World Bank in 2007 entitled ‘Jharkhand: Addressing the Challenges of Inclusive Development’ has identified Jharkhand as one of the most poverty-stricken state in the country with a sharp contrast between rural and urban poverty. The incidence of poverty at the state level is assessed at 44 per cent in the state compared with 26 percent for India as a whole. The report said there was sharp contrast between rural and urban poverty. The incidence of rural poverty, assessed at 49 per cent in 1999/00, was the highest among all Indian states, with the second highest being Orissa (48 per cent), followed by Bihar (44 per cent), Assam (40 per cent) and Madhya Pradesh (37 per cent). In contrast, the incidence of urban poverty is only 23 per cent, which is similar to or better than states such as Andhra Pradesh and Maharashtra at 27 per cent, Karnataka (25 per cent), Tamil Nadu (23 per cent) and much lower than in Orissa (44 per cent) and Bihar (34 per cent). However, the report stated that Jharkhand has made considerable progress in reducing poverty since the early nineties when the overall poverty reduction rate was about 2 percentage points a year since the early 1990’s. The report said that Jharkhand’s nominal per capita income of Rs 14,147 in 2003-04 was below that of countries such as Bangladesh. The report said that Jharkhand’s key social indicators such as literacy, enrolment, infant mortality and child nutrition were below the all-India average.

| States | SC | ST |
|------------------|------|------|
| Jharkband | 11.8 | 26.3 |
| India | 16.2 | 8.2 |

Table 1: SC and ST Population¹⁵

From the Table 1 the STs Population is more than three times that of all India. Among the newly formed states, Chhattisgarh has the highest proportion of tribal population followed by Jharkhand, whereas Uttarakhand has the highest proportion of SC population. West Bengal has the highest proportion of SC population. Orissa also has a considerable proportion of tribal population.

To escape urban poor from the multiple vulnerabilities of urban living and to benefit them from the inclusive growth process, Central Government’s intervention is therefore critical. Government’s proposal to extend National Rural Employment Guarantee Scheme to urban areas, with modifications is certainly welcome policy intervention in addressing the problems of urban poor in providing wage employments and for income generating activities that would prevent the urban poor to find the roots of exit from poverty. Attention need to be provided to ensure access to affordable healthcare, improving the conditions of housing and social security is the priority for all unorganized workers in the urban settings.

7 Urbanization in Jharkhand

Because of the industrial and mining activities, Jharkhand is more urbanized than many of the major states. Even then the level of its urbanization is less than the national average and almost half that of the most urbanized states – Tamil Nadu and Maharashtra. Most of the districts in Jharkhand have a very low level of urbanization. Only four of the districts of this state are highly or moderately urbanised. Purbi Singhbhum (55 per cent), Dhanbad (52 per cent), Bokaro (45 per cent) and Ranchi (35 per cent) are the districts with

¹⁵Source: Census of India, 2001

more than one fourth population inhabiting urban areas. However, a comparison across districts throws a startling revelation – the level of urbanization in the highly urbanized districts is comparable to the most urbanized states, while the least urbanized are comparable to the least urbanized states of the country. Urbanization offers opportunities for a variety of livelihood options. Migration is also influenced by the extent of urbanization. Households which have temporary or seasonal access to work in nearby towns have higher incomes than those which lack that access (World Bank, 2007). Unfortunately not only is the level of urbanization in the state low but the pace of urbanization is also very slow. Annual urban population growth was 2.9 percent between 1991 and 2001 in Jharkhand compared to 3.1 percent at all India level. Dhanbad, which is severely insecure in food availability, is the only district in Jharkhand, which is food secure in terms of access to food. Dhanbad is a highly urbanized district marked by a high level of mining and industrial activities. A very small proportion of its geographical area is under agricultural operation and a very small part of the net sown area is irrigated. As a result, the per capita value of agricultural output is very low, which in turn has made it insecure in terms of food availability.

8 Changing Profiles of Urban Poverty

The composition of the poor has been changing and rural poverty is getting concentrated in the agricultural labour and artisan households and urban poverty in the casual labour households. The share of agricultural labour households, which accounted for 41% of rural poor in 1993-94 increased to 47% in 1999-00 (See Table 2). In contrast, the share of self-employed in agriculture among the rural poor had fallen from 33% to 28%. Casual labour households accounted for 32% of the urban population living in poverty in 1999-00, increasing from 25% in 1993-94. The increase in its share was due to both the increased dependence of urban households on urban casual labour market as well as higher incidence of poverty among urban casual labour households.

