

## GLOBALISATION, URBAN INFORMALISATION AND SLUM FORMATION

### IN INDIA: A COMPARATIVE STUDY WITH WORLD SCENARIO

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#### ABSTRACT

Urbanization process in developing world has been changed at the era of globalization. India is one of those developing countries which are affected in the globalization process. Here in this article I am trying to draw a brief outline of the urbanization process in India and its impact on the overall society. Here I have also discussed the employment scenario especially of urban India. Finally, in contrast to the Indian context I have stated the global context.

**KEYWORDS:** Globalisation, Urban Informalisation and Slum Formation in India: A Comparative Study With World Scenario

#### INTRODUCTION

The emergence of international finance capital in a new incarnation, pushed the bourgeoisie into adopting the neo-liberal policies advocated by the International Monetary Fund (IMF) and the World Bank, the chief agencies working on behalf of this international finance capital and the adoption of neo-liberal policies, which invariably bring great suffering, in the name of "globalization", meant a betrayal of the implicit social contract of the freedom struggle, and hence became incompatible with the level of democratic rights that the people had enjoyed (Patnaik, 2012). Presently, a study said that 54 per cent of the world's population residing in urban areas in 2014, whereas in 1950, only 30 per cent of the world's population was urban, and by 2050, 66 per cent of the world's population is projected to be urban.

After globalization urbanization took place on a massive scale, and around 60% of the world's people are expected to be living in cities by 2030. Growing urban centres are increasingly viewed as 'engines of growth' and as sites of opportunity – a welcome recognition of their role in national development. But enthusiasm should not mask the fact that high rates of economic growth do not always result in urban poverty reduction; and hence rising urban inequality is a major concern of most of the governments. Urbanization is very much hypothesized to be accompanied by a shift of employment and other inputs such as food, raw materials from the predominantly rural agricultural sector to the effectively urban industrial and service sectors. World Bank illustrated a closer association between urbanization and shift of labor force from agriculture to the manufacturing, construction and service sectors (World Bank 1982). The swing of the labor force in favor of urban sector takes place because of the additional and superior employment prospect through a higher urban wage rate (Lewis 1954, Fei and Ranis 1961 and Todaro 1980). A programme for revamp a town and for making all the necessary provisions of urban infrastructure for a target urban population is eventually negated by the larger than estimated migration of rural folk who are attracted by such facilities, and who, thereby, upset the demographic basis of such programme. Such a programme for urban development which keeps its eyes shut on its implications in terms of widening rural-urban differential and the consequent increasing flow of migrants is doomed even before it has been commissioned. Urban development to be effective has to maintain a certain harmony with development in the rural hinterland.

## FACTORS CAUSING URBAN GROWTH

Rapid city growth in developing countries can be illustrated primarily by two major hypotheses: (1) unusually rapid rates of population growth pressing on limited farm acreage and pushing landless labor into cities, and (2) migrants being pulled into the cities by the economic forces such as domestic terms of trade squeezing agriculture, the diffusion of technology from the developed world favoring modern large scale urban industries, foreign capital flows into urban infrastructure, housing, power, transportation, and large scale manufacturing.

UNHSP, 2003 report confer that the main features of contemporary urbanization have been determined by-

- Political factors, Instability, Civil War and Repression,
- Economic, Environment and Social factors, such as:

**Push Factors:** The relationship between rural productivity and population is complex. Land has a maximum carrying capacity and when it is exceeded; people will eventually be forced off the land. Modern technologies such as the Green Revolution have improved productivity on good quality land, generally staving off an overpopulation crisis. However projects that improve productivity per person also mean that less labour is required in rural areas (USAID, 2001). Consequently, labourers are displaced, as are children of farmers, who go to seek work in the city. For the more prosperous farmers, their children receive an education, entitling them to a better paid professional job in the city (Cambodia, 2001).

