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## Characteristics and patterns of intergenerational poverty traps and escapes in rural north India

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### What is Chronic Poverty?

The distinguishing feature of chronic poverty is extended duration in absolute poverty.

Therefore, chronically poor people always, or usually, live below a poverty line, which is normally defined in terms of a money indicator (e.g. consumption, income, etc.), but could also be defined in terms of wider or subjective aspects of deprivation.

This is different from the transitorily poor, who move in and out of poverty, or only occasionally fall below the poverty line.

## Abstract

The poverty status of all 4,198 households resident in 18 villages of Rajasthan, India, was examined at four points of time between 1977 and 2010 using a retrospective methodology known as Stages of Progress. Households that were consistently poor at all four points spanning a period of 33 years were regarded as the intergenerational poverty (IGP) group, including the long-term and intergenerationally poor. Characteristics and experiences of this group of households were compared with those of other village households, including, particularly, households that – after being consistently poor at the first three points in time – had overcome poverty before the fourth (and final) measurement. These examinations show how an impoverished inheritance, made worse by a succession of adverse events (mostly of an everyday kind), has trapped households within IGP. School education has made inroads within these villages but this has not yet been deep enough to serve as a viable means for significant upward mobility. External support of two different kinds is required: cash assistance for the permanently disabled and uncared-for elderly; and better means of protection against everyday risks for other poor and near-poor people.

**Keywords:** India, households, inheritance, poverty traps

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## Executive summary

This paper uses a 33-year perspective to examine the multiple characteristics and experiences associated with intergenerational poverty (IGP) traps and escapes in Rajasthan, India. A study undertaken in 2002 laid the groundwork on which the present study builds. Conducted within 61 villages of three districts (Ajmer, Bhilwara and Udaipur) in Rajasthan, that study used the Stages of Progress retrospective methodology to collect information related to the poverty status of each village household at three points in time: 25 years prior to that study (i.e. in 1977); eight years prior (1994); and at the time of that study (2002). A fourth point of observation was added in 2010, when a follow-up study, undertaken within a randomly selected sample of 18 villages, collected information afresh related to the poverty status of all resident households. Information over four points of time spanning the 33 years is available for a total of 4,198 households.

Households that have been consistently poor at all four points in time were classified as IGP households. A random sample was selected in each village for intensive interviews from among households identified as IGP in this manner. Event history interviews were conducted with multiple members of all such households, and a pretested questionnaire was administered. Similar event history interviews were conducted and similar questionnaires filled out – for comparison purposes – among members of other groups of households. Characteristics and experiences of IGP households were compared with those of other village households, including, particularly, households which – after being poor at the first three points in time – had overcome poverty before the fourth (and final) measurement. These households, termed here Group B, serve as a comparison group, helping contrast the experiences of those that were able to overcome chronic poverty with others that have become IGP.

A total of 819 of 4,198 households in these 18 villages (19.5 percent) are IGP. Risk of being IGP varies across different caste and social groups, being highest among Scheduled Tribes (STs) and Scheduled Castes (SCs). STs make up 16 percent of total village population, but as many as 44 percent of all IGP households are STs. SCs also have a higher-than-average probability of being IGP: they constitute 12 percent of village populations, but 18 percent of all IGP households are SCs. Risk of being IGP is also higher for female-headed households, and their prospects of escaping long-term poverty are dimmer. Female-headed households constitute 14 percent of all IGP households, but their share in Group B households is only 4 percent.

Location matters in addition to gender and social group. No matter which particular social group is considered, a greater proportion of households are IGP in villages of Bhilwara district compared with Ajmer district, and the greatest proportions of IGP households are found in villages of Udaipur district. A north-south gradient of increasing IGP is in evidence within this sub-region.

IGP households differ in important respects from those that have managed to escape chronic poverty (Group B). Asset ownership and incomes are markedly lower, on average, among IGP compared with Group B households. Ownership of agricultural land is higher by 40

percent among Group B compared with IGP households. More than 70 percent of IGP households (but fewer than 35 percent of Group households) live in *kuccha* (mud) – and not *pukka* (brick) – homes. Only 5.7 percent of IGP households but more than five times as many Group B households – 28.2 percent – own TV sets of some kinds. There is not a single asset type among the nine examined here that IGP households possess more commonly than people of Group B.

These differences in asset ownership are accounted for in part by an impoverished inheritance. IGP households have inherited fewer assets compared with other village households, on average, inheriting two-thirds as much agricultural land as Group B households. They have also inherited fewer silver and gold ornaments and fewer heads of livestock.

The impoverished inheritance that IGP households receive has been made worse by a succession of adverse events, mostly of an everyday kind. Chronic and serious illnesses, deaths of major income earners, disability, abandonment in old age and indebtedness have affected IGP households more frequently than other village households. These adverse effects have pushed these households deeper into poverty, nullifying the efforts they have made for self-improvement. Households that have suffered from multiple expensive to treat illnesses are common among our group of IGP households, ranging from 43 percent of all IGP households in Bhilwara district to 63 percent in Ajmer district. The corresponding percentages are much smaller among households of Group B and others that have remained consistently not poor, at no more than 21 percent in each case. The permanently disabled and uncared-for elderly individuals are also over-represented among the IGP group. A total of 13 percent of all IGP households have at least one permanently disabled member, usually the male or female head of this household. Not one Group B adult is permanently disabled. Similarly, abandonment in old age and deaths of major income earners are found more frequently in the event histories of IGP households.

Financed by selling assets and taking on debts, adverse events of these kinds push households backward. Three-quarters of all IGP households in Ajmer district have large unpaid debts (higher than Rs. 10,000 or 100 days of wages). In villages in Bhilwara and Udaipur, the corresponding percentages are a little lower: respectively, 64 percent and 58 percent. Among Group B, the percentage of indebted households is much lower: no more than 29 percent in any district. Along with indebtedness, sale of assets is also more common among IGP households. An estimated 37 percent of all IGP households sold one or more asset in order to cope with a family emergency during the eight-year period from 2002 to 2010. The corresponding proportion was much lower among Group B households: 17 percent, or less than half as much as for IGP households.

The combined effects of poorer inheritance and greater adversity (more frequent adverse events) tend to keep IGP households trapped within a dynamic equilibrium. Because they start out with fewer assets, their initial earning capacities are smaller. Vulnerability to adverse events raises the risk of reversals: one step forward is too often followed by two steps back. Providing better protection against adverse events is a critical part of overcoming IGP.

Simultaneously, opportunities for upward mobility, currently quite limited, must also be increased. School education has made inroads within these villages, but not deep enough yet to serve as a viable means for significant upward mobility. Hardly any villager has graduated from high school; in general, educational achievement is not yet very high.

Households that have escaped chronic poverty have in the greatest proportion acquired an additional income source, most often constituted by a labouring opportunity or a small (i.e. micro) business venture in a city. In the eight-year period before 2010, as many as 94 percent of Group B households in villages of Bhilwara district, 84 percent in Ajmer district and 76 percent in Udaipur district acquired some such additional income source, with the help of which they were able to move out of chronic poverty. No other means of escaping poverty has appeared equally viable for the people of these villages. Disabled and elderly people and others not able to travel to cities, such as those with chronic illnesses, are not able to make use of what is often the only available opportunity for escaping persistent – and intergenerational – poverty.

