

CRITICAL ANALYSIS OF ECONOMIC ACTIVITY OF SLUM DWELLERS IN BHUBANESWAR

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ABSTRACT

Slums are mostly produced as a result of rural resident's unemployment, social backwardness, and poverty. Slum are typically thought of as low-income communities of marginalized people living in unhygienic, overcrowded, and unsanitary conditions of property that has been "encroached" upon, which is made worse by the absence of even the most basic public services. Slums are also physical and temporal spaces for India's destitute rural masses. India's slums are a result of country's extreme poverty and hardship. The majority of slum inhabitants work in the unorganized sector. Even while unemployment is not much higher than average among homes, the concentrated distribution among young adults and women causes the household income in two thirds of the households to fall below the poverty line, which has some apparent repercussions. The goal of this study is to analysis the causes that cause people to move into slums and to understand their socioeconomic profiles and economic activities. The study is founded on the collection and critical evaluation of a wide range of data. On a sample basis, 500 slum dweller households were contracted for primary data using a standardized questionnaire. The Bhubaneswar Municipal Corporation and reports, documents, etc. from the government of Odisha are the sources of secondary data.

Key words:- *Slum, Informal Sector, Poverty, Livelihood, Economic Policies*

1. INTRODUCTION

Slum living is a universal phenomena. Slum, according to social scientists, are a byproduct of the contemporary age. In developing countries, the rapid growth of slums - which is caused not only by a lack of affordable housing but also by the low wages of employees who engage in less productive activities - has become a defining characteristic of the urbanization process. Slum development in India began in the final three decades of the 20th century as a result of population expansion that was out of control and land fragmentation in rural areas. In a vicious cycle, this resulted in unjustified unemployment, famine, floods, pestilence, social class conflicts, and caste tensions, all of which contributed to the emergence of slums. Other fundamental elements that influence the development of slums include immigration, industrialization, employments in the unorganized sector, government policies, and others.

Production, distribution, exchange, and consumption of products and services are all aspects of economic activity. Economic activities are those carried out by people in return for money or anything of value. It is the work that is done for pay or other compensation. These activities revolve around money in the modern social structure, which is why any actions involving making and spending money are referred to be economic activities. It attempts to produce, process, package, sell, distribute, buy, and use commodities and services as well as wealth and money in order to satisfy some demands and requirements on a commercial or self-sufficient basis and improve people's quality of life. Although some slum residents work in the formal sector, the majority of them are employed in the informal sector. Slum residents work in the hospitality business, manufacturing, hawking, and transportation, primarily as rickshaw pullers and vehicle drivers.

Our study's current focus is on identifying the variables that compel people to live in slums and understanding their socio-economic profiles and economic activities.

2. STUDY OF THE LITERATURE

The 2011 publication by Patel, Joshi, Ballaney, and Nohn recognizes the value of tenure history and protects the official and informal rights of landowners, communities, and the government. It defines a network of regional, municipal, and national organizations that can quickly structure and carry out slum planning programmes, promising rapid and long-lasting rehabilitation and integration of slum populations into the formal city. It is essential that the institutional structure of SPS be extremely decentralized due to the pressing need to scale up slum-improvement and integration activities. Decentralization will better enable the utilization of in-depth local expertise, encourage the design of locally appropriate SPSs, and enable the levels of effort necessary to address the slum problem in Indian towns. Mitra (2010) discusses the value of social capital. The idea of "social capital" offers a solid foundation for understanding how the urban labour markets in emerging nations operate. The study highlights the important roles that social capital (conceptualized in terms of various social networks) plays in providing low income urban homeowners with labour market information. For the majority of employees employed in the bottom rungs of the informal sector, social ties are definitely helpful in gaining access to the bare minimum source of subsistence.

