

## A MICRO-LEVEL ANALYSIS OF POVERTY IN THE SLUMS OF LUDHIANA

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### ABSTRACT

Modernization and industrialization are two fundamental forces which bring rapid change in urban societies. Urbanization does not merely refer to the concentration of population in the cities, but it also results in complex and complicated problems associated with it. While urbanization provide opportunities and new possibilities, there are problems posed by urbanization are often formidable and more baffling than problems in rural areas. Urban poverty is one such problem which is considered to be both a major cause and consequence of urban problems.

**Keywords:** Urbanization, industrialisation, migration, poverty, and slums

### INTRODUCTION

This study is intended to determine the factors that affect poverty-stricken slum areas in the city of Ludhiana using binary logistic regression. This research is critical for local governments because they have a responsibility to their citizens, particularly in alleviating poverty in their communities. The objective was to provide as many of these key indicators as possible for the poverty of slum areas in the city. The last decade has seen considerable analytical efforts in the poverty-related literature. In recent literature on the problems of social statistics, many studies have emerged to identify the determinants of poverty.

The housing scarcity for the poor is referred to as the "biggest social disgrace" by the UN Habitat 2021 Annual Report and this is visible in all major cities across the globe. The new housing developments pushed out the pre-existing slums, and new slums grew in their stead. Law and order difficulties, as well as cultural concerns for the residents, are some of the social challenges in these slums. Even yet, there are some older slums with vibrant cultures and unique value systems. These are the original slums from which urbanization theories sprang, yet they have not altered their own character and remain impoverished (Schenk, 2001). They are enthusiastic in learning about and tackling metropolitan culture and life, yet there is a gap between tradition and modernity because the older generation is resistant to change and the younger generation is leaving (Roy, 2017). New slums, on the other hand, are communities of displaced individuals who are compelled to cohabit because of official decisions. With the exception of poverty, they do not have a similar culture or set of emotions. They lack cultural roots, which causes kids to become lost and entangled in crime while also losing their optimism. Their views and aspirations are impacted by the violent atmosphere. For them, it makes economic and social sense to be a criminal (Smith, 1973).

Poverty Ratio Also known as the Headcount Ratio is the percentage of the population that lives in poverty (HCR). If a household's income or consumption is below a certain minimal level, it is considered to be below the poverty line. This is a typical approach used to evaluate poverty in India (BPL). The task force of NITI Aayog currently calculates the Poverty Line in India using information gathered by the National Sample Survey Office (NSSO), which is part of the Ministry of Statistics and Programme Implementation (MOSPI). Data Collection Techniques for Estimating Poverty in India have been periodically revised. Between 1993 and 1994, a Uniform Resource Period (URP) was used to determine the poverty level. During

this time, respondents were questioned about their consumption expenditures for a period of more than 30 days. Mixed Reference Period (MRP) Starting in 2000, the NSSO used an MRP technique to calculate consumption of five low-frequency products over a 30-day period. Clothing, durable goods, education, and institutional health expenditures are among them. Consumption vs. Income Level India bases its estimates of the poverty line on consumption expenditures rather than income levels for the following reasons. While consumption patterns are somewhat more consistent, the income of self-employed individuals, workers earning a daily salary, and others is extremely changeable both across time and space. It may be challenging to account for additional side revenues, even for those who receive a regular salary.

## REVIEW OF LITERATURE

The emergence of slums has increasingly been recognized as a major challenge associated with urbanization, and nearly every Indian city is affected by this issue. In 1956, the Government of India enacted the Slum Areas (Improvement and Clearance) Act, which aimed to implement measures for slum clearance. However, the Act failed to achieve its intended goals, and slums continued to grow and expand (Census of India, 2001). In 1985, the Town and Country Planning Organization gathered extensive data on slums across Indian cities and reviewed the various strategies adopted over time to address the issue. Later, in 1988, the National Commission on Urbanization was established as the first government-appointed body to undertake a comprehensive examination of the urban challenges confronting the nation. The continuous expansion of slums can be attributed to several factors, including migration, poverty, urbanization, and industrialization, among others. There are some studies which focused on the emergence of slum population in study area.