Policy support of different kinds is required in parallel. One set of support is for those who are disabled or elderly, those without family support and households whose main income earner has met with an untimely death. Nothing short of generous grant support is likely to be effective for this group of intergenerationally poor people. A second set of support is required for other IGP households, which can more likely make it on their own, especially if this is facilitated by appropriate forms of assistance. Better protection against adverse events is essential for this purpose. By helping remove the fear of an imminent downward spiral, policies that reduce risks foster hope and encourage effort and investment. A third set of support is required to reform inheritance practices, which are currently biased against women.

## 1 Introduction

While many formerly poor people have escaped poverty, and many others, formerly well-off, have become persistently poor (Baulch and Hoddinott, 2000; Krishna, 2010), those for whom poverty has persisted unrelentingly, generation after generation, deserves special attention. Who are these people? How many are there? What factors keep them pinned in poverty?

Unfortunately, not very much is known in answer to these questions (Bird, 2007). The work of examining intergenerational poverty (IGP) in developing country contexts has only just begun.<sup>1</sup> Identifying the intergenerationally poor is a data-intensive task, with poverty measurements required at multiple points in time for the same individuals. Such extended-period panel datasets are currently being constructed and are not yet available.<sup>2</sup>

The research project reported in this paper represents an effort to advance incrementally the knowledge we currently have about IGP. It estimates the extent of IGP in a particular region of north India and examines the characteristics and experiences of IGP households. Comparing these experiences with those of other households in the same region helps illuminate some factors associated with poverty persistence.

A 2002 study laid the groundwork for the present study (Krishna, 2004). This earlier study, conducted in 61 villages of 3 districts (Ajmer, Bhilwara and Udaipur) in Rajasthan state, was structured using the Stages of Progress methodology (described briefly below). The study ascertained pathways into and out of poverty for different households in these villages and the reasons associated with households' movements into (or out of) poverty.

This and similar investigations undertaken in other parts of India, as well as in other countries, has helped establish how escapes from and descents into poverty are occurring in parallel. Even as some households have moved out of poverty, others have become persistently poor. As such, not all currently poor individuals were born to poverty. Many have *become* poor for particular reasons, which vary across contexts and countries (although ill-health and high health care expenses are commonly involved.) Notably, reasons for descent into poverty are different from those associated with escapes.

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<sup>1</sup> Research conducted within Organisation for Economic Co-operation and Development countries has helped generate some additional insights on this subject. See, for instance, Bowles and Gintis (2002); Corak (2004); Corcoran (1995); Erikson and Goldthorpe (2002); Hout and DiPrete (2006); Jantti et al. (2005); Smeeding (2005); and Solon (2002). Notable examples of early work in developing countries include Behrman et al. (2000); Castaneda and Aldaz-Carroll (1999); Christiaensen and Alderman (2004); Graham (2000); Grawe (2004); Moser (2009); and Perlman (2010).

<sup>2</sup> See, for example, Barrett et al. (2006); Baulch and Davis (2007); Davis (2007); and Quisumbing (2007).

This asymmetric nature of escapes and descents – each flow having a somewhat different set of reasons – implies that two sets of anti-poverty policies are required in parallel, one to address context-specific reasons for descents into poverty, another to simultaneously deal with the reasons associated with poverty escapes. Countries and communities that have simultaneously implemented both sets of policies, protective and supportive, have had the greatest success in fighting poverty (Krishna, 2010).

These earlier studies, their data and their findings constitute the backdrop against which the present study was carried out. The initial 2002 study in Rajasthan selected a mixed group of villages. The 61 villages vary considerably among themselves in terms of important parameters affecting livelihood patterns. They are located at different distances from the nearest town. They are variously large and small; single caste-dominated and multi-caste; with and without indigenous populations and Muslims. Political affiliations also vary, with some villages 'known' to be bastions of the Congress Party and others that fly the flag of the opposition Bharatiya Janata Party. Despite this range of characteristics, quite similar reasons for staying in or moving out of poverty were found to be operating. Section 2, on methodology, shows how these results were obtained.

A follow-up study was undertaken between mid-June and late-September of 2010. The investigators worked within a smaller sample of 18 villages, randomly selected from among the original 61 villages. Information was collected in relation to all 4,198 households resident within these 18 villages at the time of study.

A stylised definition was employed to identify IGP households. The 2002 study had provided us with information related to the poverty status of each village household at three separate points in time: 25 years prior to that study (i.e. in 1977); eight years prior (1994); and at the time of study (2002).<sup>3</sup> The follow-up study added a fourth data point: 2010. The study team went back to the same households in 2010 and re-ascertained their poverty status. As a result of these two sets of investigations, poverty information is available for each household related to four separate points in time.<sup>4</sup> Some households were consistently poor at all four points in time, spanning a total period of 33 years – during which the younger generation has come of age and taken over in many cases. These households were classified as IGP households. Strictly speaking, some of these households may not be *intergenerationally* poor; we have no means of knowing if their parents and grandparents were also consistently poor. Yet, lacking any better means of identification, this group of persistently poor households is regarded here as the IGP group, which – in addition to all those who have

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<sup>3</sup> The process enabling recall information to be elicited reliably is described below.

<sup>4</sup> A total of 38 households had either moved into or moved out of these 18 villages in the intervening six years. We do not have IGP information for these households, so they have been excluded from this analysis.

actually experienced IGP – also includes some other chronically poor people whose parents or grandparents may not, in fact, have been poor.

A random sample was selected in each village for intensive interviews from among households identified in this manner as IGP households. Event history interviews were conducted with multiple members of all such households, and a pretested questionnaire was also administered. Similar event history interviews were conducted and similar questionnaires filled out – for comparison purposes – among members of other groups of households. Comparing characteristics and experiences across these groups of households helps shed light on factors variously associated with escaping IGP and remaining mired in it.

A few conclusions emerging from this analysis can be laid out in brief here. The analysis that follows elaborates on each point and advances the related evidence.

(1) Of the total of 4,198 households resident in these villages, as many as 819 households (19.5 percent) are IGP (as defined above). Compared with other village households, incidence of IGP is higher among Scheduled Caste (SC) households (nearly 30 percent) and highest among Scheduled Tribe (ST) households, more than half of whom were classified as IGP.<sup>5</sup> Partly because ST households are more numerous in southern Rajasthan, incidence of IGP is higher within southern districts compared with northern ones.

(2) IGP households have inherited fewer assets, on average, than other households of these villages. They began at a lower starting point, and they have suffered more on account of adverse events compared with other households of the same villages. Adverse events that have set households on the pathway into poverty – particularly chronic and serious illness, death of major income earners, disability, abandonment in old age and indebtedness – have affected IGP households more frequently. Financed by selling assets or taking on debts, sequences of adverse events have compromised or reversed whatever economic progress IGP households have been able to make.

(3) The combined effects of poorer inheritance and greater adversity (more frequent adverse events) tend to keep IGP households trapped within a dynamic equilibrium. Because they start out with fewer assets, their initial earning capacities are smaller. Vulnerability to adverse events raises the risk of reversals of fortune. One step forward is too often followed by two steps back. Providing better protection against adverse events

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<sup>5</sup> India's Constitution provides schedules listing specific castes and tribes as SC and ST, respectively. Other Backward Caste (OBC), discussed later, is a more recent administrative listing, referring to caste groupings that are neither upper-caste nor listed in the schedules for SCs and STs. Long-term discrimination and economic exclusion are the grounds used for maintaining these schedules and providing specific forms of affirmative action in support of these groups.

is a critical part of overcoming IGP. Policy measures appropriate for this region are suggested toward the end.