Mitra (1994) looks at the pattern of urbanization, especially city growth in India, employment structure in the cities, impact of rural urban population movement on the urban informal sector, inter-linkages between rural and urban poverty, incidence of slum population and shortage of basic amenities in various cities, and the residual absorption of slum dwellers in low productivity activities. It emphasizes the significance of creating effective work in metropolitan areas in order to address these issues. The expansion of slums in Bhubaneswar, the capital of Orissa, in particular, as well as the causes and motivations of rural-to-urban migration, are topics covered in Mohapatra's (2009) book. It demonstrates how, following their emigration from their home countries, Bhubaneswar's scheduled caste and scheduled tribe slum inhabitants economic circumstances have improved. The results of his study point to "push" forces in rural areas as being more important than "pull" factors in the process of rural-to-urban migration and the development of slums in urban areas.

As a result, there are few research on slum dwellers economic activity. On the slum's economy and culture, no thorough study has been started and finished. As a result, the focus of our study will be on the socioeconomic activities of slum inhabitants and how various government initiatives aimed at slum regions have an impact on them.

3. ISSUES

There is no question that extreme poverty forces people to live in slums, but it is not true that all slum dwellers are impoverished. In addition to poverty, a number of other variables influence the development of slums. The following problems or inquiries will be raised in order to explore these:

- What types of economic activity are slum inhabitants most involved in? Exactly how do they conduct their commercial activities?
- Do they have to be poor?

- What services does the government provide to slum residents?

Are they locals or immigrants? What are their origins if they are immigrants? In light of the aforementioned problems and queries, the study's primary goals will be

4. OBJECTIVES

The following aims have been kept in mind as the present study has been positioned within the broad framework of the systematic deprivation of marginalized communities in urban areas.

- To research the various kinds of economic activities carried out Bhubaneswar slum residents.
- To determine whether the relocation of slum inhabitants from their original communities has improved their economic situation.
- To research the various government initiatives and how they support the economic activity of the countries where they originate and end up.
- To conduct a critical analysis of their economic operations' earnings, growth, and turnover.
- To make recommendations for improving the socioeconomic circumstances for slum residents.

5. HYPOTHESIS

The following hypothesis will be examined in the planned study:

- In the Manufacturing subsector of the informal economy, small capitalist producers fare better than micro businesses and petty producers.
- The revenue and turnover of the traders are considerable when compared to the various industries and subsectors.
- The industrial and transportation sectors have higher sales turnover/income when more capitals is invested in those industries.

6. RESEARCH TECHNIQUES

The objective and subjective approaches to studying the economic activities of slum inhabitants have been balanced in the current study. The majority of the analysis is based on a field study that was done in 500 families. Attention has been paid to including households involved in various economic activities, such as self-employment and businesses, as well as temporary or permanent employees working in the formal or informal economy. The slums have been specifically chosen. A little sample is taken in order to conduct an in-depth and reliable study within the allotted time. Ten slums were chosen for this on the basis of socioeconomic statistics, the slum's geographic location, its age, its nature, and other factors. A basic random sample procedure is used to choose the households, and 10% of the households in each of these slums are chosen. The representation of the major colonies inside a given slum has been carefully considered, taking into account their population proportion. Pre-testing was done in eight slums before the sample size and questionnaire schedule were finalized (ten households per slum). Such pre-testing resulted in the final design. The questionnaire was used to gather thorough data about each family member. The questionnaire comprised distinct sections for each of the following groups: households, wage employees, independent contractors, unpaid workers, and jobless.

6.1 Several first field observations

During the fieldwork, it was noted that the slum residents are concentrated in certain usual sites, such as next to new housing colonies near markets, beneath flyovers and bridges, and beneath railway tracks. These decisions about where to settle may be influenced by two main factors: I the tendency of people to cluster around regions with more employment opportunities; and II the possibility of staying put even after the completion of the particular project thanks to the temporary housing arrangements made by builders and other authorities. These worries are partly tied

to the fact that most migrants are illegal land occupant and that many of them are compelled migrate in order to have a chance at finding job in the city.

7. EXAMINATION OF THE STUDY

I will largely cover the survey findings that have come out of the study in the following chapters.