The geographical landscape of rural poverty has been changing. The share of backward states such as Bihar, Orissa, Madhya Pradesh and Uttar Pradesh in the rural poor rose from 53% in 1993-94 to 61% in 1999, whereas the share of agriculturally prosperous North-Western States such as Punjab, Haryana and Himachal Pradesh declined from 3.03% to 1.26% and that of Southern states also declined from 15.12% to 11.23%. Notably, some of the better off states such as Maharashtra and West Bengal, in spite of their higher level of economic growth, had a relatively higher share in rural poverty. The urban poor were getting concentrated in Uttar Pradesh, Maharashtra, West Bengal, Madhya Pradesh and Andhra Pradesh. Their share in All-India urban poverty rose from 56% in 1993-94 to 60% in 1999-01. It is striking that the share of Orissa increased significantly both in rural and urban poor.

The occupational distribution of the households in the bottom quintile classes in 1999-00. It needs to be recognized that the growing dependence of rural and urban households on casual labour market exposes the poor to market risks and tends to increase transient poverty, whereby households move in and out of poverty due to fluctuations in the labour market. The geographical landscape of rural poverty has been changing. The share of backward states such as Bihar, Orissa, Madhya Pradesh and Uttar Pradesh in the rural poor rose from 53% in 1993-94 to 61% in 1999, whereas the share of agriculturally prosperous North-Western States such as Punjab, Haryana and Himachal Pradesh declined from 3.03% to 1.26% and that of Southern states also declined from 15.12% to 11.23%. Notably, some of the better off states such as Maharashtra and West Bengal, in spite of their higher level of economic growth, had a relatively higher share in rural poverty. The urban poor were getting concentrated in Uttar Pradesh, Maharashtra, West Bengal, Madhya Pradesh and Andhra Pradesh. Their share in All-India urban poverty rose from 56% in 1993-94 to 60% in 1999-01. It is striking that the share of Orissa increased significantly both in rural and urban poor.¹⁶

The incidence of poverty among females tended to be marginally higher in both rural and urban areas. The percentage of female persons living in poor households was 37 per cent in rural and 34 per cent in (urban) areas in 1993-94, and 27 and 25 respectively in 1999-00. In contrast, the percentage of male persons living in poverty was 36 in rural and 32 urban areas in 1993-94, and 26 and 23 in 1999-00. The female persons accounted for slightly less than half of the poor, about 49 per cent in both rural and urban areas

¹⁶Report of the XI Plan Working Group on Poverty Elimination Programmes, 2006.

¹⁷Source: NSS Consumer Expenditure Surveys, 50th(1993-4) and (1999-2000) Rounds as cited in Radhakrishna, 2005.

| Household Occupation | Percentage distribution of poor persons | |
|----------------------|---|-----------|
| | 1993-4 | 1999-2000 |
| Agricultural Labour | 40.7 | 46.8 |
| Agricultural Labour | 8.4 | 7.6 |
| Artisans | 11.2 | 12.3 |
| Self-employed | 33.2 | 28.1 |
| Others | 6.5 | 5.3 |
| All groups | 100.0 | 100.0 |

Table 2: Percentage Distributions of Poor by Occupation in Rural Areas¹⁷

in both the years. The lower percentage of female persons among the poor despite higher female poverty ratio was due to adverse sex ratio. It should be noted that the above measure of gender poverty ignores intra-household inequalities in consumption. There are other dimensions of poverty such as food insecurity, malnutrition and health associated more with female members.