## 2 Study methodology

The Stages of Progress methodology initially implemented in these 18 villages in 2002 is a participatory and community-based technique that helps generate a great deal of useful information, particularly about how poverty changes over time. Developed 10 years ago and used in diverse contexts and countries, Stages of Progress has given rise to several notable adaptations.<sup>6</sup>

This methodology, involving a seven-step process, helps ascertain the numbers and identities of poor households – including those who have become poor and those who have escaped poverty. Just as important, it helps elicit the reasons associated with escaping poverty and with becoming poor in any particular context. Households' economic conditions are assessed using a community-generated scale of relative wealth. Assets and capabilities acquired sequentially as a household moves out of dire poverty constitute these stages of progress. Community groups (assembled to include a cross-section of the community) are asked about the asset or capability that a typical household acquires as it rises just above a state of acute deprivation. 'What is the first thing such a family would usually acquire?' the study team asks. 'Food' – or rather, the capability to acquire food on an assured basis – is almost invariably the answer, provided by almost every community group. The next few stages vary in nature across contexts and countries investigated, but they are very similar across different communities of the same cultural zone. For instance, all but 2 of 61 community groups investigated in different parts of Rajasthan mentioned the following 5 stages in the order mentioned in Table 1 – and then drew the poverty cut-off.<sup>7</sup>

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<sup>6</sup> Notable among these adaptations are the World Bank's Ladder of Life methodology (see <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTMOVOUTPOV/0,,contentMDK:20929828~menuPK:2107075~pagePK:210058~piPK:210062~theSitePK:2104396,00.html>); and PAPOLD, another adaption developed by researchers at the World Agro-forestry Center (see [www.worldagroforestrycentre.org/sea/projects/tulsea/sites/default/files/inrm\\_tools/05\\_TULSEA\\_PAPOLD.pdf](http://www.worldagroforestrycentre.org/sea/projects/tulsea/sites/default/files/inrm_tools/05_TULSEA_PAPOLD.pdf)).

<sup>7</sup> Higher-level stages, those above the poverty line, varied somewhat. Depending on whether men or women were consulted, motorcycle/jewellery was sometimes higher on the priority list. But the first five stages were common across men's and women's groups and common as well across all 18 villages studied for this report.

**Table 1: Stages of progress and poverty cut-off (Rajasthan)**

1) Food	
2) Primary education for children	
3) Clothing	
4) Debt repayment	
5) Repairs to house (mainly fixing leaky roofs)	
6) Digging a well/farm implements	<b>Poverty cut-off: Beyond this line, households are no longer considered poor</b>
7) Purchasing dairy cattle	
8) Improvements to housing (furniture/TV)	
9) Buying land	
10) Motorcycle/jewellery	
11) Investing in a business	

These village respondents showed a more or less clear sequence of stages of progress. Material and biological needs (such as food and housing) came first, socially dictated needs (such as wearing presentable clothing and repaying debts) came next, economic development needs came third (including cattle and land) and discretionary or, in this context, luxury needs (such as acquiring a TV set, a motorcycle or jewellery) came last in this order of things. Not all households moved up the economic ladder following exactly the same stages of progress. For example, some households have no children, so capacity to send children to school was not important for them. But these well-recognised stages of progress nevertheless served as a yardstick for assessing households' relative well-being in a community setting with the participation of the people involved.

Poor households were identified as all those that had not so far progressed above this level of capability: they did not have food on a regular basis; they were unable to send their children to school; they were unable to acquire additional clothing (and so had to go about feeling ashamed of the clothes they were wearing); they were unable to repay the debts they owed to others; and they were not able to remain dry even *inside* their homes when it rained. Households that had progressed beyond this point and acquired additional assets and capabilities, including means of irrigation and dairy cattle, were regarded as non-poor. Households' poverty status in previous time periods was recalled by community groups – and independently verified by the households concerned.

A number of safeguards and triangulation procedures have been built progressively into the Stages of Progress methodology, which enable the reliable collection of recall information, after verification. Limitations of space here deny the opportunity to provide a fuller description or to present a reasoned analysis of what this methodology can (and cannot) achieve. The interested reader is referred to [www.sanford.duke.edu/krishna](http://www.sanford.duke.edu/krishna) (which presents the

methodology in detail and where a training manual can be downloaded freely) and to a recent publication that describes the logic of developing this methodology and presents results from investigations in five countries.<sup>8</sup>

The present study provided an additional verification mechanism. Implementing the Stages of Progress methodology in 2010 within many of the same villages where it was implemented in 2002 helped in crosschecking and verifying the earlier information. The first study elicited poverty information for all village households for the years 1977, 1992 and 2002. The second study independently elicited the same information for the same group of households for the years 1992, 2002 and 2006. If recall is entirely random or very faulty, we would expect to see a great deal of difference between the information for 1992 collected in the first survey (in 2002) and the same information recalled eight years later (in 2010). The results of this comparison were revealing: in fewer than 3 percent of all cases, involving 94 households (out of a total of more than 4,100 households), was the information of 2002 different from the information collected afresh in 2010.<sup>9</sup> These results help raise further faith in the veracity of the Stages of Progress process.<sup>10</sup>

In addition to helping identify households' poverty status at different points in time, Stages of Progress helps elicit the nature of reasons commonly involved in escapes from poverty (or descents into poverty) within particular contexts. Detailed and independent interviews with multiple household members help in reconstructing event histories of particular households. Comparing event histories across different groups of households helps ascertain the nature of events associated with moving out of poverty and moving in.

The present exercise compiled such event histories for IGP households and for some other groups of households, including one particular group (referred to below as Group B households) who were poor persistently over the 25 years between 1977 and 2002 but who escaped poverty between 2002 and 2010. A household questionnaire was developed and pretested before being revised and put to larger use. This includes questions related to diverse variables representing candidates' explanations for IGP, including caste, ethnicity, gender, education, asset ownership, practices of inheritance and bequest, household composition, major health incidents, aspirations and so on.<sup>11</sup> Comparison between IGP and

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<sup>8</sup> See Krishna (2010), especially Chapter 2 and the Appendix.

<sup>9</sup> The magnitude of difference was also small – only one stage out of a total of 16 in 81 of 94 cases (86 percent) – and it was no larger than three stages in any of the remaining cases.

<sup>10</sup> A series of other investigative exercises undertaken in order to cross-verify Stages of Progress data are reported on in Krishna (2010). See especially Appendix A.

<sup>11</sup> See Bird (2007) for an analytical review of this literature and Cooper (2010) for a deeper examination of the African case.

Group B households, reported below, is useful in relation to several important questions: What did Group B households do (or what was done for them) that is also likely to be of assistance for other village households, especially IGP households? Contrarily, what are some specific characteristics and experiences of IGP households that mark them off from other households in the same villages?

### 3 Identifying the IGP group

Table 2 provides figures related to the percentage share of IGP households in the populations of the 18 villages surveyed. This percentage share ranges from a low of 4.6 percent (in Sarana village of Ajmer district) to a high of 69 percent (in Gotipa village of Udaipur district). On average, as the first row of Table 2 shows, 19.5 percent of all households were found to be IGP.<sup>12</sup> The second row of Table 2 relates to a comparison group of households that were poor between 1977 and 2002 – and therefore in danger of becoming IGP – but that escaped poverty between 2002 and 2010. These are the Group B households (also referred to below as Candidate IGPs).