7.1 Slum dwellings (Geographical Coverage of the Study)

There are approximately 2,740 slum living homes in this sample, with an average household size of 4.94, making up the sample. However, there are 436 slums in Bhubaneswar with a combined population of more than two laces. In the towns, the informal sector accounts for a bigger percentage of workers than the formal sector, with the former steadily rising from 73.41 percent in 1971 to 75.46 percent in 1981 and then to 83.74 percent in 2001. The majority of migrants and residents of the informal sector, including construction workers and troll pullers, live in slums.

7.2 Occupation

The occupational profile of the sample's questioned families suggests that the majority of them make a living by working for pay in the city's unorganized sector. 53.20 percent of sample households say that their primary source of income in the city is through wage job (table 1.1). Only 8.60% of households in this category are wage earners in the skilled and semi-skilled categories who work as masons, carpenters, etc. The remaining workers, or 44.80 percent, are exclusively wage workers in the unskilled category who perform manual labour, primarily in the nonagricultural sector. Only 1.60 percent of the households identify their primary source of income as wage job in agriculture. In addition to paid work, around one-fourth (27.60 percent) of households rely on self-employment in the form of small and petty businesses including grocery and stationery stores, vegetable stands, tea stands sweet meat shops, jhonpri motels and restaurants, betel shops, and similar ventures. Then, close to a further quarter (14.20 percent) of households rely on self-employment or piecemeal contracts to provide services to the city's informal service sector, including plumbers, electricians, painters, laundry workers, barbers, and other service providers.

Table -1.1: Classification of the Slum Households on means of livelihood Source:
Field Data

Sl. No.	Principal means of Livelihood	No. Of HHs	Per cent.
01	Agricultural	0	0.00
02	Agricultural Wage Work	8	1.60
03	Non-Agricultural Wage Work	216	43.20
04	Traditional Craft & household Industry Work	1	0.20
05	Non-household Industry Worker	2	0.40
06	Skilled construction worker such as Masson, Carpenter, etc.	43	8.60
07	Transport worker	7	1.40
08	Small Business	138	27.60
09	Government Service	14	14.20
10	Other	71	14.20
	Total	500	100

The remaining households report 2.80% of their income as coming from government services, 1.40% from working as informal sector transport workers like drivers, rickshaw pullers, and cart pullers, etc., 0.20% from engaging in traditional caste occupations, and 0.40% from employment in non-household sector small and tiny manufacturing

industries. Families who list government employment as their main source of income typically work in Class IV positions like peons, messengers, sweepers, watchmen, or drivers.

Despite the fact that most slum dweller households are nuclear structured, both the husband and wife labour for pay because the primary breadwinner's income is typically insufficient to support the family's needs. Despite the average size of a household in the sample being 4.56 people, it is discovered that there are 1.65 earners on average per household. The sample households' work involvement rate was determined to be 36.21 percent, which is significantly higher than the population's overall work participation percentage in the BMC region. Only 13.07 of earners are reported to be employed casually, either full – or part-time, and 7.38% are employed regularly, largely as domestic helpers and attendants. Others are employed full-time. 0.39 percent of the workforce is made up of children under the age of 14, majority of whom work casually full-time and part-time (Table 1.2).

The occupation distribution in the households demonstrates unequivocally that the majority of the wage earners are unskilled workers. Since the vast majority of them are wage earners, job uncertainty is very likely. The typical number of days a regular wage worker works for pay in a month is from 20 to 22 days, and during the rainy season, it may even be as low as 15 days. The quality of human capital is extremely low due to a lack of education and talent, and very few of them are able to make a sufficient income to escape poverty in a developing capital city like Bhubaneswar.

