

MALLA REDDY COLLEGE OF ENGINEERING

**“BREAKING THE CYCLE: A
STUDY ON POVERTY
REDUCTION”**

OCTOBER 2024

ABSTRACT:-

This paper empirically examines the relation between economic growth and poverty alleviation for the case of India. We provide evidence that higher growth rates were associated with faster decline in poverty, partly because growth helped increase employment and real wages which contributed to poverty reduction. The increase in government social expenditure is also shown to have contributed significantly to poverty alleviation. However, we also find that higher GDP growth increased government revenues, which enabled the government to increase expenditure on the social sectors. Overall, this evidence suggests that for rapid reduction in poverty, sustaining high growth is the most crucial element.

BREAKING
THE
CYCLE OF
POVERTY

This image is a high-angle aerial photograph of a sprawling slum. The scene is filled with numerous small, makeshift houses constructed from corrugated metal, wood, and other discarded materials. The ground is a mix of dirt paths and scattered debris, including numerous plastic containers and discarded items. In the center of the image, a large, light-colored path or clearing leads towards the bottom. Overlaid on this path is a large, bold, white text message that reads "BREAKING THE CYCLE OF POVERTY". The text is arranged with "BREAKING" and "THE CYCLE OF" on one line, and "POVERTY" on the line below. The overall atmosphere is one of poverty and urban squalor, with the text serving as a powerful statement of intent.

Prepared for [Educational Purpose]

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1. INTRODUCTION:-

“Slums are the emerging human settlements of the 21st century”, states the “State of the World’s Cities 2006/7” report released by the U.N. – Habitat at Vancouver. By next year one of every two people in the world will be a city dweller. Of these, a substantial number will be slum dwellers. In fact, the report states that at the present rate of growth of rate of slum dwellers in the world, there will be 1.4 billion slum dwellers by 2024, According to the Census of India, 2001, we have about 40,297,341 people living in slums in about 607 towns across India which have a population of more than 50,000.

A compact area of at least 300 population or about 60-70 households of poorly built congested tenements, in unhygienic environment usually with inadequate infrastructure and lacking in proper sanitary and drinking water facilities

Hyderabad alone has about six lac people living in 811 slums with more than half of them below poverty line.

1 More than one-third of the city’s population resides in slum, squatters and other poor settlements.

2. Slums are typically looked upon by most city dwellers as the dark underbelly of the city, where people live on illegal land and on the taxpayer’s money without contributing anything to the exchequer.

This stereotype of the slum dwellers is based on the assumption that they live mostly on doles that is they are a recipient of the honest taxpayer’s money, cultivated largely by the politicians who see them as a vote bank.

The poverty premium is not just confined to Dharavi slum of Mumbai. Research indicates that the poverty penalty is universal, although the magnitude differs by region, state and locality. It is the endeavour of this paper to ascertain how much is the premium paid by the residents of the one of the largest slums in the city of Hyderabad for acquiring basic public services like water, power, education, credit and other services. The paper tries to ascertain the cost incurred by people for a low quality provision and sometimes illegal options of availing such services. The premium is not just a quantitative measure of cost but also a study of the qualitative differences between the provision of a basket of services between the poor and the rich.

Indirammanagar is a huge slum settlement in the locality of Rasoolpura, which has a population of more than two lakh people; this is the sample slum that has been chosen for the survey. The study would cover five basic services including

- >Finance.
- >Water.
- >Health.
- >Education.
- >Housing , Sanitation.

Background and Scope:

Hyderabad, a city known for its rapid development and burgeoning tech industry, is also home to numerous slums where many residents struggle with poverty and inadequate living conditions. Our team of three visited a slum near Secunderabad and spoke to a family that has been living there for 40 years. Their experiences highlight the ongoing challenges and dissatisfaction faced by slum dwellers.

Objectives of the Documentation:

This documentation aims to explore the causes, impacts, and potential solutions for breaking the cycle of poverty in Hyderabad's slums, using insights from our visit and broader research.

2. Understanding Poverty in Hyderabad

Current Statistics and Data:

- Approximately 33% of Hyderabad's population lives in slums.
- The slum population increased by 264% between 2001 and 2011.
- As we see now , the slums are reduced to nearly 180%. This is because of increasing industrial areas in urban cities like Hyderabad.

Case-1:- Family of P.Yadagiri(Rikshaw Driver).