9 Basic Causes of Urban Poverty in Jharkhand

Lack of access to infrastructure can be measured in terms of: (i) under-provisioning relative to the rest of India; and (ii) high unfulfilled demand in key areas such as transportation, telecommunication, power, water supply and irrigation. The extent of deprivation is higher in Jharkhand as compared to the rest of India and higher in rural areas than in urban areas. Jharkhand (along with Bihar) has one of the poorest road connectivity among all Indian states, resulting in high transportation costs. Development of infrastructure is the key to poverty alleviation. In terms of road density the state ranks third lowest in this sub-sample, better than Bihar and AP, but much worse than the other states such as Orissa and West Bengal. The lack of telecommunication places the rural poor in Jharkhand at a clear disadvantage compared to other states. This is especially true as a third of the population lives in difficult high terrain where it is not easy to build routine road networks. The power sector in Jharkhand has good business potential. The state is well endowed with coal and has the potential for low-cost power generation, particularly if power plants can be set up in the vicinity of coal mines. Despite the good business potential, access to power in the state is very low, as judged from per capita availability, community connectivity, and household access. The average power consumption is only 30 kwh per capita, the lowest in India, (Bihar touching 45 kwh per capita) as compared to 373 kwh per capita for all India. Only 40 percent of the communities in the state have power connectivity (second lowest after Bihar) as against 86 percent at the all-India level. The gap between the state and the rest of India is even more striking at the household level. Only 23 percent of households have access to electricity compared with the all-India average of 59 percent, while in rural areas access is less than 10 percent. Although about 98 percent of the state's rural communities have access to basic water supply (80 percent through hand pumps) compared to the all-India average of 80 percent, poor maintenance results in lower sustained water supply coverage. Sanitation coverage is far lower, at about 7 percent compared with the Indian average of 21 percent; though actual usage may be lower still. Lack of local management and ownership, weak service support and a weak financing system are among the reasons for this sector's present state.

10 Poverty Alleviation Schemes

Poverty removal as an explicit variable entered India's development strategy during the Fifth Five year Plan (1974-79). The first central government scheme, formulated in 1986, was the Self Employment Programme for the Urban Poor (SEPUP). Under it, workers in thirty-five economic activities with an income of Rs 600 per month per household were supposed to get a loan not exceeding Rs 5,000 per household.

The another major programme that was launched at the end of the seventh Five Year Plan was the Nehru Rojgar Yojana (NRY). In the mid-1990s, it was felt that there were multiple and overlapping schemes. So all urban poverty alleviation programmes were put into a single window programme and launched as Swarna Jayanti Shahari Rozgar Yojana (SJSRY) in December 1997. The second major scheme is Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for sixty-three cities selected all over India. Along with it, an Integrated Housing and Slum Development Programme (IHSDP) has been launched to be implemented in the non-JNNURM cities/ towns. State's Share to Centrally Sponsored Schemes (CSS) in Jharkhand are Swarna Jayanti Shahari Rojgar Yojana (SJSRY) scheme National Urban Information System (NUIS). Under Swarna Jayanti Shahari Rojgar Yojana (SJSRY) scheme the Govt. of India and the State Govt. provide Financial Assistance. Through this scheme, funds are provided for creation of employment opportunities to the unemployed in the urban areas, development of Child & Women and create wage employment. State Plan Schemes—Continuing Schemes are relating to water supply and Community & Individual Toilet/Urinals. The state Government is committed to provide safe and sufficient water supply for the citizens of urban areas. The population is growing at faster rate in the urban areas. In order to complete the drinking water supply schemes for Dumka, Jhumritelaiya, Mango, Katras, Chatra, Jugsalai, Mihijam and Deoghar, the state has to allocate funds to meet the growing needs of the urban population. Accelerated Urban Water Supply Programme (AUWSP) scheme is based on pipe water supply having population size upto 200,000, in which fund is provided on sharing basis. Govt. of India (GOI) share 50%, State share 45% and balance 5% to be contributed by the users group. In the year 2004-05 two schemes namely- Latehar and Rajmahal was sanctioned and completed. In the year 2005-06 seven schemes were sanctioned out which five schemes already completed and commissioned. Rest two schemes namely Hussainabad and Basukinath are to be completed in next financial year. Provision in budget has been made for liabilities/fund for executing the commissioned scheme such as Koderma, Dugdha and Panchet. Urban water supply schemes were under implementations at various locations in Dhanbad and Ranchi District. Out of which all the schemes are completed except Dhanbad W/S scheme phase-2, which is likely to be completed in 2009-10. Provision has been made in budget outlay for Dhanbad phase-2 and some liabilities of other completed schemes. The provision made for capital maintenance, since many components of the existing operational schemes are very old and capital investment is essential for their replacement.

11 Major Findings

As per the Sachar Committee Report, 2006, HCR of SCs/STs within Hindu community from below poverty line in the urban areas of Jharkhand is higher; around 37% of them are poor. Similarly, HCR of Muslim and minority are the second highest categories in the state who constitute 32% and 27% respectively.

