CHAPTER VII

SUMMARY AND CONCLUSION

The most important aspect of change occurring to the world population, besides rapid growth, is its fast urbanization. As in many other developing countries, in India, recently, there is larger urban growth than is justified by the degree of industrialisation and economic progress by the standard witnessed in the growth of cities in the West. Moreover, in the past three decades or so, much of the urban growth has occurred in big cities, particularly in the metropolitan cities, and a high proportion of this is contributed by rural-urban migration.

People are attracted to the cities with the expectation that they will be able to find a way of life and higher standard of living. In most cases migrants have become competitors in the supply of labour over which they have least control. Driven by the force of circumstances, they engage in odd jobs in the informal sector with low remuneration and no security. In short, since the increase in population has tended to move faster than economic advancement, the avenues of productive employment have become scarce and as a result unemployment/underemployment and poverty are widespread.
For a sizeable proportion of the population, even survival has become a problem. These people live in impoverished slums and squat on the pavements in deplorable living environment without access to basic amenities and essential services.

Madras, the capital of Tamil Nadu is the largest city in South India and the fourth largest city in India. Just a fishing village at the time of British colonisation (1639), Madras has evolved over the years into a town, then into a city, and on the eve of independence (1947) into a metropolis, which is still growing. Madras is a fully urbanised district, which accounts for one-fifth of the state’s urban population. As in the case of other metropolitan cities of India, the shifting of people to Madras has not occurred in response to larger need for increased labour requirement. Over the years the number of jobs created in the city has not been on a large scale to absorb the entire job seekers. Only a small proportion of the work force is able to occupy jobs with higher earnings in the modern industrial and associated sectors. As a result, people are forced to engage in informal sector activities with low income earning capacity.

The slums of Madras are not new. In fact, many of them are as old as Madras City itself. But, in
recent years, there has been a tremendous expansion in the number of slums and large increase in the slum population of Madras City. For instance, while the population of Madras City has grown by 2.6 times during 1951-91, the slum population has risen by 4.7 times during the same period.

Available evidences indicate that more than four-fifths of the work force in the slums of Madras City are engaged in informal sector activities. Many of them earn income not even adequate to meet the basic requirements of life. They retain a life at the verge of poverty and their survival is a question of hard fight to win their daily loaves of bread. In the present study, attempt was made to analyse the structure and pattern of employment, income formation and expenditure pattern of slum dwellers in Madras City based on the information gathered from 249 slum households through field survey.

Demographic and socio-economic characteristics of the respondents and the members of their households were examined in detail on the basis of the information provided by them. Analysis of data has indicated that an overwhelming majority (80.6 per cent) of the 249 sample households were headed by males, most of whom were in their middle ages. Of the 32 female head of
households, 62.5 per cent were above 50 years of age, who comprised mostly widows, separated or divorced persons. While 85.6 per cent of the respondents were Hindus, the rest formed Christians and Muslims. Adidravidars constituted the largest caste group among Hindus forming 32.9 per cent of the total respondents. Other prominent caste groups were Naickar, Naidu, Asari and Vanniar, who collectively formed 34.5 per cent. Backward Caste respondents constituted 49.4 per cent followed by Scheduled Caste (31.7 per cent), Forward Caste (4.0 per cent) and Scheduled Tribe (0.4 per cent). Thus, it can be inferred that majority of the dwellers in the mushrooming slums in Madras City constituted the socially underprivileged sections of society.

While 56.7 per cent of male respondents were literates, they constituted only 34.4 per cent among females. Even though the literacy rate of the respondents was more or less equal to the state average, most of them had completed only primary level education. As a result, their educational attainment happened to be inadequate to gain entry into the formal sector. Naturally, almost all of them had to be contented with informal sector occupations. As far as the literacy status of the family members is concerned, the study has indicated that 76.9 per cent of the males and 49.5 per cent of the females were literates; 28.5 per cent of the
children in the school-going age were not attending schools.

Analysis of data has showed that there were 1401 persons in the 249 sample households. The average size of the household was computed as 5.6, which indicated that the slum households in Madras City, in general, have large families. Nuclear type families constituted 74.4 per cent of the total households, while the rest formed joint families. Age-wise distribution of the sample population showed that 37.9 per cent were children (11.6 per cent below 5 years and 26.3 per cent between 5 and 14) and 56.8 per cent were in the working age group (15-59 years). Data on the marital status indicated that 73.7 per cent of persons above the legal age at marriage (i.e., 21 years for males and 18 years for females) were married. Examination of the nature of relationship of the household members to the head of the household indicated that 78.6 per cent were first-degree-kins.