Table -1.2: Classification of the Slum Households on Occupation & Category Source:
Field Data

SI. No.	Occupation & Category	Male	Female	Child	Total
A	Regular Full-time				
01	Self-employed in Ag. & allied activities	2 (0.24)	0 (0.00)	0 (0.00)	2 (0.24)
02	Wage-employed	206 (24.94)	78 (9.44)	2 (0.24)	5 (0.61)
03	H.H. Ind. Worker	4 (0.24)	1 (0.12)	0 (0.00)	5 (0.61)
04	N.H.H. Ind. Worker	2 (0.24)	2 (0.24)	0 (0.00)	4 (0.48)
05	Construction	45 (5.45)	0 (0.00)	0 (0.00)	45 (5.45)
06	Transport & Communication	16 (1.94)	3 (0.36)	0 (0.00)	19 (2.30)
07	Trade & Business	142 (17.19)	29 (3.51)	0 (0.00)	171 (20.70)
08	Govt. Service	13 (1.57)	1 (0.12)	0 (0.00)	14 (1.69)
09	Domestic	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)
10	Any other	82 (9.93)	27 (3.27)	2 (0.24)	111 (13.44)
B	Regular Part-time	35 (4.24)	26 (3.15)	0 (0.00)	61 (7.38)
C	Casual Part-time	7	30	4	41

		(0.85)	(3.63)	(0.48)	(4.96)
D	Causal Part-time	31 (3.75)	232 (28.09)	9 (1.09)	826 (100.00)
	Total	585 (70.82)	232 (28.09)	9 (1.09)	826 (100.00)

7.3 Monthly Salary

The majority of households with earners in slums work as unskilled category wage workers without a fixed place of employment or as independent contractors in the manufacturing and service sectors of the informal economy without owning fixed businesses, so their average monthly income is much lower than that of typical Bhubaneswar households. The sample slum households' average monthly income is only Rs.2704 (Table 1.3). It should be remembered that the average family size in these households is 4.56 people, hence the average monthly per capita income is only Rs.593 and the average yearly per capita income is just Rs.7.116. This shows that although while Orissa's per capita income is lower than the national average, there is still a significant difference between the average state per capita income and the average per capita income of a family living in a slum, especially in a capital city like Bhubaneswar.

The populations who live in slums as a whole not only makes less money than the average state per capita income, but may be of them also experience severe poverty (Table 1.3). An urban household earning less than Rs.21.000 annually, or let's say Rs.1750 per month, is regarded as living below the poverty line according to the Eleventh Five Year Plan. As a result, Table 1.3 shows that more than a quarter (25.60 percent) of the sample's slum households live in poverty.

Table -1.3: Monthly Income Level of the Slum Households

Source: Field Data

Sl. No.	Income Group (Rs.)	No. of HHs.	%	Avg. Income (Rs.)
01	Below 500	10	2.00	350
02	501-1000	29	5.80	890
03	1001-1500	89	17.80	1422
04	1501-2000	87	17.40	2406
05	2001-2500	62	12.40	2931
06	2501-3000	80	16.00	2931
07	3001-4000	82	16.40	3618
08	4001-5000	30	6.00	4620
09	5001 & above	31	6.20	6703
	Total	500	100.00	2704

It goes without saying that, given the current situation, a poor urban household cannot expect to satisfy its daily survival needs by ensuring food security for everyone in the family unless it earns an average of Rs.3000 per month. More than 70% of the slum dwelling households in Bhubaneswar live in poverty if we use the average monthly income of Rs. 3000 as the cut off threshold for developed to increase their earning level to at least Rs. 3000 per month, it is impossible to assume that the living conditions of the urban poor in Bhubaneswar will improve in this situation.

7.4 Expenditure per month

The slum dwelling households' poor living conditions are evident in their monthly consumption expenditures on both food and non-food related products (Table 1.4)

The average consumption expenditure for food and non-food related products for the sample households is 77.91% and 22.09%, respectively. The average household spends Rs. 1736 per month on food and non-food related products, with food accounting for 80% of this total. It's interesting to note that the sample households' average monthly consumption spending is lower than their average monthly income. However, this does not imply that the slum households are living in improved conditions.

The majority of slum dwelling households in the / studied sites had debt that they have racked up from both formal and informal sources, it has been discovered. These loans are typically incurred to cover the basic subsistence demands of the households as well as unexpected acute needs like medical expenses in the event of a family member's illness. Additionally, many of them are forced to borrow from unofficial sources due to societal obligations such as marriages of sons and daughters or close relatives as well as birth and burial ceremonies in the family. The majority of the time, the slum dwelling households in the sample are unable to meet the family's basic consumption demands because they are paying high interest rates on debt obtained from informal sources like moneylenders or chit fund companies. From the table, it can be observed that only five (1%) of the 500 sample homes make significant, balanced expenditures on both food and non-food related things.

