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IMPACT OF MEPMA ON URBAN POVERTY IN GUNTUR MUNICIPAL CORPORATION IN ANDHRA PRADESH

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ABSTRACT

The main objective of the paper is to study the poverty and review the poverty alleviation programmes in India and Andhra Pradesh and to study the impact of Self Employment Programme on poverty alleviation in the study. The paper is based on primary data; such data is collected from the 600 sample respondents in Guntur Municipal Corporation in state of Andhra Pradesh. Among the 600 respondents 300 respondents are beneficiaries from the self employment programme under MEPMA and 300 respondents are non beneficiaries in the study area. These 600 respondents are selected through list from the MEPMA and other sources. The empirical analysis clearly shows that, according to 50 percent of DPI analysis it clearly shows that the incidence of poverty is high in service, transport and artisan occupations in both non-beneficiaries and beneficiaries, whereas it is lower in trade and commerce occupation and manufacturing occupation in both categories of beneficiaries and non-beneficiaries. The incidence of poverty is 24.30 percent high on artisan non-beneficiaries than that of beneficiaries, followed by transport non-beneficiaries (24.28 percent) higher than that of beneficiaries, 23.99 high on manufacturing, whereas least in trade and commerce occupation and beneficiaries. According to 1.25 dollar, the data shows that 16.00 percent and 36.33 percent of beneficiaries and non-beneficiaries live below poverty line in the study area.



KEYWORDS: Poverty, District per capita income, Guntur, Andhra Pradesh, Urbanization.

INTRODUCTION

According to the "World Urbanization Prospects" 54 percent of world's population was residing in urban areas in 2018 as against 30 percent in 1950. The report states that the urban population of the world had grown rapidly from 746 million (30 percent of the world's population) in 1950 to 3.9 billion (54 percent of the world's population) in 2018. According to the report, Asia was home to 53 percent of the world's urban population despite its lower level of urbanization. It was followed by Europe (14 percent) and Latin America and Caribbean (13 percent). Most of the developed countries have now around 70 percent of their population residing in urban centers. Though the level of urbanization in the developing countries is currently low, it is indeed in these countries that urbanization is intensely happening at present. As estimated by the report, the world's urban population is likely to increase by another 2.5 billion by 2050 with concentration of nearly 90 percent of the increase in Asia and Africa.

India, China and Nigeria are expected to account for 37 percent of the projected growth of world's urban population between 2014 and 2050. Considered region-wise, most developed regions in the world have a proportion of 78 percent of urban population in 2018, recording an increase of 6 percent since 1990. The proportion is likely to become 85 percent by 2050. This proportion is expected to increase from 48 percent to 63 percent (an increase of 15 percent) in less developed regions and from 31 percent to 49 percent (an increase of 18 percent) in the least developed regions.

URBANIZATION IN INDIA

India has been urbanizing. The share of urban population in the total population of India increased from 10.84 percent in 1901 to 31.2 percent in 2011. The urban –rural ratio increased from 12.16 percent to 45.35 percent in the same period. The number of cities/towns rose from 1917 to 1935. The number of million plus cities which stood at one in 1901 soared to 53 in 2011. As per 2011 census India's urban population is 377.1 million. There are 4041 statutory towns, 3894 census towns, 475 urban agglomerations and 981 outgrowths in 2011 as against 4041 statutory towns, 1362 census towns, 384 urban agglomerations and 962 outgrowths in 2011. As per the Census of 2011, 160.7 million is urban population which accounts for 13.3 percent of the total population of the country and 42.6 percent of the total urban population lives in million plus cities. The population living in Class- I cities as a percent of total urban population increased from 21.0 percent in 1901 to 68.6 percent in 2011. Urbanization is one of the indicators of economic development. Urban economy has a significant share in the country's GDP. As per the 12th plan approach of the Planning Commission of India, the pace of urbanization was set to accelerate as the country experienced a more rapid growth due to implementation of economic reforms, the surging growth and consequential increase in employment opportunities in the cities. Thus, urban expansion in India, is expected to happen at an unprecedented pace in future. Urbanization is one of the economic issues that has been attracting the attention of policy makers as well as researchers. While cities are considered engines of growth, they are also breeders of slums.