The classification of households according to migratory status revealed that 58.2 per cent were migrants and the rest were residents. Majority of the migrants had moved to the city from the neighbouring districts. The study has clearly indicated that longer the duration of stay in the city, the migrants' link
with their places of origin weakened. It was interesting to note that almost all the respondents wanted to settle down in Madras City despite their awareness about the degraded environment in which they had to live.

The low standard of living and the degraded physical environment to which the slum dwellers were exposed to was reflected in their poor health condition. When asked about their overall health status, the respondents, in general, reported that they used to suffer from one complaint or other. The information provided by the respondents indicated that dysentery, diarrhoea, malaria, typhoid, jaundice, etc., were endemic among them. The affliction of some of the fatal diseases were caused by the congested and contaminated environment, lack of proper civic amenities, and inhabitation with all sorts of vermins. Females accounted for 56.1 per cent of the sick persons in the respondent slum households. Most of the sick persons reported that they used to get treatment from Government hospitals.

Despite low levels of income, the slum dwellers had cultivated quite a few personal habits which used to siphon off their earnings. Seeing films was the most common habit among men, women, children and the aged.
Many of them had reported that they were in the habit of smoking and chewing. Liquor addiction was reported to be the major reason for the drain on income for many households. In fact, there were 203 liquor addicts among the respondent household members. Most of them reported that they quite often resorted to buy lottery tickets, thereby losing a part of their meagre earnings.

The study has indicated that wage employment was the prominent economic activity of the slum dwellers. Of the 420 wage employees, 86.6 per cent were engaged in unskilled manual work in construction and industry. Only 11 per cent of the wage employees were occupied as skilled workers. As a matter of fact, most of the essential services of the city were provided by them at low wages revealing the exploitation under the conditions of intense competition and extreme poverty. Analysis of data regarding occupation of wage employees and their duration of stay in occupations has revealed that longer the duration of stay, greater was the tendency to switch over from low income opportunities to better ones. Analysis of data has also shown that there existed a strong tendency to shift from traditional caste based occupations to non-traditional occupations that would provide them better employment, higher earnings and better status.
As many as 91.7 per cent of the wage employees reported that they had got into their jobs through relatives and friends; Employment Exchange had limited role in providing information about the sources of employment. Skilled manual workers and semi-professional workers were found work to more days in a month. On an average, the wage employees used to work 19.25 days in a month. Most of the wage employees (98.6 per cent) reported that they had to work outside their slums. Of those who worked outside the slums, 63.1 per cent reached their worksites by walk, 23.8 per cent by bus and 1.6 per cent were by train.

Analysis of information provided by the wage employees has indicated that 86.2 per cent of them were not satisfied with their occupations. Out of the 362 such persons, 56.6 per cent were dissatisfied with their job owing to meagre earnings and the remaining were not happy with their job due to poor working conditions, lack of job security, etc.

The study has revealed that there were 76 self-employed persons. Of these, 38.2 per cent were engaged in hawking and vending, 28.9 per cent were involved in petty business, 11.8 per cent in transport, 6.6 per cent in repair and servicing and the remaining 11.8 per cent
- in traditional occupations such as laundry, hair dressing and fishing.

As many as 64.5 per cent of the self-employed persons reported that they had no specific skills. Some of them reported that they had acquired some skills through on-the-job experience. There appeared to exist no systematic working time for most of the self-employed units. The mean hours of work undertaken by the self-employed persons was 11.4 in a day, which indicated the existence of long hours of work. While those who were engaged in repair and servicing had to work longer hours (on the average 13.4 hours), hawkers and vendors, on the average, used to carry out their work for lesser hours (9.9 hours). On the whole, transport workers, mainly rickshaw cyclists, had to work longer hours owing to the discreetness in engagement of the rickshaws.

An important aspect revealed by the study was that most of the self-employed units and trades had very meagre investment. The value of fixed capital varied between Rs. 75 and Rs. 13,500, with a mean capital investment of Rs. 631. Investment incurred on the purchase of raw materials formed the major portion of the working capital. Many of the self-employed persons stated that although they required financial assistance for the purchase of tools, equipment and raw materials,
they could not avail loans from banks and as a result they had to resort to loans from marwadis, friends and relatives at exorbitant rates of interest.

Information provided by the self-employed persons regarding improvement of their business indicated that, in general, they did not experience any change in their earnings over a period of time. Nearly two-thirds of the self-employed persons were serving clients outside the slums. Lack of finance and business premise were the two important difficulties experienced by them. As many as 78.9 per cent of the self-employed persons had reported that they were not satisfied with their business. Analysis of data regarding earnings revealed that 85.6 per cent of the self-employed persons earned between Rs. 200 and Rs. 600 per month, while 93.1 per cent of hawkers and vendors earned below Rs. 600 per month, almost all of those who were engaged in repair and servicing earned above Rs. 600 per month.

