

CPRC-IIPA WORKING PAPER

POLICY IMPLICATIONS  
BASED ON THE WORK  
DONE BY CPRC INDIA

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Chronic Poverty  
Research Centre



Indian Institute of  
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# Policy Implications based on the Work Done by CPRC India

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## **Research and Policy Nexus**

The twenty five papers in the CPRC-IIPA working paper series are a substantial contribution to the understanding of chronic poverty issues in India, a residual poverty condition which seems to need unique policy measures in addition to the generic poverty alleviation programmes. What is presented here is a framework for policymaking based on the rich knowledge base available and specific recommendations made by the paper writers. Policy studies and analysis are growing areas of Public Administration. Research and knowledge building are the first stage in a policy formulation exercise. This initial input gets updated through impact studies. There is a major difference between the attitudes of the researcher and the policy maker. While the former tries to reflect the field conditions as objectively as possible, the policy maker is a pragmatic user of this knowledge. Being conscious of the many levels and filters that a policy formulation exercise goes through, he seeks unambiguity and simplicity rather than nuances. The policy-programme implementers in the field are not trained researchers and would be more comfortable with implementable formulations. There is a necessary compromise. If one is in-depth understanding, the other is administrative realism. We will keep this in mind while taking stock of the research knowledge that we have gathered.

Policy formulation can be thought of as a six-component loop, which needs to be aligned for its effectiveness.

Understanding – Commitment – Policy Statements – Legislation – Programmes – Evaluation of Effort – Understanding.

As far as chronic poverty is concerned, understanding is an ongoing process. We know some thing about it but we need to know much more. Commitment is of two kinds, that which is given by the

State and the other given by the political parties in their manifestoes: the one is a right and the other is a promise. This is reflected in policy. Some of the policy statements are put together as a single document and others lie scattered in many places. Not all policy statements lead to legislation, but when they do, they give justiciability to the rights given. Programmes are multiple efforts to give effect to policy; not all of them are successful. Periodic programme evaluation adds to understanding and restarts the loop. If the learning loop is kept alive, we are likely to have effective policy. Indian poverty alleviation effort is a mixed bag. Some fault lines persist.

### **Analytical frame for embedding policy suggestions**

The papers have dealt with 10 subjects of interest to us. The table below lists them and gives reference to key papers.

Sl. No.	Subject	Key Paper Reference
1	Definitional Issues	WP 1
2	Spatial Distribution of chronic poverty	WP 2, WP 9, WP 18, WP 23
3	Dynamics of entry and exit into poverty states	WP 6, WP 15
4	Tribal Communities	WP 5, WP 10, WP 21, WP 22
5	Rural Employment	WP 14
6	Urban Chronic Poverty	WP 4, WP 12
7	Special Groups	WP 7, WP 12, WP 17
8	Poverty Alleviation Programmes	WP16, WP 19
9	Generation Next	WP 8
10	Political Commitment	WP 3, WP 13

We have only given key papers as reference. There is some overlap. We have tried to cover as much of it as possible. For example, many papers deal with definitional issues. We have not dealt with the technology and nutritional policy issues.

#### ***Definitional Issues: Definitions and Markers***

WP 1 by Hulme, Moore and Shepherd provides a comprehensive conceptual background about chronic poverty for researchers. The defining feature of chronic poverty is its extended duration. Poverty that is both severe and multidimensional but does not last a long time is by its nature not chronic.

The suggestion is that we consider groups whose incomes are below the poverty line (75 per cent or 50 per cent) for a long period (five years?) as chronically poor. We need to firm up these options. Indian panel data analysis has shown that a large percentage of families remained stagnant in their poverty condition for over a decade. Then what is the appropriate period of time, which distinguishes chronic poverty? Ten years or more? For administrative operations we need to provide unambiguous definitions of chronic poverty.

Another aspect of chronic poverty is its multidimensionality, distinguishing features of households, which can be called markers. For example

- It is a Scheduled Caste (SC) household.
- It is a Scheduled Tribe (ST) household.
- Owns no land.
- Owns no house.
- Has no marketable skills.
- Has a large family.
- Head of the household is a woman.
- Has old-old or disabled dependents.
- Has no community support.
- Does not have one meal some days in a year.

Chronic poverty households may have some or all the markers: the larger the numbers of markers, the greater is the severity of the condition. For example, a woman headed SC or ST household with no assets and skills, which does not have one meal on some days in the year, is at one extreme.

Combining the operational definitions and markers, we have degrees of chronic poverty, from destitution to those recovering from external shocks.