- A family that lives near Osmania Road. Leads a unsatisfactory life with insufficient requirements.
- Some of the families in that area are aggressive about their situations.
- Some are supportive by telling about their conditions.
- Most of the families are migrants from different states around Telangana.
- They have invalid documents , which are not valid in Telangana .
- They are leaving by doing works like Rikshaw , Pan- shops , self-employed , and so.

- They were unhappy about their situation.



It's the family of P.Yadagiri.

- He explained his family conditions .
- Since 40 years they were living in the surroundings of Jamai Osmania , Lalitha Nagar SBH colony , Hyderabad.
- They were migrants from Andhra Pradesh (Rural Areas).
- They are still adjusting their income through wages for daily needs , commodities .
- The government is providing them Ration , where they can save some money for other uses.
- They have 2 children(sons). Also work as daily labors at construction sites.
- With all insufficient wages , whole family works to drag the life.
 - They were changing place to place due to the landlord's instructions to make the area clean for constructions.

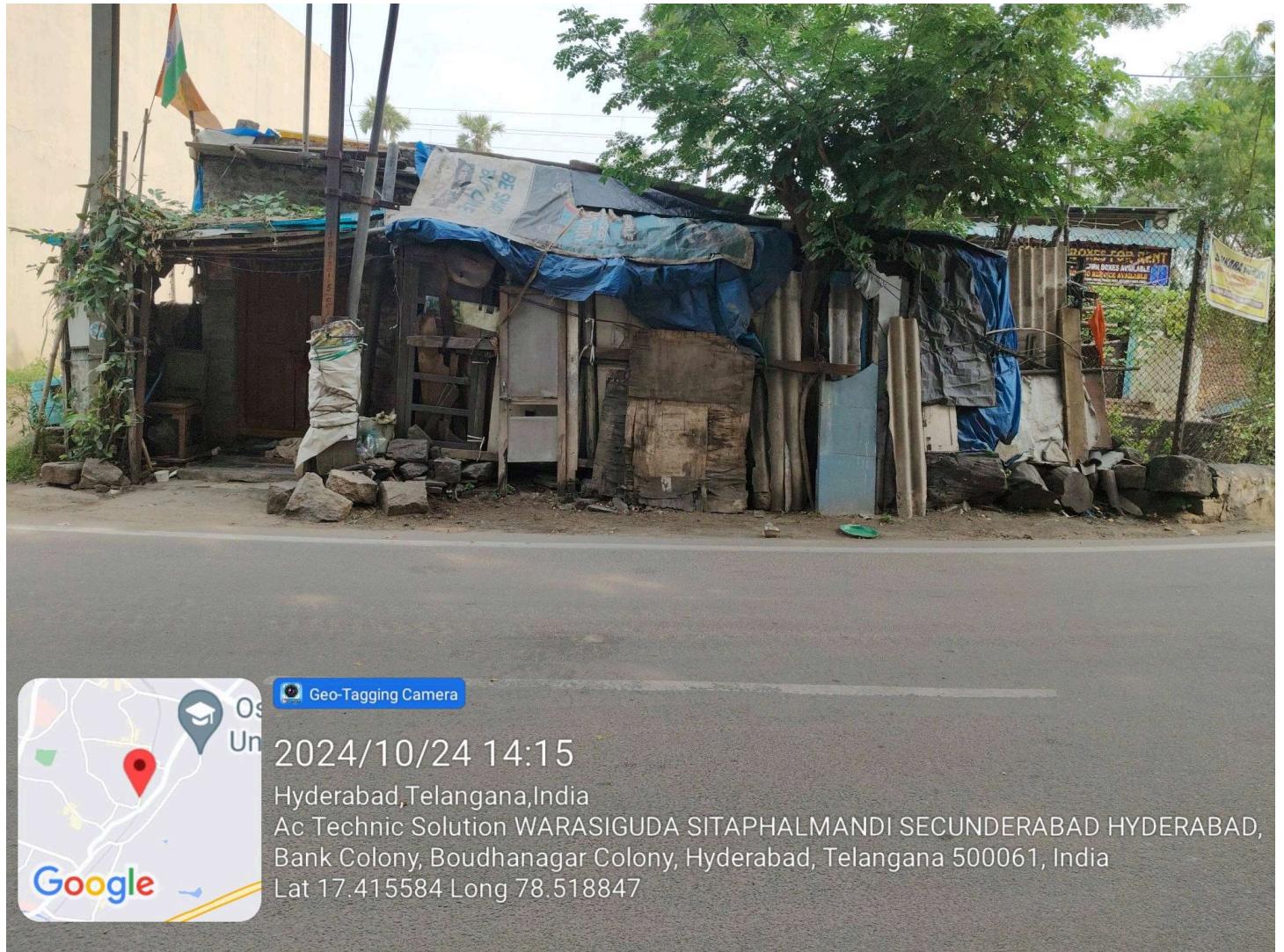


Problems faced:-

- No proper shelter.
- No water facility.
- Lack of access to financial resources and credits.
- Unemployment and underemployment in informal sectors.
- Inequality and social discrimination.
- Limited access to healthcare and other Government schemes.
- Poor living conditions during rainy seasons.
- Feeling of dissatisfaction and hopelessness among residents.

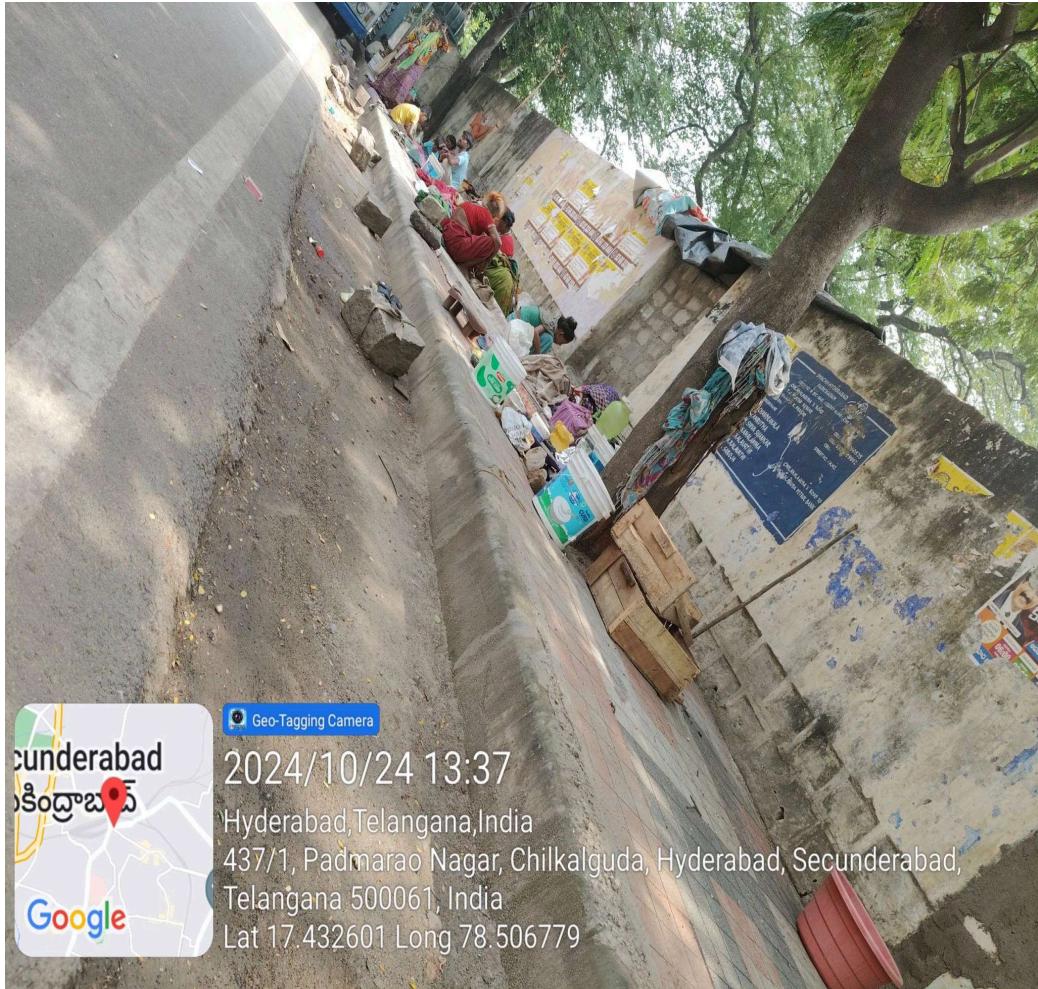
These are the economic crisis faced by the slums near secundrabad surroundings.