The sample households consisted of 44 unpaid workers; of them, 86.4 per cent were unmarried, and 65.9 per cent were literate. It was found that 40.9 per cent of the unpaid workers were engaged in family enterprises. As many as 34.1 per cent of the unpaid workers were working with a view to gain skills. Generally, unemployed youth opted for unpaid employment on the hope
that the on-going training would facilitate entry into labour market. Of the 44 unpaid workers, 52.3 per cent were involved in marketing, 18.2 per cent in tailoring, 11.4 per cent in servicing units and 6.4 per cent as mechanics. It was reported that 54.5 per cent of the unpaid workers were engaged 8-12 hours in a day and most of them had to work on all the days in a week.

Analysis of data regarding the distribution of households according to monthly household income has indicated that majority of them had low income (i.e. between Rs.300 and Rs.600 per month). The average monthly household income for the 249 sample households was Rs.587.7, while the average per capita income came to Rs.110.7 per month. For all the income groups, a consistent rise in average monthly income and per capita income was recorded as the income level increased. The study has revealed that the household income was derived mainly from the earnings by head of the household. On an average, 58.7 per cent of the total household income was contributed by the head of the household, 32.5 per cent by other household members and 8.8 per cent by other sources. Although the contribution of head of the households was higher in the lower income groups, their share tended to show a declining trend as income level increased. This was due to the fact that the higher income households were typically multi-earner households.
The study has shown that the households in the higher income ranges had large families, while small families predominated the lower income group households. Detailed analysis of data indicated a positive correlation between household size and household income (0.31), while household size was negatively correlated to per capita income (-0.19). Households with higher incomes were multi-earner households and it might be due to the presence of more members in the working age group, and existences of child labourers and aged workers. It is interesting to note that the ratio of dependents to earners declined with increase in household income.

Literacy level of the head of the household correlated positively with household income. Most of the illiterate head of the households belonged to the lower income groups; i.e., higher the literacy level of the head of the household, greater was the household income. The age of the head of the household also positively correlated to household income. Further analysis of data revealed that the average age of the head of the household in the income group of below Rs.300 was 23 years, while it was 43 years in the income group of Rs.1,200 and above.
Contrary to the contentions of the urban dualistic models of rural-urban migration, the average monthly household income and per capita income of migrants were higher than that of residents. The residents were mostly found in the traditional and unskilled occupations with lower wages where horizontal mobility is very common. Analysis of household income of owner and tenants indicated that the average monthly household income of the former was higher than the latter. While the monthly per capita income of owner households was lower than the tenants. Such a paradox could largely be attributed to the small family size of tenants.

Analysis of data has revealed that household income varied among different religious and caste groups. The highest average monthly household income of Rs. 596.0 was found among Hindus followed by Muslims and Christians. The monthly per capita income of Hindus was Rs. 114.9 followed by Christians (Rs. 113.3) and Muslims (Rs. 101.5). From this point of view, it might take more sense that the distribution of income among different income groups did not show much variation. The household income among different community and caste groups exhibited relatively higher variation. The effects of variation in occupational structure among
them might be the reason for the differences in average household income. The Scheduled Caste households had the highest average monthly household income, which was due to higher female participation rate among them. The Forward Caste households had the highest per capita income (Rs. 131.5), while the Backward Caste households had the lowest per capita income (Rs. 109.4). Analysis of household income of different sections proved that, on an average, the household income of the slum dwellers was very low and the variation of income among different categories of households was also very low postulating the concept of ‘equality in poverty’.

Considering household income as the criterion variable and household expenditure, household assets, household savings and adult equivalent size as the predictor variables, attempt was made to understand the multidimensionality of household income. The correlation matrix indicated a high degree of correlation of 0.829 between household income and household expenditure. The correlation values of household income among other variables such as household adult equivalent size, household assets and household savings worked out to 0.490, 0.299 and 0.227 respectively. On the whole, household expenditure and household adult equivalent size emerged as the prominent predictors of household income.
Multiple regression analysis has indicated household expenditure as the most significant variable statistically. The 't' value was high and the 'p' value was significant at 0.000 level. The sign of the coefficient was positive, implying that households with more expenditure had to earn more. At first sight, the inclusion of household expenditure as a predictor variable for income determination would imply reverse causation. But in reality, households which spend more are highly motivated to earn more. Though a dynamic model would capture this effect in a better fashion, the attitude of the respondents was such that whenever the expenditure was more, they used to undertake odd jobs to supplement their income. Hence a static model was quite appropriate to account for this phenomenon. This variable also had the expected positive sign and statistically significant at 0.000 level seen from the 't' value.

