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ISBN: 978-93-91700-14-0



9 789391 700140

MRP ₹ 650

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URBAN POVERTY IN INDIA IN THE AFTERMATH OF COVID-19

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Abstract

Poverty has been and still is one among the major challenges faced by India. Though the situation has improved as a result of the persistent efforts of the government from time to time, poverty is still a critical issue in India. Unfortunately, the situation of poverty in India has been made even worse by the recent Covid-19 Pandemic. The Covid-19 Pandemic will indeed be remembered as a dark period in the history of mankind. The pandemic has severely affected almost all the countries all around the world in terms of loss of precious lives. Besides the heavy death toll, Covid-19 has severely shaken the economic balance of the world economy in general and the economies of the nations in particular. India is one of the severely affected countries as a result of the Covid-19 Pandemic. Recent reports highlights the fact that the Pandemic has led to a rise in Urban Poverty in India. Hence, the present study attempts to discuss some of the major implications of Covid-19 Pandemic on the Urban Poor in India. The study presents that the loss of jobs, reduction in income levels, increase in their obligations and rise in the levels of hunger are some of the major implications of Covid-19 on the Urban Poor in India.

Keywords: Poverty, Covid-19, Urban Poverty, Urban Poor, Implications

Introduction

The economic development of a country is dependent on the overall wellbeing and holistic development of all the sections of the society. However, due to innumerable reasons, the goal of holistic economic development is delayed due to many complex constraints. One such major challenge which acts as a bottleneck for a country's progress is poverty. Poverty is one of the biggest challenges to be confronted by humanity as it curtails the human right of having basic necessities for a proper living. According to the World bank, Poverty encompasses a multitude of intricate aspects such as low income levels, inability to acquire basic resources for survival like goods and services, lack of access to education, health, water, and sanitation and so on (Wikipedia, n.d.). Poverty is a multi-dimensional topic and it can be viewed from economic, social and political perspectives. In addition to this poverty is a highly dynamic and relative term as the meaning of the term varies from country to country (Wikipedia, n.d.). In India, various committees have contributed to poverty line estimation from time to time such as Alagh Committee (1979), Lakdawala Committee (1993), Tendulkar Committee (2009), Rangarajan committee (2012) (Gaur & Rao, 2020). According to the Rangarajan committee report (2014), the poverty line based on Monthly Per Capita Expenditure was estimated as Rs. 1407 for urban areas and Rs. 972 for rural areas (Gaur & Rao, 2020). Poverty may be categorised into absolute poverty, relative poverty, rural poverty, urban poverty, situational poverty and generational poverty (Kumar, 2018). Urban Poverty is increasing on a larger Scale in India.

Urban Poverty is the type of Poverty prevailing in metropolitan areas with the population exceeding 50, 000 where people live in substandard living conditions characterized by lack of basic amenities, poor or low quality of life such as unhealthy or inadequate housing facilities, unhealthy environment, without systems for social protection and lack of education and health facilities (Kumar, 2018). Many Programmes are being implemented from time to time for Urban Poverty Alleviation in India since independence. Some of such urban poverty alleviation schemes which are presently in existence include Deendayal Antyodaya Yojana – National Urban Livelihoods Mission (DAY-NULM), Aatmanirbhar Bharat Rozgar Yojna (ABRY) Scheme, Pradhan Mantri Mudra Yojana (PMMY), Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Prime Minister's Employment Generation Programme (PMEGP) and Atal Mission for Rejuvenation and Urban Transformation (Press Information Bureau, 2021). Though the present schemes and the previous schemes have been instrumental in improving the Status of the poor, the number of Urban Poor and Urban Poverty rates is still increasing on an uncontrollable rate. The Situation has been made more complicated with the onset of the Covid-19 Pandemic.

The pandemic has led to the fall in the Country's economic growth as a result of a standstill in the economic activity during the pandemic period. The Health Impact and Economic Impact of the Pandemic on the country have been really huge. It is also expected by economists and policy makers that the rate of Urban Poverty in India will become higher as compared to Rural Poverty in the coming years. In this context, the present study discusses some of the major implications of Covid -19 Pandemic on the Urban Poor in India.

Objectives of the Study

To analyse the implications of Covid-19 on the Urban Poor in India.

Discussion

Urban Poverty in India

The lack of employment opportunities, infrastructure facilities in the rural areas, lack of opportunities for skill development of working population and lack of investment in education and health facilities in the urban areas are some of contributing factors which results in the situation of Urban Poverty in India(Drishti, 2021). The lack of employment opportunities and lack of proper infrastructure facilities in the rural areas forces the people to migrate to urban areas in search of employment opportunities especially in the informal sector(Habitat for Humanity, n.d.). This results in over - crowding in urban spaces and creates shortage of employment opportunities to employ the migrants in urban areas(Habitat for Humanity, n.d.).

The growing migration of people from rural areas results in a vast pool of undocumented settlers who are forced to settle wherever they can as they can't afford basic housing facilities which eventually leads to the creation of slums in urban areas(Habitat for Humanity, n.d.). These people are forced to live without proper housing facilities, without proper water or electricity facilities, health facilities, sanitation facilities, education facilities of their children and without regular source of income to meet their own day to day needs(IAS Toppers, n.d.).