In this case , P.Yadagiri , a Rikshaw driver manages to sell Muggu(decorative floor) street to street.
Here , P .Yadagiri , represented his whole area's problems.



Case-2:- Family of Narendra.

- A migrant family. Goes from place - to -place finding work.
- It is a group of 4 families living road-side at Chilkalguda (Secundrabad).
- The families are friendly to all , but they were discriminated for their living style . Hence no proper shelter is provided.
- They were uneducated. So the children too are not introduced to education.
- They are migrated from Maharashtra.



- They are new to Hyderabad. Recently came from Adilabad.
- Due to unstable works, they were migrating from place-to-place.

Problems faced by them:-

- Unemployment:-

A significant number of them struggle to find stable employment. Many end up in informal sectors with low wages and no job security.

- Living Conditions:-

They often live in overcrowd slum with inadequate access to basic amenities like clean water , sanitation, and healthcare.

- Social integration:-

They are facing social exclusion and discrimination, making it difficult to integrate into the local community.

- Access to Services:-

They are lacking access to essential service such as education , healthcare, and social security.

- Child Labor:-

Child laboring is prevalent among this family, with children working in hazardous conditions to contribute to this family income.

Case-3:- Family of Lakshmi:-

- AN independent women , leading the house with 3 children (1-daughter, 2 - sons).
- She is an independent women since 11 years. Her husband scampered due to insufficient amenities.
- She , herself works at construction sites and as house maid to drag needs.
- She was working to make her children effort-free.
- She was expecting to make her children study higher to set them free from poverty.
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- Her children are hard-working and aims for good educational schemes.
- Upto intermediate , they would be getting scholarship. But in present conditions , they were unable to get sources for financial stability.



Problems faced by this family:-

- Lack of financial support for growing children's studies.
- No stable work for continuous income.
- No ration supplied since they were having insufficient documents.
- Between managing household chores, tending to the kids' needs, and perhaps facing financial challenges, it's a non-stop marathon.
- That's a lot on one person's shoulders.
- As per current situations , these children are worrying about their future .
- Their studies are in a condition where they feel hopeless about next higher studies.

Case-4:- Family of Bayamma:-



- A family at Maisammaguda , Dulapally, Hyderabad.
- Bayamma , head of the family , takes care of farm land of someone's .
- She made her next other generation(grand children) available for education at a government school in their area.
- There lives 3 families who are from Bonakal(near to Khammam district).
- They were living in the same area since 20 years.
- They are utilizing some of the Government schemes like for food - Ration, Government schools , Health care schemes.
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Problems faced by Bayamma's family:-

- During summers , they are unable to get water . If they need water , they should go to near by lake to get water.
- Children are unable to get comfortable in the surroundings due to discrimination.
- No stable works are assigned.
- No proper stability to live .
- No financial back-ups.

Poverty in Hyderabad:-

Hyderabad is the capital of Andhra Pradesh - the fifth largest state in India, both in area and population. In absolute figures, it had swelled from 1.83 millions in 1901 to 20.5 millions in 2001. It is one of the fastest growing cities in the country. The growth patterns and trends of Hyderabad Urban Agglomeration (HUA) reveal some interesting insights. There has been an overall moderation in the growth rate of HUA and its constituent areas, which clearly indicates that much of the growth has shifted to the areas/jurisdictions outside the HUA, which constitute a part of the proposed larger Hyderabad Metropolitan Area (HMA). Much of the growth in Hyderabad is now taking place due to the growth of information technology, BPOs etc. which are increasingly concentrating in the outer area. Besides, large manufacturing and integrated Special Economic Zones (SEZs) are expected to come up here. The city is characterized by a very significant presence of the slum population. Slum settlements have multiplied over decades and the living conditions of the poor have not improved. They are scattered across the city and surrounding municipalities, with high population densities and the number of people inhabiting them are estimated to be around two million.

Basic Services to Urban Poor:-

For poor people, access to land, shelter and basic services is not only essential for their physical well being, but is also vital for their ability to earn a living. Yet in many of these cities, access is highly inadequate for those living in poverty and indeed is one of the main reasons why they continue to live in poverty. The poor survive by being able to access, shelter and services in a variety of ways, usually irregular and often illegal. According to an estimate, India stands second among the worst places in the world for sanitation after China²¹. Government figures claim that India is well intentioned to achieve MDG 7 target 10. However, a vast majority of poor inhabitants still remains among the unserved population. Rapid urbanization has put a strain on already stressed urban sanitation systems. Slums are rarely connected to cities' sanitation infrastructure and the sanitation situation is deplorable.

