LIVING CONDITIONS IN LUDHIANA SLUMS: A SOCIO-ECONOMIC STUDY

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ABSTRACT

This study examines poverty using the revised poverty line proposed by the C. Rangarajan led Expert Group of the Planning Commission, which recommends thresholds of Rs. 32 for rural areas and Rs. 47 for urban areas. Individuals or households falling below these limits are classified as poor, while others are categorized as non-poor. The research compares socio-demographic characteristics across these groups, with particular attention to slum dwellers, who typically face low educational attainment, limited access to formal employment, and unstable incomes. These factors contribute to persistent unemployment or underemployment, reinforcing the cycle of poverty and shaping disparities in living standards of slum dwellers.

Keywords: Slum Dwellers, Education, Employment, Income, and Poverty.

INTRODUCTION

Poverty is a complex and multifaceted phenomenon that extends beyond mere income or consumption levels, encompassing non-monetary dimensions such as education, health, gender equality, water supply, and more. It is driven by a multitude of factors and gives rise to various effects that impact the lives of individuals identified as impoverished. The contributing factors exhibit regional variations due to diverse development opportunities in different countries. The determinants of poverty are not limited to economic considerations but also encompass social, political, cultural, geographical, and other influences (Spaho, 2014). In simple terms, the poverty line refers to the least amount of money needed to acquire commodities necessary to meet basic human needs. Poverty Ratio or Headcount Ratio refers to the fraction of a population below the poverty line (HCR). In 1979, a committee led by Y.K. Alagh decided, for the first time in India, the poverty line at the national level. In 1993, the committee chaired by D.T. Lakdawala performed the same function for the states. In 2005, when the government determined that the poverty threshold was too low, it appointed a committee led by Suresh Tendulkar, which published its findings in 2009. This study made all economists aware of the critique, and in 2012 a new committee was formed to update the poverty level. But as of today, the poverty limit determined by the Tendulkar committee is the official criterion for identifying families living below the poverty line. In 2011-12, 21.90 percent of India's population lived below the poverty level. Here, the poverty level is determined in accordance with the Tendulkar Committee's suggestion, which was based on monthly or daily per capita consumption expenditures.

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.

Lewis (1968) has observed that economic backwardness of slum dwellers is a common phenomenon thought the world. Economic condition is responsible for the emergence of slum. Millions of people living in urban slum are poor and have inadequate income. He considers that inadequate income is the main characteristic features of slum in Gulbarga city (Karnataka).

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.

Fonseca (1975) showed a great interest in matters to the formal and informal sector of urban poverty and urban slums. In their study there exists close relationship between urban poverty and slums.

Ashish (1997) revealed that the failure of family planning program, the urban policy and large-scale corruption together with migration had led to the continued growth of slum settlement. He further outlined strategies to control the growth of slums as well as to improve the living conditions of slum dwellers.

Dubey, Duggal and Ravinder Kaur (1998) observed that presence of external economies resulting from concentration of industrial activities affecting the status of urbanization in Punjab. They also revealed that emergence of slums in Punjab is essentially the product of demographic growth in the cities, inability to meet the housing demand and the existing urban land policies which prohibit the access of the poor to the urban land market. Thus, the whole problem is the issue of housing to the people with adequate living conditions.

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.

OBJECTIVE OF THE STUDY

1. To analyze the socio-demographic differences between individuals classified as poor and non-poor using the revised poverty thresholds proposed by the C. Rangarajan Committee.

2. To examine the specific factors contributing to poverty among slum dwellers, including education level, employment opportunities, and income stability.

SOURCE OF DATA AND METHODOLOGY

The study focuses on residents of slum areas in Ludhiana city and is based primarily on field surveys, on-site observations, and personal interviews, supported by relevant secondary data.

Primary data were collected using a structured questionnaire, systematic observations, and interviews with slum residents. Ludhiana contains four major slum clusters Salem Tabri, Budha Nala Slums, Industrial Slums, and Bypass Slums. The research provides a comprehensive assessment of living conditions and the socio-economic characteristics of dwellers across these clusters.