MEPMA Mission

The Government of Andhra Pradesh agreed to use a mission mode approach to deal with different aspects of poverty in all of the state's urban areas in order to eliminate the increasing urban poverty. The Government of Andhra Pradesh set up a society called Mission for Elimination of Poverty in Municipal Areas (MEPMA), which was registered under Andhra Pradesh Public Societies Registration Act, 1350F with functional autonomy. The Government clearly spelled out the structure at State and district levels, management support, staffing and programme management strategy. It is designated as Nodel agency for implementation of SJSRY, RAY, USHA and street vender policies.

The Mission for Elimination of Poverty in Municipal Areas (MEPMA) is a Government of AP Society forming part of Department of Municipal Administration & Urban Development. It was launched on **1st September, 2007** by the then UPA Chairperson. The Principal Secretary, Municipal Administration, is the chairman of MEPMA's Executive Committee. Mission Director, MEPMA, and her team implement the urban poverty alleviation schemes. The district units are headed by Projects Directors.

Objective of MEPMA

Objective of the mission is to formulate policies and programmes for the implementation of poverty alleviation in urban areas.

To look after the activities of the MEPMA a governing body was set up under the chairmanship of Chief Minister of the State at State level. It is headed by Mission Director. At the District level Project Management Unit (DPMU) with District Collector as Chairman of the unit and District Project Officer as functional head and a ULB levelheaded by Town Project Officer who would be responsible for implementing the activities. The impact of Self Employment Programme on Poverty in the study area. The fact that a person is unable to maintain a minimum socially accepted level of standard of living is regarded as the root cause for low levels of health and educational outcomes. It leads to poor access to

clean water and sanitation, inadequate physical security, lack of voice, and insufficient capacity and opportunity for mobility. In the previous chapter the study has discussed the socio-economic status and the income, employment, consumption, indebtedness and poverty among beneficiaries and non-beneficiaries in Guntur Municipal Corporation of Andhra Pradesh which clearly shows that there is low income from occupations and that income is not sufficient to meet the daily expenses. The incidence of indebtedness is very high among the beneficiaries and non-beneficiaries in the Guntur municipal corporation. Hence, in this context the researcher has made an attempt to analyse the income and consumption based poverty levels of the sample households in Guntur Municipal Corporation discussed on the basis of various exports group methodology.

Objectives: the main objectives of the paper is to study the mission and objectives of MEPMA and to study the impact of Self Employment Programme on poverty alleviation in the study.

METHODOLOGY:

The present study is based on primary data; primary data is collected from the selected respondents in the study area by using structured and a pre-tested schedule. The data collected from the respondents such as socio-economic and demographic data, income, age, occupation, education, awareness, and sources of awareness, efficiency of implementation agencies, benefits received under urban poverty alleviation schemes and impact of poverty alleviation programmes. According the sources of GMC there are 6002 respondents were listed from these selected 11 slums. Among the 6002 respondents 3003 are beneficiaries and the remaining 2999 are non-beneficiaries under the SEPUP programme in Guntur Municipal Corporation. After arranging the list of beneficiaries and non-beneficiaries slum wise, the size of the sample for each slum is fixed at ten percent of beneficiaries and non-beneficiaries in the respective slum. Out of the listed 6002 samples 300 are from beneficiaries, 300 are from non-beneficiaries. Thus altogether 600 respondents were selected through the percentage of the slum's beneficiaries and non-beneficiaries.