One wonders if to these groups, we should also add those who are poor but not chronically so, who have slid into severe poverty (75 per cent or 50 per cent below the poverty line) for whatever reason, but who have stagnated for periods shorter than that which qualify them to be classified as chronic poverty. These can be rescued by appropriate

support. If this is accepted, we will be dealing with two classes of chronic poor, those who are stagnant and those whose slide into lower levels of poverty which can become long duration if no support is forthcoming. The definition of these hopeful transients has to be carefully worked out.

These are researcher's perceptions of the chronic poor; the self-perceptions of the poor could be insightful. For example, a woman respondent in the case study of Bangalore slums says that 'poor are those who do not have even one meal a day'.

For policy purposes, it is suggested that we distinguish between chronic poverty areas and chronic poverty pockets. The former are backward districts like Kalahandi and the latter could be drought prone talukas of Karnataka. We do not yet know why such pockets persist in otherwise better developed areas. Chronic poverty areas may be policy priority compared to the pockets.

The unit of analysis is the household. But given the intra household inequalities among the chronic poor, policy attention is also needed for special groups of individuals like the aged, disabled and widows. There are support schemes for them as a part of anti-poverty programmes. It is for consideration if they should form a part of the chronic poverty policy.

From the policy point of view, clarity of definitions becomes critical because identification leads to entitlements. The definitions have to be actionable.

### ***Spatial Distribution of Chronic Poverty***

Of the four key papers, three of them by Mehta, Shah and others deal specifically with the distributional aspects of chronic poverty. The fourth paper deals with the larger issues of backward districts and the Rahtriya Sam Vikas Yojana. It provides a larger picture.

While there are different lists of backward districts available, the list of 52 districts suffering the highest levels of persistent deprivation that are common to HDI and AHDI methods of estimation provides a more meaningful listing (WP 18). It covers six of the seven states identified as having extensive rural poverty.

States	Districts
Assam	1
Bihar	4
Madhya Pradesh	23
Orissa	4
Rajasthan	9
UP	11

The numbers for the new states, Jharkhand and Chatisgarh are included in the old states.

WP 9 provides the names of seven districts, which are considered the most deprived in the country. They are:

States	Districts
Bihar	Kishanganj
Orissa	Kalahandi
Madhya Pradesh	Damoh and Shahdol
Rajasthan	Barmer
UP	Bahraich and Budaun

WP 18 has analysed the development status of talukas of Karnataka. This may not be possible for all states due to paucity of information at the taluka level.

If we cover the slums of the 12 large cities including Delhi, Mumbai, Chennai and Kolkata, we will be able to get a reasonable picture of urban chronic poverty.

For the time being, from the policy point of view, the state, the district and the city are useful administrative divisions.

As a first approximation, chronic poverty is likely to be concentrated in 52 of the 100 (150) backward districts in the rural areas and among slum dwellers of about a dozen large cities including the metropolitan towns of Delhi, Mumbai, Kolkata and Chennai.

We may consider the following immediate steps to firm up and enrich the database on chronic poverty in these identified areas:

- Persuade the district authorities of the seven districts identified to enumerate all the chronic poor families. If BPL census has

been conducted in these districts it would provide a useful reference point.

- Similarly persuade the municipal authorities of the selected cities to enumerate the slum residents. We understand that this already taking place in some cities as a part of urban infrastructure improvement plans.
- Learning from the mini-census of 7 districts, extend it to the 52 districts, which is the larger universe. The number could increase or decrease marginally depending on the advice of the state governments.

Finally, persuade the 2010 Census to carry a specific schedule on the chronically poor households. This would provide a solid base for future policy making in this area.

The knowledge about chronic poverty pockets can be enriched, if after the 7 district mini census, we can apply the criteria to the known drought prone districts. A more comprehensive understanding of the chronic poverty pockets perhaps will have to await the 2010 Census, unless the concerned state governments show interest.

We do not know if there is international experience in conducting a chronic poverty census. If there is we can usefully draw on it.

### ***Dynamics of entry and exit into poverty states***

Analysis of Indian consumer panel data by Mehta and Bhide (2004, WP 6) and Bhide and Mehta (2004, WP 15) has given us a useful understanding of the process and Indian experience seems to be different from others. The finding that more than half the households remained in poverty after more than a decade and that this was found across all caste groups even though the percentages were smaller for the non-SC/ST groups, is a significant finding. Similarly, the differences in the experience of the SC and ST households, as they try to come out of their chronically poor condition, needs attention.