**Pull Factors:** the question remains as to why poor rural populations continually move to the city, even when there are apparently no jobs for them and they have to live in slums with what might appear to be a lower quality of life, in a vulnerable situation and separated from everything they know. The ‘bright lights’ syndrome is the usual answer – there just seems to be a lot more going on in the city. Rural life is dull and backbreaking; there are few opportunities and little new arable land that can be developed, especially for women, who are often excluded from land occupancy upon death of, or divorce from, husband. The cities are uniquely able to create jobs, and if the formal sector does not have them, the informal sector can produce them. One study of Punjabi migrants to Delhi found that 94 per cent of them had found work within two months (USAID, 2001). Life in the city is also not as risky as is often thought. Sanitation, drainage and drinking water facilities are generally now better; medical and social services are more readily available than in rural areas; life expectancies are higher; there is less risk of attack by brigands; and food availability is less dependent on the good health of working animals and the condition of crops, and less subject to the vagaries of the weather (UNHSP, 2003). Famines are largely a rural phenomenon since it is fairly easy for aid agencies to ship supplies into cities. Cities are so much more successful in promoting new forms of income generation, and it is so much cheaper to provide services in urban areas, that some experts have actually suggested that the only realistic poverty reduction strategy is to get as many people as possible to move to the city (Norconsult, 1996.). The fact is that higher incomes and more urbanization go hand in hand. It can be also notable that improvements in rural productivity mean that less labor is required in rural areas and thus it leads to the rural-urban migration phenomena followed by urban slum.

The urge to reside near the work place is determined by a large number of factors, some of which could be traced to the very nature of activities the migrants perform. The self-employed workers in petty manufacturing and repairing activities often have their enterprises within the household premises. Similarly the self employed and wage laborers in trading activities are required to use their work place for residential purposes as well, from security point of view. Sometimes their encroachment on public land poses the threat of demolition, and their constant vigilance of the unit of

operation or they may be engaged by their employers outside the working hours to check burglary. This enables them to reduce their expenditure on rent thus reducing their cost of living in the city. Besides, community latrine and provision of drinking water in the market place attract many of them to reside close to the work place.

Another reason to stay in the vicinity can be identified in terms of multi-jobs that the members of the low-income migrant households usually take up. Women, who combine their household activities with jobs outside home (for example, domestic maids) are engaged in similar kind of jobs but in a large number of households, and prefer to have the place of work and place of residence close to each other (Mitra, 2004). Even if the total income earned from all jobs is less than the income which could have been earned from the job available at a distant place, the former would be preferred as long as the cost of commuting and the opportunity cost of the time spent on commuting are large enough to reduce the potential earnings than the actual earnings. Perhaps this could be a reason of why Banerjee (1986) observed in Delhi that even a majority of informal wage sector entrants, who are believed to be the vulnerable lot relatively speaking, did not continue search after joining the first job.

### URBANIZATION: THE WORLD SCENARIO

In modern world there is very deliberate suburbanization which separates the middle class from the poor. During the 1880s to 1950s, most of the developed countries defined the ‘slums’ and ‘poverty’ in a way that may have marked a period of greatest residential differentiation of income groups (Logan, 2002). The developing world parallels the developed nations with its high rate of urbanization that which occurred in England and some other European countries during their industrial revolutions in the 18<sup>th</sup> and 19<sup>th</sup> centuries. What is different now is that urbanization is not being accompanied by adequate economic growth in many developing countries.

The urban population of the world was estimated to be 2.96 billion in 2000 (see Table 1). It was estimated that nearly 50 million people are added to the world’s urban population and about 35 million to the rural population each year. The share of world’s population living in urban centres has increased from 39 per cent in 1980 to 48 percent in 2000. United Nations projections further show that by 2025, more than three- fifth of the world population will live in urban areas (United Nation 1993).