RESULTS OF THE STUDY

The impact of Self Employment Programme on Poverty in the study area. The fact that a person is unable to maintain a minimum socially accepted level of standard of living is regarded as the root cause for low levels of health and educational outcomes. It leads to poor access to clean water and sanitation, inadequate physical security, lack of voice, and insufficient capacity and opportunity for mobility. In the previous chapter the study has discussed the socio-economic status and the income, employment, consumption, indebtedness and poverty among beneficiaries and non-beneficiaries in Guntur Municipal Corporation of Andhra Pradesh which clearly shows that there is low income from occupations and that income is not sufficient to meet the daily expenses. The incidence of indebtedness is very high among the beneficiaries and non-beneficiaries in the Guntur municipal corporation. Hence, in this context the researcher has made an attempt to analyse the income and consumption based poverty levels of the sample households in Guntur Municipal Corporation discussed on the basis of various exports group methodology.

Selected sample respondents

The data shows the distribution of respondents by occupation is presented in the table-1. It may be observed that out of the total 600 beneficiary 300 are are non beneficiary respondents and remaining 300 are beneficiaries. Among the beneficiaries, majority being (30.33 per cent) are service sector occupation, followed by 24 percent of Trade and commerce sector (72), 21.67 percent of manufacturing sector (65), 16.33 percent of artisans (49) and 7.67 percent of transport. In case of Non beneficiary, out of 300 non beneficiaries, majority of respondents 29.33 per cent non beneficiaries are engaged in service activity, followed by 25 per cent per cent of them engaged in artisans, 23 per cent of non beneficiaries are engaged in trade and commerce activity, 14.67 per cent of non- beneficiaries are engaged in manufacturing activity in the study area.

Table-1 selected respondents in the study area

Occupations	Beneficiaries	Non Beneficiaries	Total
Manufacturing	65 (21.67)	44 (14.67)	109 (18.17)
Trade & Commerce	72 (24.00)	69 (23.00)	141 (23.50)
Artisans	49 (16.33)	75 (25.00)	124 (20.67)
Service	91 (30.33)	88 (29.33)	179 (29.83)
Transport	23 (7.67)	24 (8.00)	47 (7.83)

Source: Primary data

I. District PCI Criterion at 50 percent:

As per the PCI criterion, the poverty line worked out to 50 percent of the expert group criterion. The second method is to define poverty in relation to contemporary standard of living by drawing the poverty line at, say half the average income level of the district. Per capita income of Guntur at current prices for the year 2023-24 is Rs. 2,69,825/-. The formula for finding the income level of households which constitute below poverty line can be worked out as follows:

$$\text{PCI of District Cut off income} = \text{Per Capita Income of District} / 2$$

$$= 269825 / 2 = 1,34,913$$

Prevalence of Income-based Poverty:

People living below the poverty line are presented occupation wise in the Table-2, which is worked out on the basis of income as per the Expert Group Criterion. The fifty percent of State per-capita income considered poverty line as Rs.1,34,913/- . The table-1 clearly shows that above 34.50 percent beneficiaries and non-beneficiaries live below poverty line in both Guntur Municipal Corporation except trade and commerce occupation respondents. The intra occupation category and beneficiary and non-beneficiary analysis observed that there is slight variation among the occupation categories between the two groups. Nearly 21.70 percent, 47.33 percent of beneficiaries and non-beneficiaries live below poverty line in Guntur Municipal Corporation. The incidence of poverty is found to be high in service occupation beneficiaries and non-beneficiaries, which are 27.47 percent of beneficiaries and 51.14 percent of non-beneficiaries, followed by 26.09 percent and 50.00 percent of transport occupation beneficiaries and non-beneficiaries, 20.41 percent and 51.54 percent of artisan occupation beneficiaries and non-beneficiaries, 18.46 percent and 45.45 percent of manufacturing occupation beneficiaries and non-beneficiaries and 16.67 percent and 42.03 percent of trade and commerce occupation beneficiaries and non-beneficiaries live below poverty line in Guntur Municipal Corporation. The above analysis clearly shows that the incidence of poverty is high in service, transport and artisan occupations of non-beneficiaries than that of beneficiaries, whereas it is lower in trade and commerce occupation and manufacturing occupation in both categories of beneficiaries and non-beneficiaries. The analysis clearly shows that the persons living below poverty line is high in service and transport occupation in the study area.