Table -1.4: Monthly Total Expenditure of Slum House holds

Source: Field Data

Sl. No.	Monthly Expenditure (Rs.)	No. of HHs	Food Related	Non-food Related	Total
01	Below Rs.500	3	347(93.78)	23(6.220)	370(100)
02	500-700	9	552(94.68)	31(5.32)	583(100)
03	700-1000	19	780(85.81)	129(14.19)	909(100)
04	1000-1500	117	1089(84.55)	199(15.45)	1288(100)
05	1500-2000	185	1386(79.84)	350(20.16)	1736(100)
06	2000-2500	89	1702(77.58)	492(22.42)	2194(100)
07	2500-3000	41	1983(73.20)	726(26.80)	2709(100)
08	3000-4000	32	2426(72.18)	938(27.82)	3361(100)
09	4000-5000	4	2274(53.02)	2015(46.98)	4289(100)
10	45000 & above	1	2340(40.71)	3408(59.29)	5748(100)
	Total	500	1453(77.91)	412(22.09)	1865(100)

A thorough investigation of the sample households' consumption patterns further reveals that the majority of the household's spending on food-related items is spent on cereals, primarily rice. Fuel purchases make up the largest portion of expenditures among other food-related expenses.

7.5 Debt Situation

Although slum dweller households have recently developed a savings habit as a result of the establishment of SHGs by government agencies and NGOs, it is discovered that residents of slums frequently experience employment insecurity issues coupled with inadequate levels of income, leading many of them to borrow from informal sources. Table 1.5's information reveals that 241 (48.20 percent) of the sample's 500 homes were in debt at the time of the survey. The respondents' responses to questions about where they got these loans from further revealed that most of them came from unofficial sources because most of them found it challenging to meet the formal paper requirements and collateral security requirements imposed by banks and other formal public lending institution. It has been shown that among the borrower households, the

majority (39.83%) borrow from unofficial sources or from SHGs to support their basic subsistence needs, with the average loan amount finding to be Rs.6.964. In addition to this, it is discovered that people borrow money in order to pursue their own interests. In addition, it was discovered that certain homes (16.60 percent) in the slums are heavily indebted as a result of careless spending on family members' wedding and other social rites. The average loan taken for such purposes by the debtor households is Rs. 21.948 per month. Unexpected medical expenses are another significant source of debt for many people (15.35%), forcing many of to approach moneylenders. It is evident that the sample slum households took out considerable less on average for productive economic activities like investing in their children's education or pursuing their own occupations than they did for unproductive economic activities.

Table -1.5: Causes of Incurring Debt by the Slum Households

Source: Field Data

SI. No.	Causes of Debt	No. of HHs	Amount
01	For Business/Occupation	52 (21.58)	1269
02	For Subsistence needs	96 (39.83)	6964
03	For Diseases and Sickness	37 (15.35)	11373
04	For Education of Self/ Family Member	2 (0.83)	17000
05	For Social obligations/rituals	40 (16.60)	21948
06	Others	14 (5.81)	10336
	Total	241 (100.00)	11643