The papers have identified the drivers, maintainers and interrupters of chronic poverty (Bhide and Mehta 2004, WP 15 and Mehta and Shepherd 2004, WP 24). They could be the basis of future policy making. We need to make a distinction between poverty states where there is little movement and those where there is activity above and below a defined poverty line. Some of the interrupters suggest that income smoothing exercises, credit and social networks are likely to

prevent addition to the chronically poor households. These are possible even in the present policy regime.

The plan to collect dedicated panel data on chronically poor households that is being considered should both confirm and widen our understanding of the dynamics of the process.

### ***Tribal Policy and Chronic Poverty***

While the probability that both SC and ST households are likely to be chronically poor is large, there seem to be differences. Tribal areas, in addition to being less developed, are also likely to be in remote locations adding one more dimension to chronic poverty. In terms of political influence, over the last many years, the SCs seem to have acquired some strength - considerable in some states (Nath 2004, WP 13). The influence of the ST is more diffused, even though they do have a say in the two newly formed states of Jharkhand and Chattisgarh.

While the poverty gap between the SCs and the total population has declined between 1993-2000, the poverty gap between the STs and the total population has increased and is also high in absolute terms.

Development problems of forest dwellers have two aspects - one, access to the forests, which have been their traditional support system; and two, their integration with the rest of the economy. A more limited but intensely human problem is the resettlement and rehabilitation of the tribal families who have been displaced by development projects.

Forest Policy has undergone changes in the last many years. It has moved from commercial forestry to more participative forms like the joint forest management and community forestry. Here the state is more than a policy maker; it is the landlord, perhaps the largest in the country. This role mix up does make the task of policy formulation difficult. The real task is to break the vicious circle of 'lack of entitlement-degradation and poverty' in large parts of the forest based regions of India (Shah and Guru 2004, WP 21)

Forests are also areas of rich mineral resources. A mineral development policy, which protects the rights of the STs who have surface rights and also create a viable mineral sector, is yet to be in place. It is a contentious field and the Supreme Court judgment on the Samata case is a useful pointer.

With limited skills, forest dwellers are only able to provide unskilled labour as migrants to areas, which provide employment opportunities.



The extension of Panchayat legislation to tribal areas (PESA) has been a useful development. But this is yet to take root.

There are a number of policies, which are already in force in this area, and it would be useful to integrate them keeping the interests of the tribals and particularly the chronic poverty households in mind. This would help to tackle one significant group of the chronically poor in the country.

### ***Drought Prone Areas***

'Spatial poverty traps could be identified mainly in two sets of regions, broadly classified as forest based and dry land. Where as the former have a high incidence of chronic poverty in the duration sense, the latter may have more of transient poverty, which, if unattended, could become chronic'. (Shah and Guru 2004, WP 21)

Drought prone area programmes have been with us for a long time. Their efficacy has not been particularly good. Dry land agriculture and the continuance of chronic poverty is important for two reasons, understanding chronic poverty pockets and minimizing external shocks on the poor by strengthening the mechanisms of the operation of the interrupters of poverty. Making dry land farming stable and viable is part of larger macro policy, going beyond the problems of the chronically poor.

### ***Western India Experience***

While both drought prone areas and tribal areas have common features like preponderance of chronic poverty and remoteness of location, the findings of Shah (2005, WP 25) highlight the fact that predominantly dry land areas had lower incidence of poverty as compared to forest regions. Possible reasons are out migration and profligate use of ground water which is not sustainable in the long run. From the policy point of view, agricultural policy still holds considerable importance for poverty alleviation. Natural resource policy and ground water policy also need attention, particularly to equitable access to common resources.

### ***Rural Employment***

Many of the chronically poor are rural casual workers. They are estimated to be 132 million and growing in absolute numbers. They do more than one job and some of them are also self-employed. Bhalla *et.*

*al.* (2004, WP 14) concludes that “what matters most for condition of casual labour in any region, is the degree of development of rural infrastructure in that region”. The policy recommendation is to focus first and foremost on its improvement. The return to expenditure is likely to be greater than on assorted anti-poverty programmes. Targeting special groups will still be needed as a supplement.

As far as wage rates are concerned, the rate of growth of real wages in agriculture was well below the levels recorded in the 1983-87 period. On the other hand non-agricultural wages have shown a recovery from the trough of the late eighties. We do not know the state of agricultural wage legislation in the various states. It may be useful to study the position.

The National Rural Employment Guarantee Act passed in the Parliament recently, will have an impact on policy. It is a contentious piece of legislation. One has to wait and watch how it will get implemented.