Table-2
Poverty Concentration at Fifty percent of the District Per Capita Income
 (Below Poverty Line Rs.1,34,913 Per Capita Income, per annum)

Occupation Category	Persons living Below Poverty Line			Changes in Poverty levels
	Beneficiaries	Non-beneficiaries	Total	
Manufacturing	12 (18.46)	20 (45.45)	32 (63.91)	26.99
Trade & Commerce	12 (16.67)	29 (42.03)	41 (58.69)	25.36
Service	25 (27.47)	45 (51.14)	70 (78.61)	23.66
Artisan	10 (20.41)	38 (50.67)	48 (71.07)	30.26
Transport	6 (26.09)	10 (50.00)	18 (76.08)	23.91
Total	65 (21.70)	142 (47.33)	207 (34.50)	25.63

Source: Compiled from collected data.

Note: Figures in the parenthesis indicate percentages to the respective totals

The \$ 2 on the World Bank Criterion, i.e.

Following the World Bank’s methodology of \$ 2.00 per day, the poverty line worked out as annual per capita income Rs. 2,72,160/- per annum, per family of beneficiary and non-beneficiary households with per capita income or per capita consumption expenditure below Rs. 2,72,160/- have been considered poor households.

By using the 2 dollars per day method, the occupation wise percentage of beneficiaries and non-beneficiaries living below the poverty is presented in the Table-2. It reveals that the incidence of beneficiaries and non-beneficiaries living below poverty line in Guntur Municipal Corporation is 18.33 percent and 38.67 percent of beneficiaries and non-beneficiaries in study area. In case of beneficiaries, 28.57 percent of artisan occupation beneficiaries live in below poverty line; followed by service (18.68), transport (17.39 percent). Trade and commerce (13.89 percent) and manufacturing (15.38 percent) respectively. In case of non-beneficiaries, the incidence of poverty is found to be high in artisan occupation non-beneficiaries which are 42.05 percent, followed by artisan (41.33 percent), transport (33.33 percent), manufacturing (40.91 percent) and trade and commerce (31.88 percent). The above table clearly concluded that the incidence of poverty is 20.33 percent high in non-beneficiaries than that of beneficiaries. The incidence of poverty at 2 dollar per day is high in non-beneficiaries in all occupations than that of beneficiaries.

III. Determinants of Income-based Poverty

On the basis of well recognized criteria, poverty is measured in terms of per capita income or per capita consumption. Therefore, the factors which affect the per capita income or per capita consumption expenditure of the marginal and small farm-size categories are considered to be the determinants of poverty. The following variables are selected for the final run:

$$Y = f (X_1, X_2, X_3, X_4, X_5)$$

Where, **Y** = Per capita income in Rupees (**Dependent Variable**)
Independent Variables are

- X₁ = family-size (number)
- X₂ = Per capita income from subsidiary occupations (Rs.)
- X₃ = Income from SEPUP
- X₄ = No. of earners in the family
- X₅ = Levels of education

Table-2
Poverty Concentration at 2 Dollars-Occupation wise
(Below Poverty Line Rs. 2,72,160/- Per Capita Income, per annum)

Occupation Category	Persons living Below Poverty Line			Changes in Poverty levels
	Beneficiaries	Non-beneficiaries	Total	
Manufacturing	10 (15.38)	18 (40.91)	28 (26.69)	25.52
Trade & Commerce	10 (13.89)	22 (31.88)	32 (22.70)	18.00
Service	17 (18.68)	37 (42.05)	54 (30.17)	23.36
Artisan	14 (28.57)	31 (41.33)	45 (36.29)	11.43
Transport	5 (21.74)	8 (33.33)	13 (27.66)	11.59
Total	55 (18.33)	116 (38.67)	171 (28.50)	20.33