D' Souza (1979) examined that the Chandigarh dream of a great architect, today faces the reality of large segment of its population living in slums shows that, one tenth of the population was found to be living in unplanned structure or hutments. His study also shows the close relationship between urban poverty and slums in the city.

Bose (1974) has rightly remarked that the process of urbanization has been essentially a process of migration to the cities. Rapid urbanization along with industrialization has resulted in the emergence of slums in cities. The number and population of slums are increasing rapidly due to shortage of developed and high cost of land and house beyond the reach of urban poor.

Wiebe (1975) has brings out that complexity of the economic factors, and present the following reasons for the growth of slums in madras:

- a) Demand for labor in city due to the post- independence development schemes.
- b) Lack of demand for labor in rural areas.
- c) Failure of monsoons and drought conditions in the villages.
- d) Inability of labors to pay reasonable rent and
- e) Desire to live near the place of work.

Gupta (1999) has observed that in Nagpur slums the poverty and deficit of housing in rapidly growing cities are considered to be the main reasons for emergence of slums. In Nagpur city the number of slum are increasing very fast. Problem of slums is the byproduct of modern industrial civilization of every cities of the world.

Sharma (2009) has observed that rural unemployment and recurrent drought have forced the people to migrate to cities and live in slums. The people living in slums are used as vote banks of a particular leader. The unhygienic conditions, inadequate access to safe water and access to sanitation, other infrastructure, poor structural quality of housing, overcrowding, and insecure residential status are the common characteristics of slum dwellers. He also found that increased crime rate, disease, drug trafficking and prostitution is the real problem of slum dwellers. There may be economic activity but the sorry state of Indian slums is worrisome.

Rahaman and Dependra (2017) attempt to explain the nature of slum expansion in connection to urban growth in their paper titled "Nature of Slum Growth in Indian Cities" using data from the population Censuses of 2001 and 2011. According to the research, emerging nations rather than industrialized countries account for more than 90percent of global urban expansion, yet this urban growth has one unique characteristic of poverty.

## OBJECTIVE OF THE STUDY

1. To determine the causes behind the increase of slums in the Ludhiana city.
2. To examine the levels and extent of poverty of slum population in Ludhiana city.

## Source of Data and Methodology

The present study centers on the residents living in the slum areas of Ludhiana city. The research primarily relies on primary data collected through field surveys, on-site investigations, and personal interviews with respondents. In addition, secondary data were also utilized to support the analysis. The primary data were obtained from the slum population of Ludhiana using a well-designed questionnaire, systematic field observations, and structured interviews. Ludhiana comprises four major slum clusters—Salem Tabri, Budha Nala Slums, Industrial Slums, and Bypass Slums. The study undertook a comprehensive assessment of the living conditions and the socio-economic attributes of slum dwellers across these areas.

## Factors Contributing to the Growth of Slums in Ludhiana

Slums are created by a variety of factors and are kept alive by others. Rapid rural urban migration, growth of population, scarcity of land, unstable housing, unfavorable economic circumstances, weak governance, escalating urban poverty and inequality, globalization, inadequate urban planning, corruption within local administrations, and a lack of political determination all contribute to the proliferation and persistence of slums etc. Slums were both created and perpetuated due to the interaction of various factors. Due to insufficient urban development strategies, squatters or informal settlers make up the bulk of city inhabitants in Punjab and live in poverty without access to basic services. The development of slums in Punjab is influenced by a number of variables. Slums in many cities expand over time from poorly populated rural regions and urban slum neighbourhoods into densely populated and physically saturated districts. The rise of slums could come at the price of valuable agricultural land or public open space. Every slum experiences several phases as it develops. We take into account the infant, consolidation, and saturation phases of slum growth. When a piece of unoccupied land first becomes accessible to slum inhabitants in a city, it is said to be in its infancy. Because their jobs are insecure, slum residents opt to live in dangerous areas. Public facilities and services are extremely lacking at this point; for 75 example, the primary issue is the water supply (Singh & Singh, 2014). The next phase is consolidation, which involves rapid outward growth. During this phase, the amount of usable land will be decreased by adding more structures (Mahabir, Crooks, Croitoru, & Agouris, 2016). At this

stage, congestion is at its worst and is decreasing slum inhabitants' quality of life as growth comes to an end and unoccupied areas are filled (Sliuzas, 2008). In general, the rate of slum expansion varies; it is quicker sometimes than others (Agnihotri, 1994).