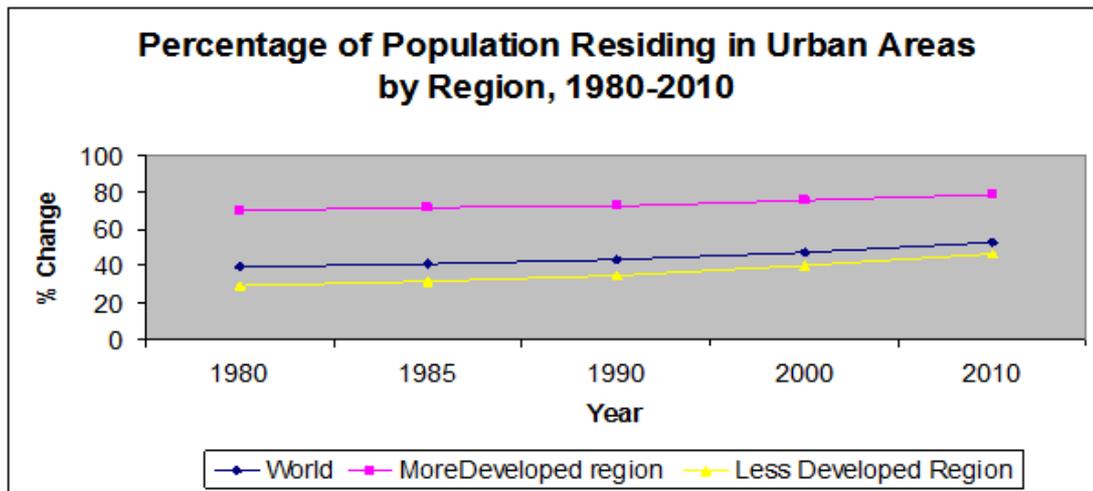
**Table 1: Percentage of Population Residing in Urban Areas by Region, 1980-2010**

World/Region	1980		1985		1990		2000		2010	
	%	,000	%	,000	%	,000	%	,000	%	,000
World	39.4	1752	41.2	1997	43.1	2282	47.6	2962	52.8	3779
More Developed Region	70.2	797	71.5	838	72.7	880	75.8	968	79.1	1060
Less Developed Region	28.8	954	31.5	1159	34.3	1401	40.3	1993	46.8	2717
Africa	27.3	130	29.6	164	32.0	205	37.6	322	44.2	493
Asia	26.2	678	28.6	813	31.2	974	37.1	1369	43.8	1845
Latin America	65.0	233	68.4	273	71.5	315	76.6	400	80.4	482

**Source:** World Urbanization prospect: The 1992 revision, United Nations, New York, 1993

The developed countries have higher urbanization level (76 per cent in 2000) compared with the developing countries (40 per cent). But the urbanization level has almost stabilized in the developed countries since it was about only 3 per cent increase in the level of urbanization in the developed countries during 1990-2000. On the other hand the increase in the level of urbanization was faster in developing countries (6 per cent during 1990-2000). If we want to see in a graph

then it will be come up like in the figure 1.



**Figure 1: Population in Urban Areas**

The above figure shows that more developed regions are already developed and after the year of 1980 there is not such change in its level of urbanization, but there is a sudden growth in case of the less developed regions during the era of globalization. Today, the most urbanized regions include Northern America (82 per cent living in urban areas in 2014), Latin America and the Caribbean (80 percent), and Europe (73 per cent). In contrast, Africa and Asia remain mostly rural, with 40 and 48 percent of their respective populations living in urban areas. All regions are expected to urbanize further over the coming decades. Africa and Asia are urbanizing faster than the other regions and are projected to become 56 and 64 per cent urban, respectively, by 2050 (WUP, 2014).

Evidence from urban Peru and Madagascar indicates that the more household members that are involved in the informal sector, the poorer they are (Herrera and Rouband, 2003) indicating the poor returns from their work. Evidence from Ethiopia suggests that 27.5% of the heads of chronically poor urban households work as casual labourers or in female business activities, compared to only 7.7% of those who are never poor, who are far more likely to be wage workers (Kedir and McKay, 2003). Those who obtain and retain jobs in the formal sector certainly experience improved income levels, but these jobs are rare in most developing cities. In urban Ghana, for example, only one-fifth of households were engaged in waged employment in the 1990s. The urban informal sector created few waged jobs, and the lack of private sector investment at the time contracted formal wage employment (McKay and Aryeetey, 2004).