Source: Compiled from collected data.
Note-1: Figures in the parenthesis indicate percentages to the respective totals
 Note-2: \$ = 84 rupees
 Note-3: Family size is 4.5

This way, an attempt has been made to explain the variations in per capita income among the beneficiaries and non-beneficiaries in the Guntur Municipal Corporation. Variations in the per capita income of the respondents are explained by family-size, income from subsidiary occupations, income from Self Employment Programme (SEP), number of earners and educational levels in the family.

The economic and social status prevailing in both the regions in the study area is different from each other. Therefore, in order to get exact ideas about the factors influencing the income-based poverty, occupation wise and beneficiaries and non-beneficiaries wise regression analysis has been worked out and presented in the table. In the table the estimated regression coefficients show that there is variation in per capita income. The estimated regression coefficients for family size are negative in among beneficiaries and non-beneficiaries (Table-3). The expenditure on education is positive in both the regions, but it is significant in beneficiaries and non-beneficiaries. The number of earners in the family is positive but it is significant in beneficiaries region. The values of R² value is 0.78 in beneficiaries and 0.72 in non-beneficiaries in the study area. The intra occupation analysis also reveals that the regression coefficient for the income from subsidiary occupation is positive in service occupation in both the beneficiaries and non-beneficiaries, but it is significant among all the occupation categories in non-beneficiaries. The regression coefficient for expenditure on education is positive in both beneficiaries and non-beneficiaries of all occupational groups, but it is significant in trade and commerce and service occupation households in beneficiaries than those are in service and artisan in non-beneficiaries. The regression coefficient for family size is negative in both beneficiaries and non-beneficiaries, but it is significant among trade and commerce, manufacturing and transport occupation

households in beneficiaries. The number of earners is positive in both beneficiaries and non-beneficiaries in Guntur Municipal Corporation, but it is significant in beneficiaries.

The coefficient value of multiple determination range from 0.67 to 0.88 (0.67 by service, 0.70 by transport, 0.85 by Manufacturing, 0.88 by trade and commerce and 0.69 by artisan occupation households in SEPUP beneficiaries group) for non-beneficiaries households ranges from 0.65 to 0.81 (0.65 in service, followed by 0.68 artisan, manufacturing, (0.78), 0.79 in service and 0.81 in trade and commerce in non-beneficiaries of SEPUP) which explains that there is 67 to 88 percent of variation among the beneficiaries and non-beneficiaries in the study area. The values of R² are 0.78 in beneficiaries .0.72 in non-beneficiaries.

The above analysis clearly shows that the contribution of the explanatory variables such as family size, income from subsidiary trade and commerce occupation number of earners and farm size is positive and statistically significant, whereas the regression coefficient pertaining to expenditure on education is positive and not significant in non-beneficiaries. This analysis leads to the conclusion that the better employment opportunities extended to households can help to improve their level of income. The hypothesis proved that the ratio of people living below poverty line is found to be high in non-beneficiaries in all occupation groups is statistically proved.

Table-3
Factors effecting income based poverty among beneficiaries and non-beneficiary households
 (Results of Multiple regression analysis)