**Table 2: Distribution of IGP households and other household groups (%)**

	Group A IGP	Group B Escaped chronic poverty	Group C Never poor	Group D Became poor	Group E Transitory poor	Others
<b>Average (18 villages)</b>	<b>19.5</b>	<b>11.3</b>	<b>38.5</b>	<b>10.8</b>	<b>19.6</b>	<b>0.3</b>
<b>Ajmer</b>						
Balapura	5.5	0.5	66.5	15.1	12.4	0.0
Chosla	6.9	3.4	53.7	12.6	22.3	1.1
Khandach	9.9	9.5	61.1	9.5	9.5	0.4
Minyapur	5.5	3.3	54.7	21.0	15.2	0.3
Sarana	4.6	7.1	71.5	9.5	7.4	0.0
Sargaon	7.8	2.9	50.7	20.0	18.6	0.0
<b>Ajmer total</b>	<b>6.6</b>	<b>4.6</b>	<b>59.6</b>	<b>15.0</b>	<b>13.8</b>	<b>0.2</b>
<b>Bhilwara</b>						
Balesaria	9.2	1.8	48.2	22.5	16.5	1.8
Devaria	10.2	4.0	58.0	21.6	6.3	0.0
Gogas	35.5	23.2	9.4	15.2	16.7	0.0
Sagatpuria	30.3	18.2	46.7	3.0	1.8	0.0
Singjikakhera	31.9	5.0	43.7	18.5	0.8	0.0
Udalias	18.3	8.1	55.3	11.4	6.5	0.4
<b>Bhilwara total</b>	<b>20.0</b>	<b>8.9</b>	<b>45.8</b>	<b>15.8</b>	<b>9.0</b>	<b>0.5</b>
<b>Udaipur</b>						
Devali	30.4	14.9	29.4	1.5	23.7	0.0
Gotipa	69.0	10.8	0.0	0.6	19.6	0.0
Kundai	37.8	26.3	16.7	3.8	15.4	0.0
Salerakalan	24.8	20.8	4.8	1.3	48.3	0.0
Surokaguda	30.7	7.3	2.0	5.3	54.7	0.0
Tulsidasjisarai	32.9	36.1	0.7	0.7	28.2	1.4
<b>Udaipur total</b>	<b>34.1</b>	<b>21.1</b>	<b>7.8</b>	<b>1.8</b>	<b>34.8</b>	<b>0.3</b>

<sup>12</sup> As mentioned above, our IGP group includes all intergenerationally poor households, but it also includes some other persistently poor people who may not, in fact, be intergenerationally poor. Thus, this figure of 19.5 percent overestimates the true extent of IGP.

The third row of Table 2 – Group C – refers to households that were not poor at any of the four measurement points ('never poor'). Group D consists of households that fell into poverty at some point during this 33-year period and that were still poor when we did our study in 2010 ('became poor'). The final lettered group, E, consists of households that escaped poverty before 2002 and that had remained not poor by 2010 (escaped poverty or 'transitory poor'). Together, these five groups of households include nearly every household resident in these villages. The last reported category – 'others' – includes some recent migrants and a few others who refused to participate in this study.

The probability of being in the IGP group varies depending on the village and district and the particular social group. The proportion of IGP households is much larger in villages of Udaipur district, ranging from 30.4 percent to 69 percent, with a mean of 34.1 percent. The proportion is smallest in villages of Ajmer district (6.6 percent), with Bhilwara district lying in between (20 percent). IGP increases as one travels southward in this part of India: the risk of being IGP is highest for a person living in Udaipur district. We examine some reasons for these geographic differences below.

### 3.1 Social group

First, social group makes a difference. No matter which district we are talking about, the risk of being IGP is larger for STs and SCs. Tables 3 and 4 present these figures. The first row of Table 3 pertains to Upper Castes.<sup>13</sup> It shows how these ritually higher-ranked castes constitute 16 percent of the total population of these villages, but their share in IGP is much lower: only 9 percent of all IGP households are Upper Caste.

**Table 3: Caste group and IGP**

	No. of households	Share of population	Share of Group A (IGP)	Share of Group C (never poor)	Share of Group B (escaped chronic poverty)
Upper Caste	658	16%	9%	21%	10%
OBC	2,319	55%	28%	68%	38%
SC	496	12%	18%	7%	19%
ST	690	16%	44%	3%	32%
Muslim	35	1%	1%	1%	1%
<b>Total</b>	<b>4,198</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Looking at the row for STs, we find that this group, like Upper Castes, also consists of 16 percent of total village population. However, incidence of IGP is much greater: as many as 44 percent of all IGP households are STs. Probability of being IGP is thus nearly three times

<sup>13</sup> A group composed principally of *brahmins*, *rajputs* and *baniyas*.

larger among STs compared with Upper Castes. SCs also have a higher-than-average probability of being IGP: they constitute 12 percent of the village population, but 18 percent of all IGP households are SC.

SCs and STs have inherited historical disadvantages. Their landholdings are smaller than those of other social groups, and social oppressions continue to cast a shadow on their members (Bhargava et al., 2005; Chaubisa, 1988; Narain and Mathur, 1990). Untouchability historically confined SCs to the margins of village society: they lived in the dingiest parts, made do with the furthest and most meagre sources of water and, with very little land of their own, were entirely dependent on the goodwill and patronage of higher-caste co-villagers, and were thus easy to beat down politically. Now outlawed, untouchability has left deep scars: education levels continue to be lower among SCs, although there is some evidence recently that SCs are catching up with the general population.<sup>14</sup>

In the case of STs, oppression historically interacted with geographic marginalisation to produce a double disadvantage. STs live in areas that are among the hardest to access in the region, reflecting concerns about remote rural areas expressed by Bird et al. (2002). As a result of living, literally, at the margins of society, amid forests (now mostly gone), far away from 'civilisation', their hamlets rarely served by roads and only recently experiencing electricity and formal education, STs – the *bheels* and *meenans* of this region – are regarded as 'backward' by people closer to the economic mainstream. Their main sources of livelihood are derived in the main, as we see below, from unskilled labour on farms or filling in as manual labourers within cities.

'Backward' is a relative term that can have or be given multiple connotations. The OBV designation clubs together another group of castes, one also claiming historical disadvantage and pressing for affirmative action. But while households of these castes account for more than half of these villages' population (55 percent), only 28 percent of all IGP households are OBCs. IGP incidence is thus lower (by half) among OBCs compared with the general population. Consisting primarily of cultivator castes, including *jats* and *dangis* in this region, OBCs have benefited from the land redistribution programmes of the 1950s and 1960s. Their landholdings are larger than those of SCs and STs, although their education levels are about the same as among SCs.

Muslims, the last social group Table 2 examines, could not be examined in large enough numbers by this study. Only 35 Muslim households are resident within these 18 villages, too small a sample to say anything meaningful about the rest of this group.

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<sup>14</sup> See Krishna (2002).

The last column of Table 3 gives the share that each caste group separately takes up among Group B households (Candidate IGPs, or those who escaped chronic poverty between 2002 and 2010). It is interesting to note that SCs and STs also constitute a larger share of Group B households than their share in these villages' population. STs constitute 16 percent of the total population of these villages, but their share in Group B is twice as large: 32 percent. Similarly, SCs, who constitute 12 percent of the population, make up 19 percent of Group B.

Probability of being IGP is higher if you are SC or ST, but probability of escaping chronic poverty is also higher. The weight of the past matters, but it can be – and has been – overcome. Very large numbers of STs and SCs have escaped chronic poverty, thereby avoiding IGP. We later examine the nature of factors that have assisted these escapes, learning in the process how other households can be assisted more effectively.