Macro-economic reforms have disproportionate effects in urban centres, on urban labour and, in particular, on unskilled workers. In Peru the impact has been huge. Privatization has, in effect, abolished job stability and reduced dismissal costs, deregulation has increased job insecurity, and unionization has plummeted (Herrera and Rouband, 2003).

Los Angeles is distinctive from most US cities in housing tenure as the majority of its residents are tenants, with less than 40 per cent of households owning their homes. In the wake of the urban unrest of the 1990s, the migration of wealthy and white residents from Los Angeles intensified, even though the urban economy rebounded during the late 1990s. Poverty, however, did not decline, as employment was largely low-wage employment and a steady stream of immigrants occupies these low-paying jobs. With rents rising sharply and low-income residents choosing overcrowding rather than homelessness, residential structures are increasingly deteriorating and decaying. The growth in poverty during

the coming decades is, therefore, as likely to continue as the growth of disinvested urban areas in Los Angeles (UNHSP, 2003).

Thailand has experienced low urbanization as rural–urban migration has been comparatively very low, and excess rural population invaded forestland rather than migrated to urban centres. In 1990, less than 19 per cent of the population lived in urban areas, and the rise to 31 per cent by 2001 was largely the result of the conversion of rural districts to urban municipalities. The growth of slums, however, is less associated with rural–urban migration than with natural growth. The slum problem of Bangkok is fairly limited, with only 6 per cent of the total housing considered slum. Since 1990s Slums became more recognized through the involvement of the people and the development of savings groups to generate loans for slum dwellers.

Since the 1950s, there have been three distinct types of slums in Chengdu (China), each corresponding to a specific phase in economic development and policy change. The first slums of Chengdu were formed on the banks of the Fu and Nan rivers as low-rent flats on the fringe of the city. From the 1970s onwards they became inner-city slums with the growth of the city and the spontaneous settlement of rural migrants and returning youth sent to the countryside during the Cultural Revolution. The second phase in slum formation in Chengdu came as a result of economic reforms starting in the late 1980s. These reforms created much sudden unemployment and poverty, and a new group of suburban poor whose employer-provided pre-1970s row housing and flats became substandard and are now considered slums. Rapid urbanization and urban development during the 1990s have also created a category of about 1 million low educated peri-urban dwellers known as the ‘floating population’. Recruited on a temporary basis from the rural areas, most live in rental accommodation provided by farmers on the urban border. Although adequate in terms of size and structure, they are located outside the scope and coverage of municipal services. Therefore, their long-term social, economic and living conditions are of direct concern to the municipality in terms of public health and the environment.

## **URBANIZATION IN INDIA**

Economic development and urbanization are closely linked. India has witnessed around 8% growth in GDP in the last couple of years and has planned to achieve a target of over 9% growth by the end of 11th plan period. Here cities contribute over 55 % to country’s GDP and urbanization has been recognized as an important component of economic growth. It has shared the growth pattern and rapid urbanization with some of the fastest growing regions in Asia. Urbanization in India increased sluggishly from 17.29 per cent in 1951 to 27.76 per cent in 2001. However, the rate of growth of urban population has been quite high notwithstanding a nominal increase in the per cent urban. India’s urban population is also increasing at a faster rate than its total population. India will have 41% percent of its population living in cities and towns by 2030 AD from the present level of 28%.