8. KEY FINDINGS

- Bhubaneswar, one of India's fastest-growing cities, has lost its former planned status as a result of the recent expansion of the informal sector and the large development of slum dwellers.
- The majority of wage workers-2/3 work in the manufacturing and service/industry sectors. The remaining people work in trade, business, transportation, etc.
- Due to the nature of these businesses, around two thirds of the workforce is employed in the unorganized sector, with the remainder working for private businesses, the government, etc.
- Employees in the formal sector earn wages that are around 15% more than those in the unorganized sector.
- While there seems to be a significant correlation between age and wages in the formal sector, this is less obvious in the case of the unofficial sector. When it comes to the former, income increases as we move from lower age cohorts to higher age groups, but the relationship is less obvious when it comes to the informal sector.
- We questioned each wage worker in the sample why, despite having low incomes, they did not prefer to work for themselves. About 40% of respondents cited a lack of money as the reason they did not wish to start their own firm. Even more intriguingly, 37% said they would never participate in such activities. There is evidence that the wage workers in slums are reluctant to accept raises. 70% of people who were asked if the government could assist them thought it could.
- Given that roughly 52% of people established their own businesses because they were unable to find a wage job or because their health prevented them from working, it can be inferred that their poor incomes led them to consider self-employment as a secondary option.
- The majority of self-employed people work in the manufacturing, food, and trading industries. Only one-third of them are connected to the outside market, while about two-thirds serve their fellow slum residents. Nearly 40% of them were long-term unemployed before becoming self-employed, and around half of them make less money each month than the average income for wage workers.
- Some of the self employed who have hired wage employees (small capitalist producer) working for them earn nearly double the mean wages. They are mostly linked with the manufacturing and other similar set ups.

9. POLICY REPERCUSSIONS

Despite the fact that over 30% of Bhubaneswar's residents live in slums, neither the general public nor the government in particular have paid any attention to these unhappy individuals' needs. The slums are frequently portrayed as "atrocities" that should be removed for whatever reason. The general public's apathy toward slum dwellers is made worse by stereotypes that depict slums as places of gloom, despair, and poverty. The government has not yet developed a suitable action plan to raise the lot of slum residents. Additionally, in recent years, slum-related policy measures have shifted from being focused on relocating and rehabilitation to being focused on eviction. The bulk of slum dwellers are migrants to the city, who themselves are victims of uneven growth processes, social injustice, and inequities, although this reality receives little attention. Here, it is important to emphasize the necessity for a comprehensive strategy that considers all relevant factors, including social, economic, political, cultural, etc., when formulating any policy or plan for slum improvement. Among the crucial issues that must be addressed in this situation are:

- The state implementing policies and programmes with the active participation of civil society for the socioeconomic upliftment of the socially underprivileged segments of the population.
- The proper execution of employment programmes in rural areas and the stringent enforcement of land reform policies throughout all states
- The creation of legislation that take the needs of house living slums into account. This should entail giving existing slum clusters legal recognition and trying to improve the living circumstances in these regions. When relocating slums, care should be taken to ensure that the slum occupants are not adversely affected.
- Coordination and cooperation among the many organizations trying to improve slum conditions, ensuring that these organizations are free from corruption and bureaucracy and that their slum development policies and programmes are consistent.
- The inclusion of slum spending as a line item in the federal budget and the distribution of funding to the states for the execution of slum development initiatives.
- Implementation of funded programmes for the educational improvement of slum groups, notably of those belonging to the disadvantaged groups, and for the provision of funded career-focused training programmes close to the slums.
- The correct use of minimum wage regulations and the revision of laws to safeguard unorganized sector workers from exploitation.
- Providing subsidized medical and educational facilities close to the slums and giving ration cards to slum residents, including those who are migrants from abroad. Providing the slum residents which access to electricity and clean water.
- Slum residents should have easy access to financing with low interest rates and effective monitoring to prevent payment defaults.

10. CONCLUSIONS

It must be acknowledged that the slum problem is a national issue, and that the structural inequities of the society are its root cause. As a result, a national policy is needed, and the federal and state governments must work together to implement it. Accepting the expansion of slums as a result of the unequal system allows for the adoption of "Prevention and treatment" measures. Socio-economic reforms, such as land reforms, employment guarantees in rural regions, restriction on the concentration and expansion of enterprises, and the development of alternative towns and cities outside the metropolitan area, should all be part of preventive measures. Upgrading current slums with the use of a long-term environmental rehabilitation programmes to provide alternative locations and services programmes should be included in evolving national town planning measures to developing more practical and national master plans. It should cover a wide range of topics, including development of alternative settlements, extension of integrated delivery systems to dispersed populations, and provisions for alternative employment programmes.

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