The World Bank defines Poverty as a severe lack of well-being due to low economic income, leading to the inability to get the fundamental commodities and services required for humane existence. The Poverty Line is the amount of money that must be spent (or earned) to buy a minimal amount of goods and services to meet a person's basic requirements. This amount is the traditional method for evaluating poverty. Worldwide Poverty Line Living on less than 1.90 international dollars per day adjusted for inflation and regional pricing differences is considered very poor by the World Bank. The poverty limit set by the Asian Development Bank is now \$1.51 per person per day. The Poverty Line Basket is the collection of products and services required to meet basic human needs (PLB).

The expert committee set up by the Planning Commission in the year 2014, under C Rangarajan, former chairperson of Prime Minister's Economic Advisory Council, has redefined the poverty line. In line with the existing practice, the Committee has also recommended the use of absolute poverty measures. According to the report of the committee, the new poverty line should be Rs 32 in rural areas and Rs 47 in urban areas. It defines the poor as all those individuals or households who fall below a critical level of minimum standard of living required under some indicator of poverty to maintain one's living. All those individuals or households above the poverty line are classified as non-poor. All those individuals or households below the poverty line are classified and identified as poor. We will compare the socio-demographic profile between the poor vs no-poor ahead.

**Table 1: Comparison between Poor vs Non-Poor According to Socio-demographic Information**

|                    |                 | Poverty |       |          |       |       |       | Chi-Square | p-value |
|--------------------|-----------------|---------|-------|----------|-------|-------|-------|------------|---------|
|                    |                 | Poor    |       | Non-poor |       | Total |       |            |         |
| Sex                | Female          | 30      | 8.6%  | 3        | 6.0%  | 33    | 8.3%  | .382       | 0.536   |
|                    | Male            | 320     | 91.4% | 47       | 94.0% | 367   | 91.8% |            |         |
| Age                | <=30            | 27      | 7.7%  | 12       | 24.0% | 39    | 9.8%  | 13.611     | .003*   |
|                    | 31-40           | 87      | 24.9% | 10       | 20.0% | 97    | 24.3% |            |         |
|                    | 41-50           | 153     | 43.7% | 20       | 40.0% | 173   | 43.3% |            |         |
|                    | >50             | 83      | 23.7% | 8        | 16.0% | 91    | 22.8% |            |         |
| Area of Slum       | Salim Tabari    | 94      | 26.9% | 6        | 12.0% | 100   | 25.0% | 13.257     | .004*   |
|                    | Buddha Nahla    | 81      | 23.1% | 19       | 38.0% | 100   | 25.0% |            |         |
|                    | Bypass          | 93      | 26.6% | 7        | 14.0% | 100   | 25.0% |            |         |
|                    | Industrial slum | 82      | 23.4% | 18       | 36.0% | 100   | 25.0% |            |         |
| Educational Status | Illiterate      | 211     | 60.3% | 32       | 64.0% | 243   | 60.8% | 2.760      | 0.599   |
|                    | Primary         | 59      | 16.9% | 6        | 12.0% | 65    | 16.3% |            |         |
|                    | Middle          | 59      | 16.9% | 7        | 14.0% | 66    | 16.5% |            |         |
|                    | Secondary       | 19      | 5.4%  | 5        | 10.0% | 24    | 6.0%  |            |         |
|                    | High secondary  | 2       | .6%   | 0        | 0.0%  | 2     | .5%   |            |         |
| Family members     | 1-3             | 35      | 10.0% | 29       | 58.0% | 64    | 16.0% | 77.187     | .0001*  |
|                    | 4-6             | 220     | 62.9% | 19       | 38.0% | 239   | 59.8% |            |         |