### 3.2 Place of residence

Neighbourhood effects are important (Corcoran and Chaudry, 1997): where you live affects your probability of being IGP. Where you live also influences your prospects of breaking out of chronic poverty. As Table 1 showed, 69 percent of all residents of Gotipa village are IGP, and only 11 percent have succeeded in breaking out of chronic poverty. Prospects of escaping chronic poverty are quite low, among the lowest, in this village compared with all others. Contrarily, in another village, Tulsidasjisarai, located no more than 20 km from Gotipa, more people have moved out of chronic poverty (36 percent) than have remained IGP (32 percent). The prospects of escaping chronic poverty (and avoiding IGP) are higher in this village compared with most others.<sup>15</sup>

Table 4 examines the combined effects of social group and place of residence. Each cell in this table presents figures relating to a particular social group and a specific district.

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<sup>15</sup> This happy event has been in large part fortuitous. A new national highway was constructed beginning in 2005 that passes through some parts of the territory. This development resulted in windfall gains for those whose lands were located close to the new road and therefore attractive to operators of new shops and restaurants. We examine below these and some other (less fortuitous) reasons for escape from and persistence of poverty.

**Table 4: Residence and caste group (% IGP)**

	Upper Caste	OBC	SC	ST	All groups
<b>Average for 18 villages</b>	<b>10.6</b>	<b>10.1</b>	<b>29.6</b>	<b>52.3</b>	<b>19.5</b>
Ajmer (6 villages)	5.6	3.9	22.6	-	6.6
Bhilwara (6 villages)	9.1	12.7	33.2	50.4	20.0
Udaipur (6 villages)	17.2	21.1	34.2	56.2	34.1

No matter which particular social group is considered, a greater proportion of households are IGP in Bhilwara compared with in Ajmer, and the greatest proportions of IGP households are in Udaipur. Consider Upper Castes, for example. Only 5.6 percent of Upper Caste households in Ajmer villages are IGP, but progressively more Upper Caste households are IGP in Bhilwara and Udaipur (respectively, 9.1 percent and 17.2 percent). Within every other social group, a similar pattern is repeated: more OBCs and SCs are IGP in Bhilwara compared with Ajmer, and this percentage rises further in Udaipur.

Traditionally home to a population consisting of a much larger-than-average proportion of STs, Udaipur is different from the other two districts in two additional respects. First, a more fragile ecological balance characterises southeast Rajasthan (of which Udaipur forms a part).<sup>16</sup> A different political and administration tradition also separates Ajmer from the other two districts, resulting in an earlier penetration of education within rural areas and a better network of roads and railway lines in Ajmer compared with the other two districts. This combination of a more educated and more robust workforce and better infrastructure, together with the proximity of Ajmer to Jaipur, the capital of the state, has been instrumental in many industrialists' decisions to locate plants in Ajmer district (and also to some extent in northern Bhilwara district) in preference to Udaipur and other southern districts of Rajasthan.

Place of residence matters for the risk of being IGP, as does caste group. Some other factors, examined below, are also involved in understanding the pattern of IGP within this region.

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<sup>16</sup> Crop yields were below 50 percent of the average for this region in four of seven years preceding our 2002 inquiry. In the other two districts, Bhilwara (located just north of Udaipur) and Ajmer (a further 100 km north of Bhilwara), crop yields were below average in only one or two of these seven years, the result of a more dependable monsoon, sturdier soils and richer groundwater reservoirs.

## 4 Assets, incomes and occupations

Asset ownership and average incomes are markedly lower among the IGP group compared with Group B households. Annual incomes were estimated by combining earnings received by different household members from seven separate sources. Most families derive incomes simultaneously from multiple occupations. Common to this region are farming, agricultural labour, labour on government construction works, wage labour in a city, business in a village and business in a city.<sup>17</sup> Incomes derived from each of these different sources were added up to obtain the figures for each household's income. Since income may not be the most pertinent measure of well-being in this context, being variable seasonally for the majority of households that rely on agriculture, and fluctuating from day to day among a large group of households that rely on wage labour for all or part of their household needs,<sup>18</sup> assets were also considered. We asked each household about its ownership of 10 different asset types: tractor, bullock cart, TV, bicycle, mobile phone, radio, refrigerator, sewing machine, electric connection and gas stove. We also looked at some other contextually relevant manifestations of well-being. Table 5 presents these results.

**Table 5: Assets and income, 2010**

	No. of assets (out of 10)	Est. annual income (Rs.)	% <i>kuccha</i> (mud) homes	No. of cows/buffalo	Average landholding ( <i>bighas</i> )*
Group A (IGP)	1.28	25,460	71%	0.5	3.52
Group B (escaped chronic poverty)	2.72	37,580	35%	1.1	4.95

Note: \* A *bigha* is a local measure of land. Roughly 4 *bighas* make up 1 acre.

Asset ownership is lower among IGP households; compared with those in Group B, IGP households possess, on average, half as many assets. Estimated annual incomes are also lower in the IGP group. Other indicators of well-being also serve as markers reminding us of how intergenerational poverty is different. Fewer IGP than Group B households live in brick houses; many more live in mud and straw homes. IGP households possess fewer heads of livestock, on average, and they hold less land compared with people in Group B.

<sup>17</sup> These categories were developed on the basis of knowledge gained during prior investigations in this region. A recent report from the Labour Bureau of the Indian government reproduces these distinctions, albeit in a somewhat different form, noting how 'per thousand distribution of households in rural areas indicates that 288 are self-employed in agriculture and 139 are self-employed in non-agriculture taking the total number of self-employed households to 427. Total rural labour households are estimated to be 412 per thousand, of which 223 are agriculture labour households and 189 are other labour households. Number of other households works out to be 161 per thousand' (Labour Bureau, 2010: 25).

<sup>18</sup> Seasonality is an important concern in these and other developing country areas, resulting in producing large variations through the year in people's income and consumption streams. See, for instance, Chambers, Longhurst and Pacey (1981) and Devereaux (2010).

There is not a single asset type that IGP households possess more commonly than people of Group B, as Table 6 shows. Only 5.7 percent of IGP households own a TV set (seldom colour, quite often previously used). More than five times as many Group B households – 28.2 percent – own TV sets. Nearly 35 percent of all IGP households have a mobile phone (often one that is used for incoming calls only). But, once again, the ownership percentage is higher among households of Group B, 71 percent of which own mobile phones.

**Table 6: Ownership of different assets, 2010 (%)**

	Bullock cart	TV	Bicycle	Mobile phone	Radio	Fridge	Sewing machine	Electricity connection	Gas stove
Group A (IGP)	2.5	5.7	35.8	34.8	3.5	0.2	3.7	41.2	0.5
Group B (escaped chronic poverty)	9.2	28.2	59.9	71.1	7.7	4.2	18.3	66.9	5.6

Asset ownership is lowest among IGP households, representing both a poorer legacy and lower hope. IGP households inherit fewer assets and, as we see below, are often unable, on account of certain events, from holding on to even this meagre asset stock. In fact, asset losses are common among IGP households. An estimated 37 percent of all IGP households sold one or more asset in order to cope with a family emergency during the eight-year period from 2002 to 2010. The corresponding proportion was much lower among Group B households: 17 percent, or less than half as much as that among IGP households.