The second important variable influencing household income was household assets and the 't' value of the variable was found to be significant at 5% level. The third variable (household debt) was significant at 0.006 level and the sign of the coefficient was negative, implying that higher the debt lesser would be the household income. The most economically significant variable was household adult equivalent size. It is
evident from the value of the coefficient that if the
household adult equivalent size increased by one unit,
household income rose by Rs.15.58, on an average, other
things remaining the same. The 't' value of the
variable was significant at 0.013 level. The overall
goodness of fit of the model with four predictor
variables was shown by the adjusted coefficient of
determination. The adjusted coefficient of determination
was more than 70 per cent. The error term covered only
30 per cent. Moreover, the F value was found to be
highly significant at 1% level.

Based on household consumption data the mean and
per capita expenditure per month was worked out as
Rs.582.1 and Rs.111.5 respectively. The adult equivalent
expenditure was computed as Rs.140.9 per month. The
distribution of households in different expenditure
ranges showed that 63.9 per cent of the households
incurred an expenditure between Rs.300 and Rs.600 per
month. Distribution of household expenditure of
different income groups showed that the proportion of
households who had excess of income over expenditure
gradually increased while income increased.
Nevertheless, a majority of the households stated that
they had to contain the expenditure within their income
limits.
The consumption pattern of the households revealed that as much as 68.7 per cent of the total expenditure was made on food and food preparation alone, the basic necessities of life including food, shelter, clothing and transportation formed 84.0 per cent of the total expenditure. The proportion of expenditure on food declined with the increase in income. The reverse was the case with regard to non-consumption expenditure. The increase in expenditure on food was mostly on the consumption of larger quantities of food. It was found that the average expenditure on tea was significantly high in all the income groups. Since the slum dwellers live in huts, the expenditure on shelter was substantially low. Many households reported that they used to buy second-hand cloths from platforms, while some got used cloths. The average expenditure on cloth was only 5.3 per cent of the total expenditure. The expenditure on habits, recreation and entertainment came to 10.2 per cent. Though under very difficult financial situations, they managed such expenditure and could not get over from them. An important point to be noted is that a greater proportion of the expenditure went towards the consumption of food items.

Detailed examination of data has indicated that household income, household debt and household adult
equivalent size were positively correlated with household expenditure, whereas household assets was negatively correlated. Though household savings positively correlated, its impact on expenditure was found to be insignificant. Similarly the multivariate analysis of the correlates of household expenditure has indicated that household income, household adult equivalent size and household debt were positive and significant at 0.000, 0.008 and 0.013 level respectively. The overall fitness of the model explained by the adjusted coefficient of determination keeping household expenditure as the criterion variable with the four predictor variables (household income, household debt, household assets and household adult equivalent size) explained 70 per cent of the correlates of household expenditure. The high 'F' value also supported the overall significance of the results.

The study has indicated that only a small proportion of the slum dwellers used to save money. However, majority of those who saved money, did so inorder to repay the existing debts and for social and family ceremonies. Analysis of data revealed that because of low income and savings, 88 per cent of the respondents borrowed money for one purpose or
other. It was found that the informal credit mechanism served most of their financial needs. As many as 38.8 per cent had taken loans from marwadis/pawn brokers. Most of the credit agencies took undue advantage of their illiteracy and ignorance. It was observed that 56.6 per cent of the total loans were availed for meeting consumption expenditure; the interest rate charged by most of the informal agencies ranged from 36 to 120 per cent. Information regarding ownership of asset revealed that slum households possessed very limited value of assets. The mean value of household asset worked out to Rs. 5082.2. Hut was the single most important asset accounting 43.7 per cent of the total asset.

Overall, the study has revealed that a greater proportion of the slum dwellers in Madras City constitutes the rural migrants who have come to the city in the hope of finding better opportunities and higher incomes. Being unable to find opportunities in the urban industrial and associated sectors which ensure higher wages, the slum dwellers are in general pushed to poorly paid informal sector activities. Having deprived of access to higher incomes, they are unable to meet even the basic requirements of life and lack access to essential services and basic amenities.
While struggling to meet the basic requirements, they try to form income through different means. In many cases even women, children and the aged persons involve in income earning pursuits. Yet most of the slum households fail to form income enough to move up the income ladder and integrate into the rest of the society. The study has indicated that variation of income among different categories of households was not significant postulating the concept of 'equality in poverty'.

To sum up, it can be concluded that in the absence of access to higher education and better employment, the slum dwellers can have little hope to participate in social development and progressively share the gains from new opportunities. Unless massive efforts are taken by the Government and other public and private organisations to help them to improve their educational attainments and skills thereby enabling them to gain opportunities in the urban industrial and associated sectors which ensure higher wages, the slum dwellers will have to struggle hard for survival and will remain as an isolated lot in abject poverty and destitution. It is not out of context to state that increasing concentration of people in the slums has caused severe imbalances thereby making the process of economic development and social change more severe and painful.