While the policy diagnosis that investment in rural infrastructure is a priority is unexceptionable, the limitation of funds and concentrating them in few backward districts may find acceptance by the political establishment. If there is willingness to experiment, the likely candidates are the seven districts identified as the most backward on all the indicators of development.

### ***Urban Poverty***

Two papers have dealt with the topic: one, a qualitative study about urban poverty in Bangalore and another, which dealt with the problem of intra household discrimination in a slum in Delhi. The impression one gets from them is that urban chronic poverty has distinct features compared to its rural counterpart, while being a part of the same continuum. There are two aspects of policy, one is the policy relating to urban slums and the other is the coping by the poor households when faced with external shocks, for which they need credit, social networks and medical support. Employment seems to be less of a problem for the urban poor than safeguarding its continuity. As most of the urban poor are likely to be employed in the informal sector, a suitable policy needs to be formulated. Earlier, it was a part of the small-scale sector, which had a preferential treatment. Most of these concessions either do not exist or are not operative. A re-drafting of state policy for the informal sector, including wage rate fixation and job security could help the urban

chronic poor. It will consist of two parts - putting together a workable policy, which lies scattered in many places and providing minimum wage and tenure safe guards for the employees.

What the case studies bring out is the precariousness of the livelihoods and the frequency of external shocks they have had to absorb. Activating the interrupters of poverty through policy support could reduce the numbers of the potential hard core chronic poor. Compared to the information we seem to have about rural chronic poverty, our knowledge of poverty in the urban slums is much less. The enumeration exercise suggested earlier could help to fill the gap.

### ***Special groups***

While the household is an appropriate unit for policy making, intra household discrimination draws our attention to groups who for many reasons are worse off, like the aged, disabled, girl children and widows. We are not clear if this should be a part of general poverty alleviation policy (some programmes already exist) or a part of the chronic poverty alleviation effort. Relatively the numbers are small. For example, there are 71 million of whom 27 million are over 70 years of age. If an old-old person becomes poor then he will never get out of poverty. A number of them work, as they have no other support. Recently, government has stated that they will announce a policy for the disabled. Given the relative success of pension schemes, it may be best to deal with these groups separately.

### ***Impact of anti-poverty and rural development programmes***

Two papers (Thomas 2004, WP 16 and Dev 2004, WP 19) evaluate the experience of implementing a number of programmes over a period of time. There is extensive literature on the subject but the focus of these is not how they affected the chronic poor. This focused exercise is yet to be done. One possibility is to study the impact in the seven mini-census districts mentioned earlier. In the meanwhile the evaluation literature can be taken as indicative.

Mehta and Shepherd (2004, WP 24), grouped anti-poverty programmes under five heads:

- Land distribution and land reforms;
- Area based approaches with specific focus like marginal and small farmers;

- Individual based targeted approach for providing productive capital and skills for the vulnerable poor;
- Social security and safety nets; and
- Special schemes for education, nutrition to marginalized groups.

Land reforms do not seem to attract much policy attention currently. From the point of view of the chronically poor, they have promise. Earlier experience has shown that land redistribution needs to be supported by funds for land development, lest it results in alienation of allocations to the richer landlords, de facto.

Of the other significant programmes, public works wage employment programmes like EGS, JRY and EAS seem to be more pro-poor than programmes like PDS and IRDP. Historically, PDS was more a price stabilization effort. The Antyodaya Anna Yojana for the destitute seems to be pro-poor and is promising (Dev 2004, WP 19).

While many changes in formulating and implementing programmes have been made, the problems of identification, leakage and disproportionate cost of administration remain. These are likely to be critical when the impact on the chronically poor is the objective. Institutional changes like involving the civil society institutions have been talked about and experimented with but they are more an exception.

Selecting appropriate programmes, which reach the chronically poor, have yet to be identified from the existing schemes.

### ***Generation Next Issues***

There is one paper, which has dealt with childhood poverty (Mathur *et. al.* 2004, WP 8). This is an under researched area. The deprivation among the girl children, especially in the Hindi belt seems to be considerable. Identifying the processes that can help children break the poverty cycles becomes extremely important in the context of preventing intergenerational transmission of poverty (Mehta and Shepherd 2004, WP 24). The current child development and nutrition programmes need to be reviewed once we understand the process better.

### ***Political Commitment***

Two papers (Kumar 2004, WP 3 and Nath 2004, WP 13) have dealt with some aspects of political commitment and the political sociology of poverty. Pre liberalization, spatial backwardness and poverty related issues have been discussed more than now. In a global competitive ambience, these are looked at less sympathetically, if not disregarded altogether.