As India becomes increasingly globalized and urban; there is also an increase in the number of poor people living here. According to the latest NSSO survey reports there are over 80 million poor people living in the cities and towns of India. The Slum population is also increasing and as per TCPO estimates 2001; over 61.80 million people were living in slums (Urban Poverty Report, 2009). According to Sharma & Sita (2000), the creation of slums is essentially the product of imbalanced urban growth, manifested in overconcentration of economic resources in a few strategic Indian cities (like Mumbai, Calcutta, Delhi, Bangalore and Pune) and regional disparities, with a few pockets of dynamic and urban based economies on one hand, and vast underdeveloped semi-urban and rural regions, on the other. Such paradoxical development creates doubts about the quality of urbanization in India (Bhagat, 1992) because this high rate of growth of

urban population tends to create significant pressure on the infrastructure base. Chandrasekhar (2011) raise two sets of questions regarding this overall growth pattern and employment generation in India: a) the sustainability of this growth, b) distributional outcomes associated with this growth. Thus, growth in recent years appears to have been accompanied by and partly based on tendencies towards profit inflation and increased inequality.

The basic assumptions of “economic reform” can be outlined as follows:

- In the rural areas, higher prices for agricultural goods through the provision of export markets would act as incentives to more private investment and production, generating more employment in agriculture. Such agricultural expansion in turn would act as a stimulant for rural non-agricultural activities in a virtuous circle.
- In the urban areas, industrial deregulation along with export orientation would encourage more investment and new activity in labor-intensive manufacturing in keeping with perceived static comparative advantage, and therefore increase employment here as well.

However, the validity of these neo-liberal assumptions becomes almost axiomatic in Indian policy debate. This is for rural as well as urban employment context. These assumptions were not validated in the rural context, where (as discussed in *Macroscan*, Businessline, January 2000) employment growth in agriculture appears to have become more of a residual as non-agricultural job opportunities have slumped.

Population in the urban areas expands due to the following three factors: natural growth of population, rural to urban migration and reclassification of rural areas as urban in course of time. Around two-fifth of the total urban growth in the Third World is accounted by the rural-to-urban migration. The process can be identified as ‘over-urbanization’ as long as (a) rural-urban migration leads to a misallocation of labor between rural and urban sectors in the sense that it raises urban unemployment, underemployment and poverty, and (b) rural-urban migration increases the social cost for providing for a country’s growing population (Gugler, 1988).

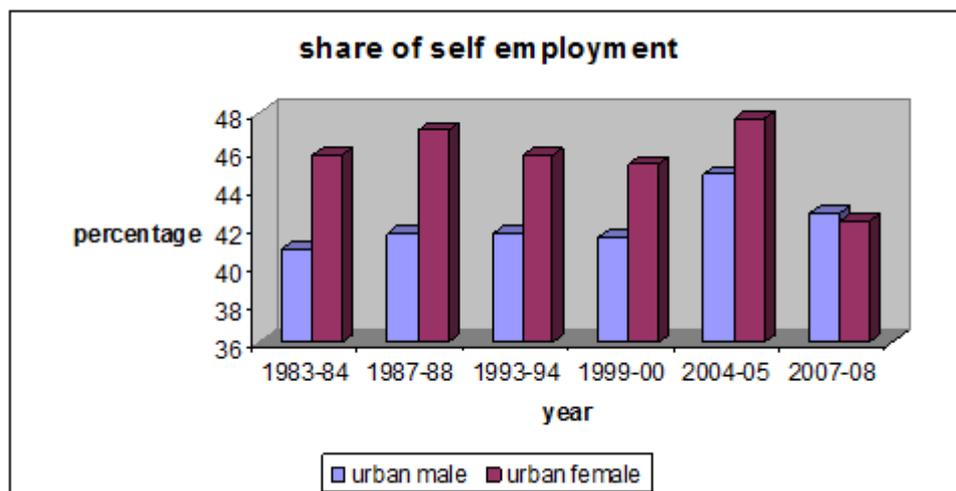
In explaining migration across space, income differentials are taken as motivating factor in moving people from low-income areas to relatively high-income areas (Harris and Todaro, 1970). In the rural areas, sluggish agricultural growth and limited development of the rural non-farm sector raises the incidence of rural poverty, unemployment and underemployment. Given the fact that most of the high productivity activities are located in the urban areas, the rural-urban income differentials, particularly for the poor and unemployed, are enormous. Thus, many of them migrate to the urban areas in search of jobs. While the data on the growth of employment in organized sector shows that the average growth in employment was only 0.87 per cent per annum during 1991 to 1999 in spite of impressive growth (over 6 per cent per annum) in national income during the said period, the incidence of migration in India has shown an increase in 2001 (little above than 7 percent). Ministry of Finance, 2001 described this fact as the capital intensive economic growth. It is to be expected that a growth trajectory with these features would have adversely impact on the labour market, influencing the volume, pattern and nature of employment (Bhagat, 2003).