Events requiring heavy expenditures have occurred more frequently among IGP households, resulting in emergency sales of assets together with indebtedness. Such adverse events form an important part of the explanation for people's inability to rise out of chronic poverty, becoming intergenerationally poor.

In addition to having a lower (and more endangered) stock of assets, IGP household incomes are also lower and have greater variance. Households practise diverse occupations and have different experiences of poverty. Compared with other village households, IGP households derive a greater part of their income from occupations involving unskilled or partly skilled labour, and in such occupations the demand for labour is both seasonal and fickle, adding to the variance and uncertainty that IGP households tend to face.

Investigations conducted in this part of India and elsewhere have shown how sources of income based within the village are no longer sufficient to meet people's needs. Ever-diminishing landholdings coupled with stagnant productivity in agriculture have made it imperative for village families to develop an additional income source in some city (Krishna and Shariff, forthcoming). One or more family members venture to a city and work in whatever jobs they can get. Usually seasonal and of short duration, such migrations nevertheless amount to the only viable survival strategy for many households of southern Rajasthan (Deshingkar and Start, 2005; Joshi and Khandelwal, 2009). Those who are unwilling or unable to participate in this movement to the city are usually not able to get

ahead. Physically disabled people and others who lack the capacity to move for diverse reasons are denied this opportunity for self-improvement. Debt can be an important limiting factor, lowering mobility in many cases. Lack of family support can also be a deterrent, as we see below.

Among all village households, IGP households least often derive any income from sources outside their village. For the most part, they rely part on incomes from labour, most of which is performed within or close to their native village. The majority of IGP households live on what they can make from agricultural labour (41 percent) and farming (29 percent). Another 22 percent of IGP households derive more than one-quarter of their entire annual income from work on some government-implemented construction project, many of them taken up under a program, commenced in 2005, that guarantees minimum wage labour for a certain number of days.<sup>19</sup>

Group B households rely comparatively more on business-related sources of income: for more than 30 percent of Group Bs, business (in the village or a city) is the primary income source; less than 40 percent rely on labour to any considerable extent, and the majority among them relying on city-based (and not village-based) labouring. The share of Group B households that derive more than a quarter of their income from government construction labour is only 9 percent, less than half the corresponding share among IGP households. While IGP households derive incomes from an average of 2.3 different sources, Group B has 3.4 diverse income sources on average. This reliance on more reliable and robust sources of income – more business- and city-based and less labour- and village-based (and more diverse) – provides Group B households with greater resilience against adversity compared with IGP households.

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<sup>19</sup> The National Rural Employment Guarantee Act (NREGA) guarantees 'a hundred days of wage-employment in a financial year to [every] rural household whose adult members volunteer to do unskilled manual work'. See [www.nrega.nic.in/netnrega/home.aspx](http://www.nrega.nic.in/netnrega/home.aspx).

## 5 Inheritance and gender

Amounts inherited differ significantly between IGP and Group B households. Compared with what people of Group B have inherited from their parents, IGP households have received considerably smaller inheritances. Table 7 contrasts different assets inherited by IGP and Group B households. It considers five types of assets most commonly involved in inheritances within this region: agricultural land (by far the most important in terms of market value and productive worth), gold, silver, livestock and housing.

**Table 7: Inherited property**

	Land ( <i>bighas</i> )	Gold ( <i>tolas</i> )	Silver (kg)	No. of cows/buffalo
Group A (IGP)	3.52	0.003	0.020	0.275
Group B (escaped chronic poverty)	4.94	0.032	0.053	0.361

*Note: A tola, roughly equal to 10 g in weight, is a measure commonly used in north India for weighing gold.*

These figures show how IGP households inherit on average two-thirds as much agricultural land as Group B households: 3.52 acres compared with 4.94 acres. They also inherit fewer silver and gold ornaments and fewer heads of livestock.

Further examination of these data shows that more Group B than IGP households have inherited houses. For instance, only 3 percent of Group B households of Udaipur district – but as many as 19 percent of IGP households – have not inherited a house or some part of a house. The quality of housing IGP households inherit is inferior to that of the housing households from Group B inherit. Brick, rather than mud, houses were inherited by 27 percent of Group B households but by only 5 percent of IGP households, with the rest getting flimsier houses made up of mud and thatch, within which the majority of IGP households had continued to live up to the time of our investigations.

While amounts inherited differ between Group B and IGP households, the norms and customs governing inheritance are not different between the groups, nor are these practices different, contrary to what was initially believed, across the different caste groups of this region. Among Upper Castes as well as SCs and also among OBCs and STs, the usual (i.e. the customary) norm is for all sons to inherit equally the property of a deceased father. Formal law requires that daughters inherit equal shares along with sons, but informal norms and customs often prevail over this letter of the law in rural India, with women assigning to their brothers the notional shares they ought to have inherited. Whether this practice should be reformed or not is a separate matter, one that is also outside the scope of this paper.

Important to the present concern is the finding that inheritance norms are not different, at least at the current time, across people from these different caste groups. Higher incidence of IGP within some caste groups cannot therefore be attributed to differences in norms and practices of inheritance.

Gender has an influence that is separate from caste. Many more female-headed households are chronically poor compared with other households. Individuals brought up within such households have considerably fewer assets at birth; the risk of descent into IGP is also higher for them. Probability of escaping chronic poverty is also lower: the data show that, while female-headed households constitute 14 percent of all IGP households, their share within Group B households is just a little more than 4 percent.

Gender-based inheritance norms were implicated in more than half of all cases of IGP investigated within female-headed households. In interviews with people from such households, we frequently heard about the loss of land and livelihoods following the death of a male relative (usually the husband or the father of the person interviewed). Early widowhood, particularly if the woman has children, has often resulted in a sudden fall into poverty, which has then persisted. Especially in some caste groups – for which it is not socially acceptable to remarry or to find other caring arrangements with another man – a woman left to fend for herself after her husband's demise (and after being deprived by the husband's relatives of all his inherited assets) is almost certainly going to end up in chronic poverty. Her children are candidates for IGP. Some among them have surmounted this fate, however, finding their way into Group B by the time of these investigations. We examine below the nature of factors that have enabled such people – candidate IGPs, to be sure – who, but for a few different experiences, might have become intergenerationally poor.

## 6 Ordinary events and household characteristics

We saw above how place of residence makes a difference: the risk of being IGP is higher in villages of Udaipur compared with villages of Ajmer. We also noted how historical disadvantages, accrued in much greater measure by people who are now referred to officially as SCs and STs, have resulted in higher incidence of IGP among these groups.

People within IGP households begin life poorer than other people. Poorer inheritances impede IGP households' efforts to get ahead. These structural factors, born of history, geography, environmental factors and social customs and norms, influence both the risk of becoming IGP and the prospects of escape.

Starting points certainly matter, but subsequent events do too. Recent studies have established how, in addition to structural factors, household-level occurrences, including routine and everyday household-level events – such as illnesses, marriages, deaths, debt and so on – can make the difference between escaping poverty and remaining poor (Krishna 2010). Unravelling these *processes* – or chains of events – is important to gain a more complete understanding of why some households remain mired within IGP while others (with similar inheritances) have forged ahead.

The event histories we recorded for different households help identify common events involved in the economic trajectories of particular groups of households. Comparisons across groups of households of such factors – which are common *within* and *across* different groups – helped identify some variables that are significant in preserving (or overcoming) IGP in this context. Three previous studies, undertaken in the same parts of Rajasthan, have also helped in understanding the specific types of everyday events that matter more than others in these villages (Krishna, 2003; 2004).