Kumar (2004, WP 3) has summed up the position thus:

- There has been a decline in the role of politics in poverty alleviation in the last several years;
- There are more conflicts between the poverty affected social groups and others in the rural areas in the recent decades;
- Poverty related conflicts have positive and negative potential in the context of political and economic reforms.

A recent report on the spread of Naxal violence identifies 76 districts as potential law and order trouble spots. The number is interestingly larger than the number of the most under developed districts of 52.

Looking at poverty issues when faced with social disruption is a knee jerk reaction. It does not solve either of the problems. There is need to keep the poverty issues in general and those of chronic poverty in particular, high on the political policy agenda. It is a massive educational task because many of those adversely affected, the forest dwellers, slum dwellers, aged, disabled do not have political voice and are not natural vote banks.

Public policy measures can and do soften economic distress much before it becomes socially explosive.

Hunger, an indicator of severe poverty, has consequences for chronic poverty. When 5.1 per cent of rural households and 1.6 per cent of urban households are unable to access even two meals a day in some months of the year, it is a case of state and societal failure. The policy solution for that is not planning long-term economic development but assuaging hunger. The experience of mid-day meals for schoolchildren has now become an accepted part of policy. Dealing with adult hunger perhaps needs the same urgency and the cooperation of civil society institutions, international donors and the state.

One part of chronic poverty alleviation is dealing with the destitute that need instant welfare transfers as a precursor for more leisurely development plans. Policy has to fit this into its portfolio of actions.

### ***Chronic Poverty Card as an extension of the BPL Card***

BPL card has become a part of the official policy (notwithstanding the criticism about the accuracy of the BPL census). It is a right given to the family even if all the entitlements do not flow smoothly as a consequence. There is also a destitute card, which enables families to access food grains at highly subsidized prices. Given this experience, one wonders if the idea of a chronic poverty card can be considered. It makes both identification and subsequent flow of support that much easier to monitor. As the engagement is likely over a long period of time, identification is a useful administrative device.

### ***Administrative sensitization***

The process of sensitizing policy makers has already begun. This needs to be extended, because the concept of chronic poverty is new and administrators are not familiar with its various manifestations. A chronic poverty card on the one hand and administrative understanding on the other are likely to make poverty alleviation of this sub-set more effective, even though the task is far more complex than dealing with income poverty.

### ***Future Directions of Policy Analysis***

Traditionally, impact analysis of anti-poverty programmes have mostly looked at implementation. This is one of the aspects of policy analysis. The policy loop has many other aspects. It would be useful if the totality of policy effort from policy formulation to legislation to programmes is explored. Annexure 4 indicatively mentions the linkages of some of the programmes. The recent National Rural Employment Guarantee Act could serve as a model for future poverty alleviation policy. Judicial pronouncements, as in the case of the Supreme Court judgment on food security and the appointment of commissioners to report to them, is another aspect of policy making which is gaining importance in India.

**Annexure 1: The Domain of Chronic Poverty :  
List of 52 most deprived districts**

State	District	State	District
Assam	Dhubri	Madhya Pradesh	West Nimar
Bihar	Araria		Tikamgarh
	Kishanganj	Orissa	Ganjam
	Palamu		Kalahandi
	Sitamarhi		Koraput
Madhya Pradesh	Bastar		Phulbani
	Betul	Rajasthan	Banswara
	Chhattarpur		Barmer
	Damoh		Bhilwara
	Datia		Dungarpur
	East nimar		Jalore
	Guna		Jhalawar
	Jhabua		Pali
	Panna		Sirohi
	Raisen		Tonk
	Rajgarh	Uttar Pradesh	Bahraich
	Ratlam		Banda
	Rewa		Basti
	Sagar		Budaun
	Satna		Etah
	Sehore		Gonda
	Shahdol		Hardoi
	Shajapur		Lalitpur
	Shivpuri		Shajahanpur
	Sidhi		Siddarthnagar
	Surguja		Sitapur

*Source: Mehta, Panigrahi and Sinaramakrishna (2004, WP 18: 20-21)*

**Annexure 2: Indicative List of Poverty Alleviation and Rural Development Programmes**

1	Swarna Jayanti Swarozgar Yojana	SGSY
2	Jawahar Gram Samridhi Yojana	JGSY
3	Employment Assurance Scheme	EAS
4	Food For Work Programme	FWP
5.	Sampoorna Grameen Rozgar Yojana	SGRY
6	National Social Assistance Programme	NASP
7	Annapurna	
8.	Krishi Shramik Samajik Suraksha Yojana	
9	Swarna jayanti shahri Rozgar Yojana	
10		DRDA
11	Indira Awas Yojana	IAY
12	Pradhan Mantri Gram Sadak Yojana	PMGSY
13	Desert Development Programme	DDP
14	Drought Prone Area Programme	DPAP
15	Integrated Wastelands Development Programme	IWDP
16	Rural Water Supply	RWS
17	Rural Sanitation Programme	RSP
18	Rashtriya Sam Vikas Yojana	
19	Public Distribution System	PDS