The poverty line has been modified by the expert group that the Planning Commission, led by C. Rangarajan, a former head of the Prime Minister's Economic Advisory Council, established. The Committee has also advocated the adoption of absolute poverty metrics in accordance with custom. The new poverty threshold should be Rs. 32 in rural regions and Rs. 47 in urban areas, according to the committee's recommendations. It defines the poor as all people or families that do not meet the essential requirements for maintaining their quality of life under some measure of poverty. The term "non-poor" refers to everyone who is not considered to be in poverty. The term "poor" is used to describe everyone who falls below the poverty threshold. The socio-demographic characteristics of the poor and non-poor will be compared. Slum dwellers often have low levels of education and limited access to formal employment opportunities. This leads to low incomes and high levels of unemployment or underemployment, contributing to poverty.
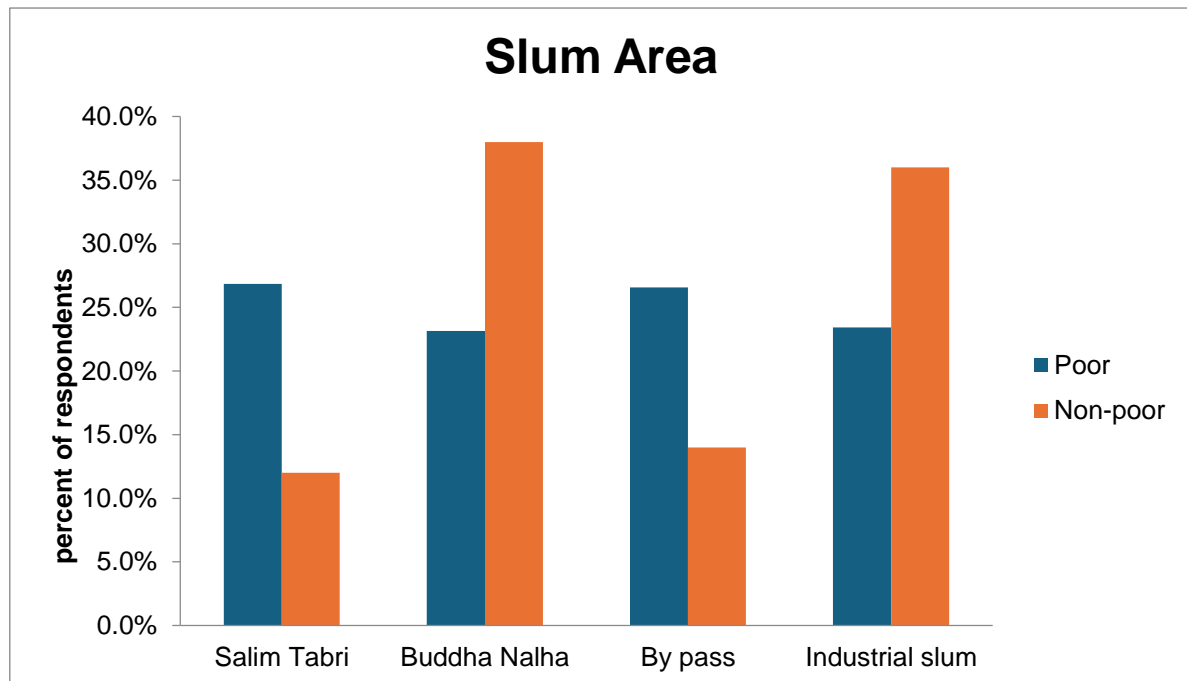
Table 1: Comparison between poor vs non-poor according to Gender

Gender	Poor	Non-Poor	Total	c^2	p-value
Male	320(87.2percent)	47(12.8percent)	367(91.8 percent)	0.118	0.731
Female	30 (90.9 percent)	3 (9.1 percent)	33 (8.3 percent)		
Total	350(87.5percent)	50(12.5percent)	400 (100 percent)		