In the face of limited demand for labor in the formal sector, in particular the organized industrial sector, excess supplies in the urban labor market force them to be engaged in the informal service sector. The low rate of growth of industrial employment and the high rate of rural-to-urban migration make for excessive, even explosive urbanization involving a transition from rural unemployment to excessive urban unemployment and underemployment (Mitra & Murayama, 2008). Moreover village networks help rural job seekers to arrange such urban-based jobs (Banerjee,

1986) whether it is formal or not. Within the urban informal sector this excess supply tends to reduce the level of earnings and get manifested in a high incidence of urban poverty. Thus in the process rural poverty gets transformed into urban poverty – the phenomenon is also described as ‘urbanization of poverty’.

In this way economically backward Indian states also keep losing people to developed states. However, it varies considerably across states. Both industrialized states like Gujarat and Maharashtra and the backward states like Orissa and Madhya Pradesh show high rates of migration. Similarly examples can be found from both the types of states which have recorded sluggish migration rate, e.g. industrialized states such as Tamil Nadu and West Bengal and backward states such as Uttar Pradesh, Bihar and Rajasthan. Hence, it is not possible at this stage to draw any clear-cut conclusion regarding the magnitude of the migration rate in relation to the nature of the states (Mitra & Murayama, 2008).

The 66th round NSSO Survey of Employment shows that the vast majority of new jobs created between 2004-05 and 2009-10 was in casual employment, mainly in construction and thus the overall labour force expanded by only 11.7 million and the unemployment rate which had increased from 6.06 percent in 1993-94 to 7.31 percent in 1999-2000 and further to 8.28 percent in 2004- 05, came down to 6.60 in 2009-10 (Planning Commission, 2011). 68<sup>th</sup> round of NSSO report (for 2011-12) says that there are a significant proportion of workers engaged in informal employment. It shows a significant increase in self employment of 52.5% out of total employment in 2005-6 instead of low earnings; 40% of rural self-employed – earned less than 1,500 rupees per month and 33% of urban self-employed – earned less than 2,000 rupees per month (Chen, 2011).



Sources: NSSO, 1992; 1997; 2001; 2006; 2010

Figure 2: Share of Self Employment in Total Usual Status Employment

While such jobs are often more attractive for rural labor than casual work in agriculture, there is a potential for an accelerated pace of creation of more durable rural non-farm jobs/livelihood opportunities. Such job opportunities could come from faster expansion in agro-processing, supply chains and the increased demand for technical personnel for inputs into various aspects of farming that is undergoing steady modernization, and also the maintenance of equipment and other elements of rural infrastructure. Jeemol Unni (2009, Urban Poverty Report) pointed out that the urban casual informal workers have been left behind in grabbing the growing urban employment opportunities as they don't have adequate education and skills. The self-employed workers face specific problems of access to credit, markets and space and also

incur various 'hidden costs'. But there is a lot of opportunities for the casual workers in urban areas, especially in construction sector.

In 1951, shortly after independence, the level of urbanization in India had increased due to the division of country, famine, poverty etc. The level of urbanization was 17.29 per cent for all-India; the state ranking was Maharashtra (28.75 per cent), Gujarat (28.23 per cent) and Tamil Nadu (24.35 per cent), West Bengal (23.88 per cent). However, the rate of urbanization was very poor, the gap between urbanization level of West Bengal and all-India declined sharply from 6.59 percentage points in 1951 to 1.67 percentage points in 1991 (Table 2). By 1991 West Bengal was relegated to the sixth position with two more states, Punjab and Karnataka moving above (Giri, 1998).