*Source: Thomas (2004, WP 18)*



**Annexure 3: Drivers, Maintainers and Interrupters of Chronic Poverty**

Drivers	Maintainers	Interrupters
Health Shock	Illiteracy/lack of skills	Diversification of income
Sudden disability	Poverty/disability/old age	Intensive farming/crop diversification
Large Social Expenditure	Social Exclusion	Off-farm work/new job
High interest borrowing	Drink/Drug Addiction	Urban Linkages
Investment Failure	Poor Health Care Facilities	Improved Rural Infrastructure
Crop Failure	Lack of Job Information	Kinship Networks
Natural Disasters	Forced Sale of Assets	Asset Accumulation
Loss of Productive assets	Indebtedness	Marketable skills/linkages
Macro Policy Change	Bonded labour	Information Network on Job Opportunities
Loss of Job	Governance Failure	Decrease in Dependency
Social and Class conflict		Increase in Wages
		Access to Credit
		Social Safety Networks

*Source: Based on Bhide and Mehta (2004, WP 15) and Mehta and Shepherd (2004, WP 24).*

**Annexure 4: Sector Wise List of Policies, Legislations and Programmes**

Policies and concerned legislation	Programmes
Process Dynamics -Social Security Policy -Micro Credit Policy -National Health Policy	Swarnajayanti Gram Swarozgar Yojana
Forest Dwellers -Forest Policy -Joint Forest Management -Community Forestry Policy -R&R for Displaced Persons -Mineral Development Policy -Natural Resource Policy	
Farm Sector -Land Reform and Distribution Policy -Agricultural Wage Policy -Employment Guarantee Policy	Food for Work Programme Employment Assurance Scheme Sampoorna Grameen Rozgar Yojana
Urban Poor -Slum Development and rehabilitation -Informal Sector Policy	Swarna Jayanti Shahri Rozgar Yojana
Special Groups -Senior Citizen Policy -Policy for Disabled -Child Rights incl. Girl Child	National Social Assistance Programme
Welfare Transfers -Subsidized Food Supply -National Hunger Policy	Targeted PDS Annapurna

*Source: Nath (2004, WP 13)*

## **Annexure 5: Policy Recommendations in Individual Papers**

### **Definitional Issues**

#### ***WP 1: Chronic Poverty: Meanings and Analytical Frameworks***

The chronic poor are a heterogeneous group and must be studied at individual, household (intra and inter) and social group levels. They include those experiencing deprivation because of their stage in the life cycle, those who are discriminated against (within the household, community or nation), those with impairments and health problems, people living in remote rural areas, urban ghettos and regions where prolonged violent conflict or insecurity have occurred. Commonly, the chronic poor experience several forms of disadvantage at the same time – gender, age, ethnicity and location, among others.

The defining feature of chronic poverty is its extended duration. Poverty that is both severe and multi-dimensional but that does not last a long time is by its nature not chronic.

#### ***Policy analytical approach and method***

Elements of particular significance include:

- Social opportunity, protective security, human rights and structures and processes of their implementation;
- Policy analysis will focus on political exclusion, inclusion and representation, the role of brokers, interlocutors, the political economy of social solidarity and poverty focused institutional analysis; and
- The relevant international, national and local discourses which frame policy .

Analysis will help develop an understanding of why particular policies are pursued or not pursued.

CPRC work should concentrate on two groups: people whose average incomes are well below the poverty line for an extended period (we can argue further about whether this should be 50 per cent or 75 per cent and over what period), people whose incomes, capabilities or multiple dimensions of deprivation have been below a ‘poverty line’ over an extended period of time.

The frame-work (drivers, maintainers, and interrupters) has the advantage of identifying in a potentially simple way for policy makers, the characteristics and causes of a complex phenomenon, which have not been recognized at the policy level.

Research should focus on those who experience (or are likely to experience) poverty for extended periods of time (five years or more). Chronicity is primarily conceptualized as 'poverty spells'. A particularly important focus is on intergenerational transmission of poverty. The big picture view of CPRC is about seeing development as 'adjusting' capitalism so that it is socially responsible through to structuralist and 'alternative interpretations of development.