Source: Field Study and Statistics calculation- Researcher's Own

The above table 1 represents the evidence that a very large proportion 87.5 percent of the respondents' households are under the poverty line. Only 12.5 percent of the total respondents' household are classified as non-poor according to poverty line computed by C Rangarajan Committee. These statistics shows that the percentage of the population living below the poverty line in slum areas is quite high. 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 c^2 value 0.118, so it can be said that the differences are due to chance variation, which implies that no significant association is observed in poverty states among males and females. The 2014 expert committee led by C. Rangarajan redefined India's poverty line, recommending the continued use of absolute poverty measures. It proposed new thresholds of Rs. 32 for rural areas and Rs. 47 for urban areas. Individuals or households falling below these minimum living standards are classified as poor, while those above are considered non-poor. This study will subsequently compare the socio-demographic characteristics of poor and non-poor groups.
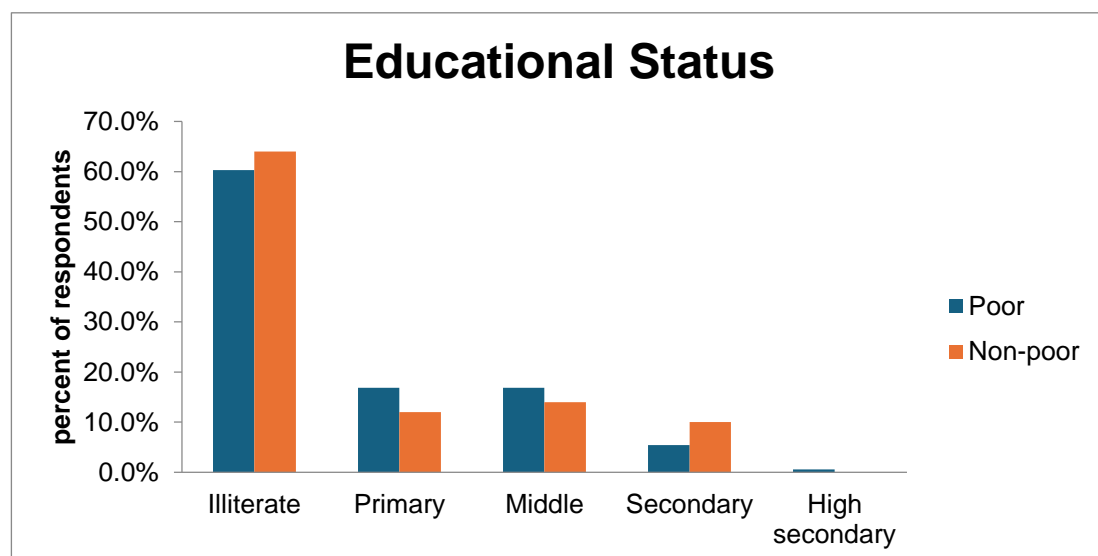
Figure 1: Bar graph showing comparison between poor vs non poor according to area of slum

Source: Field Study and Statistics calculation- Researcher's Own

The figure 1 bar graph showing 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 χ^2 value 13.257. Thus, most of poor respondents (26.9percent) lived in Salim Tabari area, whereas majority of non-poor respondents (38percent) lived in Buddha Nahla area.

Figure 2: Bar Graph Showing Comparison between Poor vs Non-Poor According to Educational Qualification
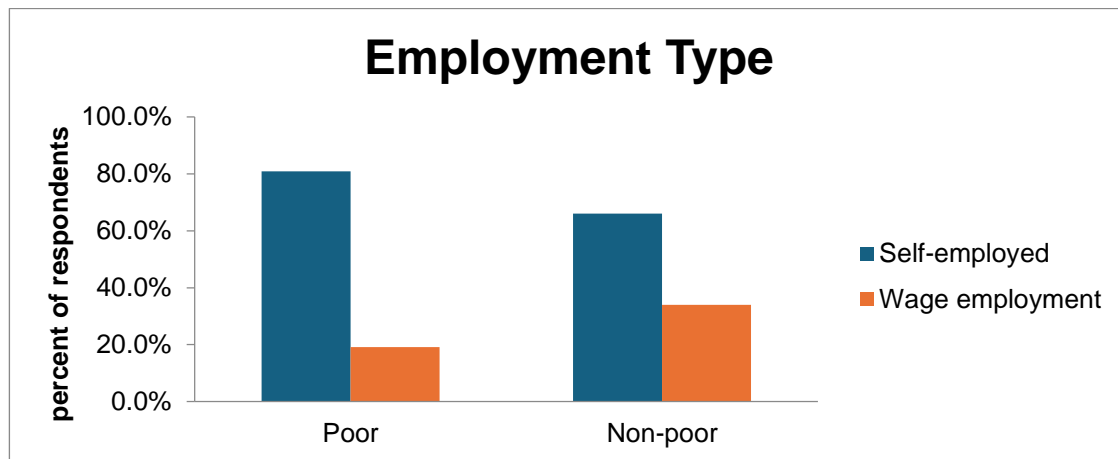