**Table 2: Urbanization in India: 1951-1991**

	<b>Urbanization Level (%)</b>	<b>Rate of Urbanization (%)</b>
Years	All India	All India
1951	17.29	-
1961	17.97	3.93
1971	20.22	12.52
1981	23.34	15.43
1991	25.72	10.20
2001	27.70	
2011	30.30	

(Calculated by Giri, 1998 and the data is taken from Census of India)

## **PROBLEM OF URBANIZATION IN INDIA**

Problem of urbanization is manifestation of lopsided urbanization, faulty urban planning, and urbanization with poor economic base and without having functional categories. Hence India's urbanization is followed by some basic problems in the field of: 1) housing, 2) slums, 3) transport 4) water supply and sanitation, 5) water pollution and air pollution, 6) inadequate provision for social infrastructure (school, hospital, etc). Class I cities such as Calcutta, Bombay, Delhi, Madras etc have reached saturation level of employment generating capacity (Kundu, 1997). Since these cities are suffering from of urban poverty, unemployment, housing shortage, crisis in urban infra-structural services these large cities cannot absorb these distressed rural migrants i.e. poor landless illiterate and unskilled agricultural laborers. Hence his migration to urban class I cities causes urban crisis more acutely.

Most of these cities using capital intensive technologies can not generate employment for these distress rural poor. So there is transfer of rural poverty to urban poverty. Poverty induced migration of illiterate and unskilled laborer occurs in class I cities addressing urban involution and urban decay. Poverty induced migration occurs due to rural push. Megacities grow in urban population not in urban prosperity, and culture. Hence it is urbanization without urban functional characteristics. These mega cities are subject to extreme filthy slum and very cruel mega city denying shelter, drinking water, electricity, sanitation (Kundu, Bagchi and Kundu, 1999) to the extreme poor and rural migrants.

Urbanization is degenerating social and economic inequalities (Kundu and Gupta, 1996) which warrants social conflicts, crimes and anti-social activities. Lopsided and uncontrolled urbanization led to environmental degradation and degradation in the quality of urban life---- pollution in sound, air, water, created by disposal of hazardous waste. Illiterate, low- skill or no-skill migrants from rural areas are absorbed in poor low grade urban informal sector at a very low wage

rate and urban informal sector becomes in-efficient and unproductive.

### **Poverty and Slums**

Slums and poverty are closely related and mutually reinforcing, but the relationship is not always direct or simple. On the one hand, slum dwellers are not a homogeneous population, and some people of reasonable incomes choose to live within, or on, the edges of slum communities. Even though most slum dwellers work in the informal economy, it is not unusual for them to have incomes that exceed the earnings of formal-sector employees. On the other hand, in many cities, there are more poor outside slum areas than within the main city area. Slums are designated areas where it is easiest to see poor people in the highest concentrations and the worst conditions; but even the most exclusive and expensive areas will have some low-income people.

Slum conditions are caused by poverty and inadequate housing responses, which are mutually reinforcing, to some extent. It is not surprising that the characteristics of the settlement or housing are often confused by act or by implication with the characteristics of the people living in them. The issues of living conditions, poverty and poor people's management of their own situation are amalgamated, and cause-and-effect relationships are confused. This presents a policy and delivery problem for programmes aimed at addressing slum conditions as part of an overall poverty reduction agenda. The converse is the case for non-housing poverty reduction programmes, which sometimes presume that their activities will result in improvements in housing, infrastructure and service delivery in slum areas – but 'trickle through' to housing may be extremely slow or non-existent unless the income improvements are substantial and sustained.

Although poverty in urban areas has been increasing for some decades and there are now higher numbers of the 'poorest of the poor' in urban centres throughout the world than at any previous time, the urban poor are usually able to help themselves more than their rural counterparts. Indeed, the immigrant urban poor have largely moved voluntarily in order to exploit actual or perceived economic opportunities. Opportunities manifest, in part, due to the growing urban informal sector, which is most spectacularly visible in the many growing and large-scale informal and squatter settlements in urban centres. In many cities, the informal sector accounts for as much as 60 per cent of employment of the urban population and may well serve the needs of an equally high proportion of citizens through the provision of goods and services (UNHSP, 2003).