Work will have value if we answer the following

- Who is chronically poor?
- Why this happens?
- What are the implications of action?

## **Spatial Distribution of Chronic Poverty**

### ***WP 2: Chronic Poverty in India: An Overview***

The incidence of income poverty in India has declined steadily between 1973-74 and 1999-2000 but the pace has varied considerably. The share of urban poverty has fluctuated around 24.5 per cent (1987-88 level).

71.65 per cent of India's poor are located in six states: Uttar Pradesh, Bihar, Madhya Pradesh, Maharashtra, and West Bengal. Several of these states have suffered long duration chronic poverty for over 20 years. Assam is added to the list making them seven in number.

No major reduction in poverty in India is possible unless intervention is intensified in these states.

Approximately 130 million people have incomes equal to or less than  $\frac{3}{4}$  of the poverty line.

Hunger is a serious problem in rural India (Orissa, West Bengal, Kerala, Assam and Bihar). It is the severest in summer months, June to September. Hunger exists even in better off states. Policy action is needed to address this.

The bulk of the chronically poor (over 79 per cent) depend on wages. Fixation of minimum wages, their periodic revision and most importantly use of bargaining power to demand their effective implementation becomes extremely important especially in the slack season when wages fall.

Chronic poverty in the duration sense persists as a 'hard core' in almost all the states. It is likely to be significantly higher in those parts that suffer greater incidence of severe poverty and multi-dimensional deprivation.

It is disproportionately high among the historically marginalized groups such as scheduled castes, scheduled tribes, the elderly, the women and the disabled.

Two regions defined as remote rural areas are likely to experience chronic poverty, dry land regions and forest based economies.

Mainstream development theories analyze poverty through a 'neutral' lens, but they discriminate against vulnerable groups.

Anti-poverty programmes of the government are for generation of self-employment, wage employment and provision of safety nets. They have undergone changes for the better over a period of time. But leakages and diversion are still problems. Public willingness to put in time and demand accountability and transparency can improve matters.

### ***WP 9: Multidimensional Poverty in India: District Level Estimates***

Multi-dimensional indicators were estimated for 379 districts in 15 large states on the basis of variables that can be considered to reflect persistent deprivation. These include variables such as illiteracy, infant mortality, low levels of agricultural productivity and poor infrastructure. The most deprived districts computed on the basis of 9 sets of multidimensional indices reflecting deprivation are, Bahraich and Budaun in U.P., Barmer in Rajasthan, Damoh and Shahdol in MP, Kishanganj in Bihar and Kalahandi in Orissa.

The districts identified as poorest on income criteria are not always the same as the poorest in multidimensional terms.

The 52 to 60 most deprived districts identified out of the 379 districts are in the seven states identified earlier.

The policy implications of 7.7 per cent female literacy in Barmer and infant mortality of 166 in Damoh are serious and need attention.

***WP 18: Operationalizing Multidimensional Concepts of Chronic Poverty***

Three methods of analysis, HDI, AHDI and K-SOM, were applied in classifying the development status of the 379 districts. The first is followed by the Human Development Reports, the second is an update of the method, which has index number problems and the third is the application of Artificial Intelligence methods to networks and clustering them, based on the information within the data set itself. As no averaging is done, none of the data is lost and a clearer homogeneity emerges.

The list of 52 districts, which are common to HDI and AHDI, provide the first cut universe of districts where chronic poverty is likely to be wide spread.

K-SOM identifies regions with similar development characteristics and cuts across district boundaries.

The results of these and its application to the talukas in Karnataka are presented in Maps.

***WP 23: Planning for the Development of Backward Districts***

District as a unit of planning and development is a reality today. A task force (2003) suggested that wage employment be concentrated in 150 backward districts out of a total of 447 districts, which form the core of the underdeveloped areas.

Planning Commission, from out the list prepared by the task force selected 100 backward districts. Rashtriya Sam Vikas Yojana has three programmes for them; a backward districts initiatives, a plan for Bihar and a plan for three districts of Orissa.

**Dynamics of the Process of Exit and Entry into Poverty States**

***WP 6: Issues in Chronic Poverty: Panel Data based Analysis***

Although the data set used is for early 1970s and 1980s, the findings have considerable relevance for policy.

The data shows that more than half (52.61 per cent) of the households who were poor in 1970-1971 remained in poverty a decade later. This is contrary to other findings. With more than half the households remaining in poverty eleven years later, it is not possible to argue that very few households remain poor over time.

As expressed in literature, there is considerable movement both out of and into poverty: 47.39 per cent of poor households escaped from poverty and a fourth of the non-poor became poor a decade later.