The Covid-19 Pandemic has drastically affected the Indian Economy. Prior to the Onset of Covid-19, the scenario of Urban Poverty was low as compared to Rural Poverty in India(Kapil, 2021). However, with the strike of Covid-19, the situation has reversed and the impact of the pandemic has led to the increase in the number of Urban Poor in the Country(Kapil, 2021). During 2019, the number of Urban Poor in India was 81 million which was 25 percent of the country's Total Population (Sharma, 2019). Though the present number of Urban Poor has not been estimated officially, it is predicted that 50 million people in urban areas will additionally be pushed into poverty as a result of

the pandemic thus leading to rise in urban poverty rates(Ram & Yadav, 2021).

Implication of Covid -19 on Urban Poor in India

Following are some of the implications of Covid-19 on the Urban Poverty in India.

- **Loss of Jobs and rise in number of Urban Poor**

The worst effected Urban Poor impacted by the Covid -19 are the workers working in the Informal Sector (Sahoo & Biswas, 2020). Various measures undertaken by the Government to curb Covid -19 such as Prolonged Nation –Wide and State –Wide Lockdowns, Social Distancing norms, social restrictions, Shutdown of markets, factories and stoppage of other economic activities have led to the loss of jobs for millions of workers working in the informal sector (Sahoo & Biswas, 2020). As a result of the loss of jobs, people have lost the means for meeting the needs of basic subsistence. This has resulted in the increase in the number of urban poor in India.

In addition to this situation these workers are also deprived of protection of social security schemes (Sahoo & Biswas, 2020). It is estimated that 80 percent of the informal workers from urban areas are working in firms that lack Social Security Schemes like Employees Provident Fund or State Insurance Funds (Sahoo & Biswas, 2020). The situation has in turn made the situation of urban poverty in India even worse.

- **Reduction in Income Levels**

Though the Union Government announced a cash transfer support for the most vulnerable sections of Urban Poor as an immediate response to the Pandemic, this relief was only available for a limited period of 3 months during the First wave of the Covid -19 Pandemic in 2020 (IAS Toppers, n.d.). However, with the passage of time, the Urban Poor have been in crisis again with the termination of the cash support. Hence, majority of the urban poor are living with low income levels due to the reduction in employment opportunities. The income of the Urban Poor has been reduced by half and in some instances; it has been reduced by a quarter as a result of the Covid-19 Pandemic (Kapil, 2021). This rate is lower as compared to the rural poor whose income is only reduced by one –third (Kapil, 2021).

- **Increase in Debt Obligations**

The loss of jobs and reduction in income levels have led to rise in expenditure for the Urban Poor. Forced to meet the daily expenses and to survive the hunger, the Urban Poor are forced to resort to borrow from informal sources (Krishna & Rains, 2020). This in turn has resulted in increase in debt obligation for the urban poor. In the case of those who had taken loans from formal banking sources, the debt repayment

along with the monthly interest payments have become practically impossible due to lack of stable source of income (Krishna & Rains, 2020).

- Increasing levels of Hunger and Food Insecurity

According to the report of Hunger Watch, Covid -19 has impacted Urban Poor on a larger scale as compared to the Rural Poor in terms of levels of hunger (Kapil, 2021). The relief of rations through Public Distribution Systems (PDS) has enabled the Rural Poor to survive the economic impact of Covid-19. On the contrary, the urban poor had to suffer the hunger as they did not have access to PDS (Kapil, 2021). Even though Schemes for providing free rations to the Migrants in Urban Areas were announced as a remedy to this issue, this measure did not benefit the vast majority of Urban Poor in the country (Drishti, 2020). Thus they were deprived of the requisite nutrition levels due to the lack of provision of the facilities of the Public Distribution systems. Even today as the country is slowly recovering from the pandemic, a vast majority of the Urban Poor are forced to borrow money for food for survival. It is estimated that 54 percent of the Urban Poor are forced to borrow to meet their hunger (Kapil, 2021). This in turn has also raised the issue of Food Insecurity Problems for the Urban Poor.

Conclusion

As more and more people are pushed into Urban Poverty, there will be less scope for recovery in the near future. Though the increasing rates of Urban Poverty have also led to the reverse migration of the poor back to the rural areas, vast majority are still residing in the urban areas in the hope of improvement in the present situation. However, the sad reality is that it will probably take a few years for the Indian Economy to recover from the economic downfall suffered as a result of the Pandemic. This will eventually result in a vast pool of unfortunate people who are destined to lead their remaining lives in Slums where they are deprived of leading a healthy life without basic source of subsistence.

Though various schemes and Programmes are being implemented from time to time for the urban poor, the numbers of Urban Poor who are benefitted by these programmes are very low as compared to the expected numbers. Hence, the Union and State Governments must take follow up action to ensure that the plans formulated for the betterment of the Urban Poor are yielding the results which were envisaged at the time of its formulation and implementation. In addition to this, new social welfare schemes, employment generation programmes, skill development programmes and infrastructure development programmes for combating Urban Poverty should be implemented by taking into account the implication of the recent Covid-19 Pandemic.

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