Factors	Beneficiaries					
	Trade & Commerce	Manufacturing	Transport	Service	Artisan	Total
Family Size	-0.4312	-0.7442** (2.12)	-0.612 (1.01)	- 0.2675*	-0.502	-0.3657
Income from Subsidiary occupation	0.1808	0.2187 (1.85)	0.2955** (1.80)	0.2790* *	0.2990 (1.80)	0.2944 (1.010)
Level of Education	0.2770** (2.01)	0.3161** (1.62)	0.2670** (2.09)	0.1315	0.1253	0.2134* *
No.of Earners in the family	0.3912	0.4151** (1.51)	0.3122* (1.01)	0.4163	0.4220	0.3018* (1.20)
Income from SEPUP	0.2012* (3.39)	0.2116** (2.050)	0.2507** (2.26)	0.2142* ** (1.10)	0.2211 (1.25)	0.2151* ** (1.12)
R²	0.88	0.85	0.70	0.67	0.80	0.80
	Non- Beneficiaries					
Family Size	-0.2878	-0.3727	-0.5142	-0.602	- 0.2708	- 0.4149*
Income from Subsidiary occupation	0.1975	0.3157	0.5438 (3.32)	0.168	0.1985	0.4735* (3.1)
Level of Education	0.2015** (1.60)	0.2950** (1.57)	0.1809** (1.90)	0.1445	0.2000 ** (1.60)	0.1733*
No.of Earners in the family	0.3213**	0.2142**	0.2878*	0.1094	0.2213	0.2505

	(1.56)	(1.50)	(1.10)		** (1.49)	(1.40)
Income from SEPUP	0.2215** (1.64)	0.287** (2.29)	0.3181* (2.44)	0.2005 (1.10)	0.2115** (1.54)	0.2014 (1.98)
R²	0.81	0.79	0.68	0.65	0.78	0.72

Source: Calculated Sample survey

Note: Figures in the Parentheses indicates t-values, *Significant at one percent, ** Significant at five percent, *** Significant at ten percent

CONCLUSION

According to 50 percent of DPI analysis it clearly shows that the incidence of poverty is high in service, transport and artisan occupations in both non-beneficiaries and beneficiaries, whereas it is lower in trade and commerce occupation and manufacturing occupation in both categories of beneficiaries and non-beneficiaries. According to 1.25 dollar, the data shows that 16.00 percent and 36.33 percent of beneficiaries and non-beneficiaries live below poverty line in the study area.

According to 2 dollars per day, the incidence of beneficiaries and non-beneficiaries living below poverty line in Guntur Municipal Corporation is 18.33 percent and 38.67 percent of beneficiaries and non-beneficiaries in study area. The incidence of poverty is 20.33 percent high in non-beneficiaries than that of beneficiaries. According to all the experts' group methodology regarding income based poverty line is clearly shows that the incidence of poverty is found to be high in Artisan, service and transport occupation beneficiaries non- beneficiaries in the study area and the intensity of poverty is high in non-beneficiaries.

The analysis clearly shows that the contribution of the explanatory variables such as family size, income from subsidiary trade and commerce occupation number of earners and farm size is positive and statistically significant, whereas the regression coefficient pertaining to expenditure on education is positive and not significant in non-beneficiaries. This analysis leads to conclusion that the better employment opportunities extended to households can help to improve their level of income. The hypothesis proved that the persons living below poverty line is found to be high among non-beneficiaries as it is statistically proved in all occupation analysis.

SUGGESTIONS

On the basis of the findings of the study, the following recommendations / suggestions are made.

1. There is a need to improve the literacy rate of the beneficiaries and non-beneficiaries in study area to the level of the literacy rate of the population of the city. This deserves special attention as literacy has a positive influence of the quality of life and productivity. The Sakshara Bharat Mission may be effectively implemented in the slums of Guntur.
2. There is need for the effective implementation of the provisions of Prime Minister's Awas Yojana Scheme, Smart Cities Mission. In this contest, AMRUT scheme may also be useful. In collaboration with the Municipal, Revenue and Health administrations, the initiative needs to be taken by Urban Planning wing of the Guntur Municipal Corporation.
3. The MEPMA people have involve the line department like Scheduled caste, Scheduled tribe, backward caste corporations, SEPUP and other NGOs to create awareness about the MEPMA programmes.
4. Finally, it may be suggested that instead of affording the beneficiaries with free monetary schemes, they are to be provided employment through establishing self employment programmes or micro, small scale units.

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