A succession of adverse events, progressively depleting a household's asset stock, can push households into poverty traps, from which escape is difficult (Barrett and McPeak, 2005; Bowles et al., 2006; Carter and Barrett, 2006; Sherraden, 1991). These Rajasthan studies identified negative events – those associated disproportionately with descents into poverty – as ill-health, high health care costs, expensive marriages and funerals and high-interest private debts. Positive events – associated with escapes from poverty – included, most importantly, diversification of a family's income sources. In particular, finding work in some city, whether close to or far from one's village, was centrally involved in the majority of escapes from poverty.

The present study reaffirmed the worth of these factors. In addition, it revealed some other factors most often associated with the experiences of IGP households (but not other poor households).

## 6.1 Disability

Among all IGP households as many as 13 percent have at least one permanently disabled member, usually the male or female head of the household.<sup>20</sup> Among other village households, permanently disabled adults are found only among the subgroup of households that have become chronically poor. Not one household that escaped poverty has a permanently disabled adult. All adults need to work in order to make ends meet. A husband or wife suffering a permanent disability results, more often than not, in poverty that does not go away.

## 6.2 Death of a main income earner

While the death of a main income earner does not immediately produce IGP – in fact, IGP is produced and reproduced over longer periods involving multiple generations – it is important to note that the death of a major income earner forms a larger part of the early experiences for IGP households. They play a smaller part in the event histories of other households. Even during the eight-year period from 2002 to 2008, nearly 17 percent of all IGP households in Ajmer experienced the death of a major income earner. The corresponding percentages in the other two districts were also large: 12 percent in each of Udaipur and Bhilwara. In comparison, death of a major income earner formed part of the event history of less than 1 percent of all Group B households. Death of a major income earner can cut by half or more the long-term income of a household. Families that might otherwise have begun an ascent out of chronic poverty have become mired in IGP when income earners have died untimely deaths.

## 6.3 Elderly couples lacking family support

It is customary in this region for people in their old age to rely on the support of a son and his family. Older people who do not have adult sons (or whose adult sons do not take adequate care of them) have a very hard time. They often have to sell assets in order to cope with both regular and unforeseen expenditures. People who have drawn down their stock of assets – IGP households and candidate IGPs – are forced to turn to relatives and neighbours for support, often to very little avail (Malhotra and Kabeer, 2002). Nearly 28 percent of our sample of IGP households in Bhilwara, 22 percent in Ajmer and 11 percent in Udaipur contained such elderly people.

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<sup>20</sup> These proportions do not vary significantly across the three districts (12.9 percent in Ajmer, 12.5 percent in Bhilwara and 13 percent in Udaipur). Other, more significant, differences are discussed below.

In addition to these factors, we identified some other factors, discussed below, which are associated with the experiences both of IGP households and of many other poor households. The difference lies not in the nature but in the number of these events: IGP households experienced such events more frequently than others.

#### **6.4 Ill-health and high health care expenditures**

By adding to their expenses, and quite often simultaneously cutting off an income stream, episodes of chronic or acute illness strip away the resilience of households. Households that have suffered from multiple expensive to treat illnesses were common among our group of IGP households, ranging from 43 percent of all IGPs in Bhilwara to 63 percent of all IGPs in Ajmer. The corresponding percentages are much smaller among households that have escaped chronic poverty (our Group B) and others that have remained consistently not poor, at no more than 21 percent in any case.

Families that are already living in poverty tend to finance health care and other large expenditures through the sale of assets or by incurring further debt. Many who have nothing else left to pledge sign away their future labour power, resulting in cases of debt bondage, which is not as common in this part of Rajasthan state as it is just across the state border, in northern Gujarat (Krishna, 2010).

#### **6.5 Customary and ceremonial expenses**

All households bear customary expenses, not specifically IGP households. Especially over longer periods of time, one would expect incidence of these expenses to be roughly equal across different groups of households (particularly those that abide by the same set of traditions). The data show, however, that the burden of customary expenses has fallen most heavily on the long-term poor. Because they cannot contain expenses on marriages and funerals – these events are subject to custom and fashions, and there is little individual choice, especially for individuals living within these village contexts – IGP and other chronically poor households end up spending well beyond their means. They finance these expenditures by taking loans or selling off their assets, making it more likely that they will remain within the IGP group.

As a result of these expenses and others, including health care expenses, as many as 75 percent of all IGP households in Ajmer have large unpaid debts. In Bhilwara and Udaipur villages, the corresponding percentages are lower; respectively, 64 percent and 58 percent

of IGPs in these villages have large unpaid debts.<sup>21</sup> The percentage of similarly indebted households among Group Bs is much lower: no more than 29 percent in any district.

No single negative event among the ones mentioned above has been sufficient in itself for keeping a household trapped within poverty over a period of 33 years. Multiple negative effects from adverse events occurring sequentially, sometimes in quick succession and at other times separated by a gap of a few years, have accumulated to nullify any progress that IGP families have made. Adverse events have set back their self-help efforts. More than one adverse event is typically found within the recorded experiences of IGP households. Other households have also experienced illnesses and other negative events. The difference lies in the fact that IGP households have experienced a *larger number* of negative events over the same period. Simultaneously, IGP households have also experienced fewer positive events (discussed below).

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<sup>21</sup> Any unpaid debt over Rs. 10,000 – equivalent in value to about 100 days' worth of wages paid at the minimum wage rate – was regarded for the purpose of this calculation as a large debt.

## 7 Education and economic opportunity

Some household characteristics do not differ significantly between IGP and Group B households. On average, household size is 5.7 individuals (5.8 in IGP households and 5.7 in Group B). Age of household head varies but not a great deal across these two groups of households. For IGP households, average age of household head is 50 years; for Group B households it is 49.5 years.

Education levels vary but also not by very much. Heads of IGP households have on average 5.8 years of formal education; heads of Group B households have 6.3 years. As many as 78 percent of all IGP household heads are illiterate; within Group B this proportion is 63 percent.

School education has made inroads within these villages but is not deep enough yet to serve as a viable means for significant upward mobility: hardly any villager has graduated from high school. Average educational achievement is not very high. Rural schools have become widespread only within the previous 30 years. Many older people never had an opportunity to go to school.<sup>22</sup> Because these numbers drag it down, the average educational level remains quite low, even though the majority of younger villagers are attending school.

Compared with their parents' and especially their grandparents' generation, younger villagers are much better-educated. Among people aged 41-60 years, only 4 percent of all women and 29 percent of all men attended school for five or more years. Among children aged 11-15 years, 54 percent of girls and 75 percent of boys have attended school for five or more years. More than 90 percent of children who are of primary school age were attending school regularly at the time of these investigations. The rest of these children, who attend irregularly, are also enrolled in primary school.

Despite this quantum increase in attendance at the primary school level, there is a sharp drop-off in enrolment as children grow older. Only about 3 percent of the population in these Rajasthan villages has 11 or more years of school education. These trends are not rising fast enough; in fact, they appear to be quite static. Even among the subset of younger villagers who are currently 20-24 years of age, no more than 3.5 percent have 11 or more years of school education.

As a result, education has not served as a pathway out of poverty for any but a handful of individuals from these villages. Instead, people of this region more often rely on acquiring wage-earning opportunities, with some among them migrating, usually for a few months each

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<sup>22</sup> For rural Rajasthan as a whole, it is estimated that 29 percent of the population aged seven years or older is illiterate, 32 percent have primary or below-primary education and 9 percent have a high school or higher education (Labour Bureau, 2010: 71).

year, to a city. Others support themselves and their families by building small businesses, such as a retail store, bicycle repair shop or local eatery.