Amartya Sen (1988) first introduced the concept of capability poverty which has been defined as the lack of life chances and opportunities, defined particularly through ill health and lack of education – this has formed the underpinning of the UNDP HDI. These more fundamental needs are paramount in the least developed countries in establishing the capability of individuals to improve their lives. Is this the reason for the rural –urban migration and concentrated in urban slums.

## **SUMMARY FINDINGS: DATA REVIEW**

### **Urban Labour Markets and Poverty Dynamics**

Labour may be the most important asset for urban poor households and it is through labour that they benefit most directly from economic growth. The clear 'pros and cons' to urbanization are summarized in Table 3. The over-arching reality is that most urban poor people have to work until they die; in insecure livelihoods that pay poorly and that limit their chances to escape from poverty.

### **The Pros and Cons:**

**Table 3: Is Urbanization Good or Bad for the Poor?**

Pros	Cons
Greater economic opportunities create job opportunities	New opportunities may be confined to those with skills or from particular groups/classes
Population density means lower per-capita costs for basic services	Those who are unregistered or 'illegal' may be overlooked in plans for basic services and face high prices for access
Easy access to mass media and other information channels	Loss of extended family links mean potential erosion of family cohesion
Large numbers of citizens can be mobilized around shared problems	Overcrowding, spread of disease, pollution
People can pool resources, ideas, creativity and innovation	Population density makes cities fertile ground for drugs trade, gang violence
More liberal attitudes make it easier for women to enter the labour market	Easy entry into the informal labour market may extend to child labour

The way in which people enter the labour market is the key to urban poverty dynamics. Those who are not poor tend to be clustered in formal employment, while chronic poverty is associated with casual labour or female business activities. Informal work is a mixed blessing – depending on context – offering an escape from poverty where informality is the norm, but not where informal workers are more isolated (Grant, 2008).

## CONCLUSIONS

Integration into global markets can create new opportunities but may reduce labour stability as a result of increased competition. While growths in sectors that require a highly skilled labour force e.g. software industry growth in Bangalore can generate indirect employment elsewhere (with skilled workers needing shops and other services), this growth may, in fact, displace the informal sector.

The percentage of Ahmedabad housing categorized as slums increased from 17.2 per cent in 1961 to 22.8 per cent in 1971 and 25.6 per cent in 1991. It is estimated that 17.1 percent of Ahmedabad's population lived in slums in 1971. This rose to an estimated 21.4 per cent in 1982. The last estimate, based on a population census for the year 1991, nevertheless indicates that 40 per cent of households lived in slums (UNHSP, 2003). The slums of Kolkata can be divided into three groups: the older, up to 150 years old, ones in the heart of the city are associated with early urbanization. The second group dates from the 1940s and 1950s and emerged as an outcome of industrialization-based rural–urban migration, locating themselves around industrial sites and near infra-structural arteries. The third group came into being after the independence of India and took vacant urban lands and areas along roads, canals and on marginal lands. In 2001, 1.5 million people, or one third of Kolkata's population, lived in 2011 registered and 3500 unregistered slums. Majority of this population engaged in the informal sector, with average monthly earnings of between 500 and 1700 rupees and a household size of five to six persons, some three-quarters of the Kolkata slum population are below the poverty line.

Irrespective of all this experiences we may say that the challenge is to implement the policies correctly that they can promote and encourage mix economies in which small, medium, and large businesses can co-exist alongside. More particularly, the street vendors can co-exist alongside the kiosks, retail shops, and large malls. Just as the policy makers encourage bio diversity, they should encourage economic diversity. Also, they should try to promote a level playing field in which all sizes of businesses and all categories of workers can compete on equal and fair terms. Overall as an Indian we

all dreamed of a clean, slum free, that is to say a sustainable, and income and endowment wise equally distributed country.

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