- Comparative poverty profiles across states shows that not only do SC groups have a higher poverty rate than other social groups, the tribal groups in Jharkhand have the highest poverty intensity in India—higher than the ST groups in other Indian states.
- The head-count incidence of poverty for the ST group is 56 percent in Jharkhand compared with Bihar 40 percent, as estimated by the present study from the NSS 55th round.
- As per the Planning Commission, Government of India estimation, the newly formed state Jharkhand has 40.3% population below poverty line in 2004-05.
- According to NSSO 55th and 61st (Consumer Expenditure) round, 1999-2000 & 2004-05, percentage of population below poverty line is significantly high for Jharkhand, much higher than that of India as a whole although over the years. The HCR of Jharkhand is also higher than that of Bihar; the mother state. The Head Count Ratio (HCR) is very high in districts of Lohardaga, Sahibganj and Gumla where it is more than 70 per cent, showing the poor conditions of these districts. The lowest HCR is in the districts of Ranchi, Kodarma and Chatra where it is below 25 per cent.

- The key Millennium Development Goals (MDG), 2000 shows that the state's key social indicators such as literacy, enrolment, infant mortality and child nutrition, are below the all-India average.
- The process of liberalization and economic reforms in India has a mixed impact on the states especially on the mineral rich state of Jharkhand. Among the major challenges the ongoing Naxalite problem puts an obstacle on the path towards development. The weak institutional mechanism and lack of effective governance has led to the underdevelopment and concentration of high poverty in the state.

12 Conclusions

Urban poverty requires the critical attention to policymakers. Unless urban poverty is addressed, continued urbanization would result in increases in urban poverty and inequality which might strain the city life. It will affect relations between the different economic groups and may lead to rising levels of insecurity, which in turn could lead to conflict. Poverty related conflicts are already in existence in the rural parts of India. Studies on Poverty and Conflicts in contemporary India shows that there are more conflicts between the poverty affected social groups and others in the rural areas in recent decades, and poverty related conflicts have positive and negative potential in the context of political and economic reforms (Kumar:2004). Some relatively higher-income states such as Tamil Nadu, Maharashtra, Gujarat, Karnataka, and, to some extent, Punjab have higher urbanisation levels. Interestingly, states such as Uttar Pradesh and Madhya Pradesh are also more urbanised by the same token and West Bengal and Rajasthan are somewhat less urbanised. Haryana and Andhra Pradesh shows significant urbanisation deficits, in contrast the lower income states such as Assam, Bihar, and Orissa shows high urbanisation. Ministry of Urban Development is implementing a pilot Scheme for Urban Infrastructure Development in Satellite Towns around seven Mega Cities i.e. Delhi, Ahmadabad, Mumbai, Bangalore, Chennai, Hyderabad, Kolkata.

Urban poverty reduction requires different kinds of approaches, because it is different from rural poverty in many respects: the urban poor are affected by the highly monetized nature of urban living, which forces them to spend far more on accommodation, food, transport and other services than the rural poor; unlike rural poverty, urban poverty is characterized by the regulatory exclusion of the poor from the benefits of urban development. The three dimension of poverty such as lack of regular income and employment, productive assets, access to social safety nets; lack of access to services such as education, health care, information, credit, water supply and sanitation; and political power, participation, dignity and respect are important in understanding urban poverty. To escape urban poor from the multiple vulnerabilities of urban living and to benefit them from the inclusive growth process, Central Government's intervention is therefore critical. Government's proposal to extend National Rural Employment Guarantee Scheme to urban areas, with modifications is certainly welcome policy intervention in addressing the problems of urban poor in providing wage employments and for income generating activities that would prevent the urban poor to find the roots of exit from poverty. Attention needs to be provided to ensure access to affordable healthcare, improving the conditions of housing and social security is the priority for all unorganized workers in the urban settings. Moreover, the nature of urban communities is distinct and urban poverty is not easily addressed by the community-based approaches developed for rural poverty reduction. As the urban population of the region is growing, so is urban poverty. The design of effective urban poverty alleviation policies, policy makers at the national and local levels requires a good understanding of the causes, conditions and dynamics of urban poverty as well as accurate data that present its trends and conditions in the poorest region of Jharkhand.

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