Going to the city and finding paid work is almost the only available way to escape poverty. Households that have escaped chronic poverty (our Group B) have in the greatest proportion acquired an additional income source, most often constituted by a labour opportunity or a small (i.e. micro) business venture in a city. In the eight-year period before 2010, as many as 94 percent of Group B households in Bhilwara, 84 percent in Ajmer and 76 percent in Udaipur acquired some such additional income source and were able to move out of poverty. No other means of escaping poverty has appeared so viable in these villages.

Disabled and elderly people and those with chronic illnesses are less able to make the trek to the city. As a result, they are not able to make use of what is often the only available opportunity in these villages to escape persistent – and intergenerational – poverty. Their poverty grows, becoming deeper with the occurrence of negative events.

Survival needs lead many to start working at a young age (Emerson and Souza, 2005). The best available evidence shows that graduating from high school is not enough; to get a regular job, particularly a salaried one, it has become important to acquire at least some college education.<sup>23</sup> However, three-quarters of all IGP children, 77 percent of all daughters and 73 percent of all sons, have given up formal education before reaching the age of 20 years. The corresponding proportion among Group B children is not much better: 73 percent of daughters and 69 percent of sons quit school before reaching 20 years of age. A large majority of people are not reaching threshold levels of education – those that convert more easily into better jobs and higher rewards.

A finding causing additional concern relates to the aspirations that different people have with respect to their children. A large majority of IGP households stated that they had given no thought to this matter. Some among them mentioned low-paying occupations, such as village schoolteacher or police constable. In contrast, Group B and other groups of village households more often held higher aspirations for their children, such as doctor, lawyer or

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<sup>23</sup> Surveys conducted in six Indian states by the Mumbai-based International Institute of Population Sciences, in collaboration with the Population Council, have documented high and rising joblessness among educated youth. The unemployment rate among youth (15-24 years) with 12 years of schooling was found to be as high as 77 percent in Rajasthan and 72 percent in Andhra Pradesh (see [www.popcouncil.org/pdfs/India\\_FactsheetRajasthan.pdf](http://www.popcouncil.org/pdfs/India_FactsheetRajasthan.pdf) and [www.popcouncil.org/pdfs/India\\_FactsheetAndhraPradesh.pdf](http://www.popcouncil.org/pdfs/India_FactsheetAndhraPradesh.pdf)). It has become common to see in village squares, across both these Indian states and several others, large and growing knots of educated and unemployed young men. The situation is not dissimilar in other developing countries. In a speech he gave in 1995 to the World Commission on Social Development, former President of Kenya Daniel Arap Moi stated how 'we in Kenya are now faced with a big pool of trained, educated but unemployed youth' (see [www.un.org/documents/ga/conf166/gov/950312110352.htm](http://www.un.org/documents/ga/conf166/gov/950312110352.htm)). More recently, in August 2009, Uganda's President, Yoweri Museveni, made reference to the growing problem of the educated unemployed in his country (see [www.statehouse.go.ug/news.php?catId=1&item=610](http://www.statehouse.go.ug/news.php?catId=1&item=610)).

engineer. What will become of the next generation remains to be seen, but a lower starting aspiration is worrying in and of itself.

## 8 Illustrating the process: a story of two brothers

The combined operation of different factors discussed individually above is illustrated by considering the example of two brothers, one of whom belongs to our IGP group and the other who has escaped chronic poverty. Manohar and Lala are both sons of Logar, a backward caste man of Devali village. Manohar was 46 years old at the time of this study. He left school after Grade 5. His brother, Lala, who is nine years younger than him, attended school for two years more than his older brother.

Both brothers grew up poor but, while Lala has remained poor, Manohar has escaped poverty. Their inheritances were similar in important respects, but the events they experienced set them on different paths.

Lala was struck early in his adult life by a chronic illness, which he identified to us only as 'breathing difficulty'. His doctors diagnosed it as chronic asthma. Over the years, Lala has spent a great deal of time and money attending to this illness, but he is unable to sustain physical effort for very long. Because of these liabilities, and because his income is derived principally from labour in the village (and in smaller part from labour on his own tiny agricultural field), Lala is unable to advance economically. The business of daily living is itself all-consuming, and he is unable to look for better opportunities outside his village. His wife earns what she can, working on government-run construction work whenever she has an opportunity. His children are as yet too young to go out to work for the family, but it seemed likely they would be put out to work at an early age.

Lala's older brother, Manohar, experienced a different set of events, resulting in a different set of circumstances. Manohar, whose health has remained robust, began by working as an apprentice barber in a nearby city. Gradually, he acquired the money, the customer base and the know-how to set up a barber shop of his own. He is very busy in his shop. His wife takes care of their agricultural operations in the village. From time to time, especially at the beginning, husband and wife supplemented these incomes by working as agricultural labourers. At the time of these investigations, Manohar lived in a brick house with an electricity connection. He also possessed a mobile telephone and a bicycle. Lala lived in a mud house, with none of these other assets.

Inherited disadvantages anchor IGP. Subsequent events influence whether households are dragged deeper into poverty or whether they can rise beyond their inherited situation.

## 9 Conclusion

Various factors, including structural ones, such as region and caste group, as well as other, more localised, factors associated with household events, combine to perpetuate IGP for one set of households, while affording a few among these households a set of viable opportunities. These, when utilised effectively, support escape from poverty. Poorer inheritance – including fewer material assets as well as greater handicaps bestowed by social group origin and place of residence – characterises IGP households, helping distinguish them from other households in the same village.

More SCs and STs and proportionally fewer Upper Castes are in the IGP group. But SCs and STs are also overrepresented in Group B, which comprises households that have escaped poverty after remaining chronically poor for 25 years. Some households, but not others from a similar background, have overcome the weight of the past.

The event histories help explain in some part the different experiences vis-à-vis IGP. Beyond the starting point of a poorer inheritance, IGP households experience proportionately more adverse (or negative) events, which tend to knock them backward, and fewer positive events to compensate. Negative as well as positive events are important in both perpetuating and overcoming IGP. The balance of events that a household experiences critically influences whether it will remain (or become) IGP, and whether or not it will escape poverty. Absence of negative events helps individuals acquire a greater willingness to look for available opportunities and a greater ability to convert these opportunities into positive events.

A particular subset of adverse events is associated almost entirely with IGP households. These include permanent disability, death of main income earner and lack of a male heir. Negative events – ill-health, high health care expenses, ceremonial events and high-interest debt – are experienced disproportionately by both IGP and poor households. In general, IGP households face many more negative events compared with other poor households, which has progressively limited their ability to overcome the limitations of a poorer inheritance.

Policy support of two kinds in parallel is required. One set of support is for those who are disabled or elderly, those without family support and households whose main income earner has met with an untimely death. Nothing short of generous grant support is likely to be effective. A second set of support is required for other IGP households, which can more likely make it on their own, especially if this is facilitated by appropriate forms of assistance. Better protection against adverse events is essential for this purpose. By helping remove the fear of an imminent downward spiral, policies that reduce risks foster hope and encourage effort and investment. Such policies will need to be context-specific: IGP exists because of vicious poverty traps, and what makes and unmakes these traps is likely to be different within separate contexts. Context-specific investigations, such as the ones presented here, can help unveil the factors that policies will need to target.

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