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Addressing urban poverty

India's inequalities are more glaring in its urban areas. The country's urban poor, according to Planning Commission estimates, number 80 million and constitute 25.70 per cent of the urban population. The socio-economic dynamics of urban poverty are very different and the problems the urban poor face are different from that faced by their rural counterparts who at 220 million form 28.3 per cent of rural population. Though the urban poor have better access to employment and income, these are irregular and are mostly in the informal sector. The other key determinants of urban poverty are the levels of access to facilities, such as housing, sanitation and drinking water, and services such as health care and education. Two economic factors aggravate the despair of the urban poor: the nature of employment, and the absence of social security. Yet, poverty alleviation programmes in India and elsewhere have had a marked rural bias, evident from the decrease in absolute numbers of the rural poor from 261 million in 1973-74 to 220 million in 2004-05 (Uniform Recall Period). This is in contrast to the rise in the numbers of the urban poor from 60 million to 80 million over the same period. Addressing urban poverty alleviation through the rural prism runs the risk of coming up with partial solutions, such as those based on self-employment schemes. As it is the lack of access to housing and public utilities that causes urban poverty more than factors related to employment and income, the strategies should differ from those for the rural poor.

For the Central government's inclusive growth agenda to make a difference to the urban poor, interventions that insulate the poor from the multiple vulnerabilities of urban living are critical. In urban areas, the incidence of poverty is higher among workers in the informal sector. While the government's proposal to extend the National Rural Employment Guarantee Scheme to urban areas, with modifications, is welcome to the extent that it will provide job opportunities and incomes to the urban poor, measures that prevent a relapse into poverty are also required. More important is to put in place policies that ensure access to affordable healthcare, expenses on which are a major cause for impoverishment of the vulnerable sections. A social security system for all unorganised workers, therefore, is a priority. Improving the conditions of housing for the urban poor is another area for urgent action. The larger aim of poverty reduction programmes should be to ensure that the vulnerable are not impoverished because of the pressures of urban living.