Poverty is not an economic class but is the result of many economic conditions. There are many reasons that increase the situation of poverty. These are -

- (i) increasing rate of population
- (ii) Low productivity
- (iii) Minimum utilisation of resources
- (iv) shortage of capital and able entrepreneurship
- (v) Low level of education facilities
- (vi) Unequal distribution of income
- (vii) Lack of employment,...etc.

- Government has already launched number of schemes for homeless , land-less, and people who lack basic amenities.
- some of the government schemes are:-
- National Slum Development Programme (NSDP): Launched in 1996, this program provides loans and subsidies to states for slum rehabilitation projects based on their urban slum population.
- Valmiki Ambedkar Malina Basti Awas Yozana (VAMBAY): Introduced in 2001, this scheme focuses on providing shelter for the urban poor, with a portion of the allocation dedicated to community sanitation facilities.
- Basic Services to the Urban Poor (BSUP): A component of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), BSUP aims to provide basic services to the urban poor in 63 of the largest cities in India.
- Integrated Housing & Slum Development Programme (IHSDP): This program, launched by merging NSDP and VAMBAY, aims to provide adequate

shelter and basic infrastructure facilities to slum dwellers.

- Interest Subsidy Scheme for Housing the Urban Poor (ISHUP): This scheme provides interest subsidies to economically weak sections and low-income groups to enable them to buy or construct houses.
 - Rajiv Awas Yojana (RAY):
 - Launched in 2013, this scheme focuses on bringing existing slums within the formal system and providing the same level of basic amenities as the rest of the town.
- > Government launched schemes are not very known to all. So we have to let the people know about the schemes offering various beneficiaries to the needy.**
- > By this we can make a step towards reducing poverty .**

Solutions for Poverty:-

1. To promote growth in agricultural productivity and non-farm rural activities.
2. Public investment in rural infrastructure and agricultural research. Agricultural research benefits the poor directly through an increase in farm production, greater employment opportunities and growth in the rural non-farm economy.
3. Credit policies to promote farm investment and rural micro enterprises Policies to promote human capital to expand the capabilities of the poor Development of rural financial markets.
4. Self-Help Group Approach to be strengthened as it is a proven method of empowerment of the poor.
5. Involvement of local communities and people's participation in NRLM and MGNREGS.
6. Decentralization of the programmes by strengthening the panchayati raj institutions.
7. Public Distribution System (PDS) needs to be reformed and better targeted.
8. Provision of safety nets like targeted food subsidies, nutrition programmes and health.
9. Targeted poverty alleviation programmes to continue as the poor of the developing world may not have the patience to wait for the trickle-down effect.

Conclusion:-

Poverty continues to remain a serious problem in India, with its consequent toll on human welfare in the form of poor health, low levels of education, and a poor quality of life. Unfortunately about 33 per cent of India's population still lives in acute poverty (less than \$1.25 per person per day). Thus, a careful analysis of the determinants of poverty and of various government policies that can help reduce poverty is very desirable. This is the purpose of this paper.

Thus, in this study we empirically examine the various factors that affect the poverty level in India and shows that growth is the key to rapid poverty reduction in India. We show that main factors affecting poverty can be decomposed into the growth of income per capita and the distribution of income and then undertakes empirical analysis to show that poverty rate declined with growing of GDP per capita and declining inequality of income distribution. However, the impact of growth in GDP per capita (which nearly tripled over the last 20 years) in reducing poverty was much larger than that of reduced expenditure inequality (which declined by about 10 per cent over the same period).

. Another insight emerges from our analysis: given that raising per capita income (or output) is the most crucial factor in reducing poverty, controlling population growth also has a significant role to play in the fight against poverty, at least in a surplus labour economy like India, where the marginal contribution of labour to output is close to zero. The government should, therefore, actively promote smaller family norms and try to move towards a zero population-growth target for the country at the earliest. Thus, the near abandonment of promoting smaller family norms by the government over the last decade is highly regrettable and needs to be changed.

Let's keep an end for “POVERTY”.

Consult your own legal counsel about exact wording
This document is meant to serve as a reference