|                 |                 |     |       |    |        |     |        |       |       |
|-----------------|-----------------|-----|-------|----|--------|-----|--------|-------|-------|
|                 | 7-10            | 95  | 27.1% | 2  | 4.0%   | 97  | 24.3%  |       |       |
| Religion        | Hindu           | 345 | 98.6% | 50 | 100.0% | 395 | 98.8%  | .723  | 0.697 |
|                 | Muslim          | 3   | .9%   | 0  | 0.0%   | 3   | .8%    |       |       |
|                 | Sikh            | 2   | .6%   | 0  | 0.0%   | 2   | .5%    |       |       |
| Caste           | SC              | 199 | 56.9% | 32 | 64.0%  | 231 | 57.8%  | 4.107 | .128  |
|                 | OBC             | 78  | 22.3% | 5  | 10.0%  | 83  | 20.8%  |       |       |
|                 | Others          | 73  | 20.9% | 13 | 26.0%  | 86  | 21.5%  |       |       |
| Employment Type | Self-employed   | 283 | 80.9% | 33 | 66.0%  | 316 | 79.0%  | 5.821 | .016* |
|                 | Wage employment | 67  | 19.1% | 17 | 34.0%  | 84  | 21.0%  |       |       |
| Total           |                 | 350 | 87.5% | 50 | 12.5%  | 400 | 100.0% |       |       |

Above table 1 represents the evidence that a large proportion 87.5 percent of the respondents' household is under the poverty line. While only 12.5 percent of the total respondents' household is classified as non-poor according to poverty line computed by C Rangarajan committee. The percentage of the population living below the poverty line in slum area is higher. The table also compares the poverty line association between males and females. The two-sided asymptotic significance of the chi-square statistic is greater than 0.05 with  $\chi^2$  value 0.382, so we can say that the differences are due to chance variation, which implies that no significant association is observed in poverty states among males and females. While there is a significant association in poverty states among respondents lying in different age groups, as significance of chi-square statistic is 0.003, which is less than 0.05. Hence, 43.7 percent of poor respondents and 40% of non-poor respondents were lying in age group 41-50 years, whereas few of 7.7 percent of poor respondents were lying in age group below 30 years and few of 16 percent of non-poor respondents were above 50 years old. Also, a significant association is observed in poverty states among different slum areas, as the two-sided asymptotic significance of the chi-square statistic (0.004) is less than 0.01 with  $\chi^2$  value 13.257. Thus, most of poor respondents 26.9 percent lived in Salim Tabari area, whereas majority of non-poor respondents 38 percent lived in Buddha Nahla area.

Most of poor 60.3 percent as well as non-poor respondents 64 percent were illiterate, and majority of poor 98.6 percent as well as non-poor respondents 100 percent were Hindu. Major proportion of 56.9 percent poor and non-poor respondents belonged to scheduled caste. There is no significant association is observed in poverty states among different educational status, religion and caste of respondents, as p-values (0.599, 0.697 and 0.128) are insignificant at 5 percent level of significance. However, a significant association is observed in poverty states for type of employment and number of family members, as the two-sided asymptotic significance of the chi-square statistic (0.0001 and 0.016) are less than 0.05. Hence, major proportion of poor respondents 62.9 percent had 4-6 family members, while most of non-poor respondents 58 percent had 1-3 members in their family. While, 80.9 percent of poor and 66 percent of non-poor respondents were self-employed, whereas 19.1 percent of poor and 34 percent of non-poor respondents were employed on daily wages.

## CONCLUSION

This study emphasized and described how the widespread factors contribute to slum creation and growth in the state. The development and spread of slums have been linked to rapid urbanization, industrialization, population growth primarily as a result of people moving from rural to urban areas in search of better opportunities for employment poor economic conditions, poor governance, the dysfunction of municipalities, etc. in urban areas. The study

also reveals a predominance of the male population within Ludhiana's slum areas, most of whom belong to economically disadvantaged groups. The majority fall within the 40–50-year age bracket. A significant portion of the residents are illiterate, resulting in a high dependency ratio. The population is largely composed of Scheduled Caste communities, and more than 80 percent of the residents are self-employed, reflecting the informal and unstable nature of their economic activities.

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