Source: Field Study and Statistics calculation- Researcher's Own

It is evidence from figure 2 that most of poor 60.3percent as well as non-poor respondents 64 percent were illiterate. As two-sided asymptotic significance of the chi-square statistic

(0.599) is greater than 0.05 with χ^2 value 2.760, so we can say that the differences are due to chance variation, which implies that no significant association is observed in poverty states among different educational status of respondents.
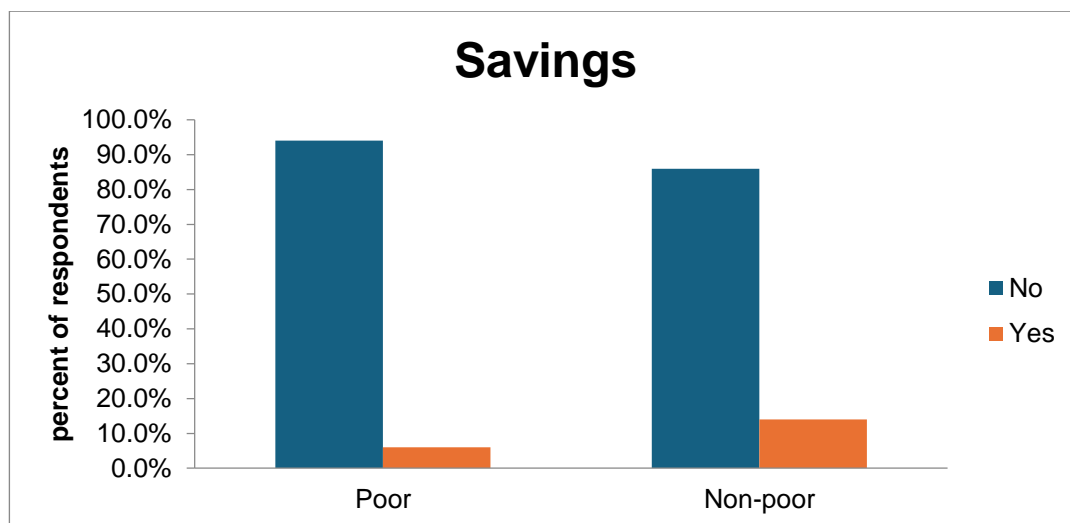
Figure 3 :Bar Graph Showing Comparison between Poor vs Non-Poor According to Type of Employment

Source: Field Study and Statistics calculation- Researcher's Own

As shown in bar graph 3 a significant association is observed in poverty states for type of employment, as the two-sided asymptotic significance of the chi-square statistic (0.016) is less than 0.05 with χ^2 value 5.821. Thus, 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.

Figure 4: Bar Graph Showing Comparison between Poor vs Non-Poor According to Saving

Source: Field Study and Statistics calculation- Researcher's Own

Figure 4 conveys that there is a significant association in poverty states for savings, the part of income which is not consumed is known as saving. It is observed that the two-sided asymptotic significance of the chi-square statistic (0.038) is less than 0.05 with χ^2 value 4.301. Hence, 94 percent of poor and 86percent of non-poor respondents didn't have savings, whereas 6 percent of poor and 14percent of non-poor respondents have savings.

DETERMINANTS BEHIND SLUM EXPANSION IN LUDHIANA

Slums emerge and persist due to multiple interconnected factors. Rapid rural-to-urban migration significantly contributes to slum formation. Including rapid population increase that strains urban land and services, along with limited land availability and unstable housing that push people into informal settlements. Economic insecurity, unemployment, weak governance, and low political commitment further enable their expansion. Inequality, rising urban poverty, globalization, poor urban planning, and local-level corruption worsen conditions, especially in Punjab, where ineffective development policies have led to widespread informal settlements lacking basic services (Kumar and Anurag 2007). Slums typically evolve from sparsely populated areas into dense, overcrowded clusters, often replacing agricultural land and open spaces, and progress through infant, consolidation, and saturation stages. These stages involve initial occupation of vacant land, severe shortages of essential services, rapid expansion, land saturation, congestion, and fluctuating growth rates over time (Singh & Singh, 2014).

CONCLUSION

The analysis indicates no significant association between poverty status and residential area or educational level. Most respondents, both poor and non-poor, are self-employed, with a majority lacking savings, highlighting widespread financial vulnerability among slum dwellers in Ludhiana.

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