The results show that incidence and persistence are associated with lack of education, lack of assets, especially land, belonging to scheduled caste or tribes and working as agricultural labour.

#### ***WP 15: Correlates of Incidence and Exit From Chronic Poverty in Rural India: Evidence from Panel Data***

Some of the key findings are that physical assets, opportunities within the village and in urban neighbourhoods, and literacy emerge as poverty reducers. The interaction of various poverty correlates and the social status do not show clear patterns.

Although we argued that the social backwardness reflected in SC/ST status remained a significant factor in the incidence of poverty, the estimated marginal effects point to the fact that this impact is reducing over time.

The SC or ST status is not a significant poverty interrupter or poverty maintainer when we consider the moderately poor and the severe poor separately. Taking both together, ST status turns out to be a significant poverty maintainer.

The exit from poverty is more dependent on acquisition of assets, literacy and better demographic profile of the household than the caste or the tribal status.

### **Tribal Communities**

#### ***WP 5: Chronic Poverty in a Remote Rural District in South West Madhya Pradesh***

Increasing population pressure, absence of significant improvements in crop technology and occupational diversification, have pushed a large number of households into a spiral of 'poor resources base, limited borrowing capacity and out migration'. The children born

in these households are most likely to inherit poverty, which may accentuate over time.

The State has made several interventions; most have made in-roads into the people's livelihood base. They are inadequate in overcoming resource constraints; piece meal; and household rather than community based. Institution-based interventions are crippled due to corruption and power structure.

While economic assets are an important pre-condition for determining poverty, this alone does not explain a significantly large part of poverty.

Access to natural resources and markets rather than physical remoteness explains the difference in income levels.

Human capital in terms of literacy does not have significant influence on the present level of income among the poor.

***WP 10: Chronic Poverty and Vulnerable Social Groups: The Case of The Sahariya Adivasi Community Displaced from Kuno Wild Life Sanctuary, Madhya Pradesh***

Phenomena like displacement of the poor due to industrial projects are eloquent proof of the exclusionary and anti-poor character of this development paradigm.

For remote, rural, already marginalized communities like the STs, displacement induced by projects of 'national importance' have been one of the important contributors to rise of deprivation.

The resettlement and rehabilitation policy of the government itself comes into question in the light of the Kuno experience, because of its obvious inability to first justify the need for displacement, and then to ensure adequate compensation to the people affected.

The agencies responsible for resettlement and rehabilitation have tended to fulfill their legal obligations only in letter and not in spirit: this has a further deleterious impact on the well being of this desperately poor tribal community.

***WP 21: Poverty in Remote Rural Areas in India: A Review of Evidence and the Issues***

Spatial poverty traps could be identified mainly in the two sets of regions, broadly classified as forest based and dry land. Whereas the



former have high incidence of chronic poverty in duration sense, the latter may have more transient poverty, which if unattended could become chronic.

Development of spatially marginalized areas has been an important feature of planning in India. Nevertheless, the growth imperatives have superceded these concerns. These regions are characterized by adverse agrarian relations but with better natural capital, especially, forest, minerals and soil. While migration is a common feature across the two, its dynamics is likely to vary. Within the forest areas, there are dry land conditions without the advantage of the former.

There are pockets of severe poverty even in more developed states, like Maharashtra and Karnataka. This is linked to low agronomical potential and frequent shocks like droughts.

The present analysis is constrained by availability of the right kind of indicators at a more disaggregated level.

***WP 25: Poverty and Natural Resources: Understanding the Dynamics in context of Dry land Regions in Western India***

The paper suggests that the prevalent bi-polar research of macro generalizations and microscopic detail of micro level investigation be supplemented by area analysis covering a number of states which have a common background. For example the development region consisting of southern Rajasthan, eastern tribal belt of Gujarat, western and south-west Madhya Pradesh and inland Maharashtra are a geographically contiguous and culturally homogenous area. The learning about CP in the larger area can be useful for policy making. The state boundaries in this case may not be very important.

It has been found that states with predominance of dry lands have a lower poverty incidence vis-à-vis the forest based states. Some of the reasons for this difference could be out-migration and profligate use of ground water, which is not sustainable in the long run. Irrigation again seems to provide limited respite as far as the poor are concerned. The two patterns, which have emerged, have significance for policy making.

With a relatively low contribution to GDP (30 per cent), agriculture still seems to matter critically for poverty alleviation. This would mean that land related policies need to be examined for their impact on poverty.

The relation between poverty and natural resources is a complex one and is inherently rooted in an equitable property rights regime, not to speak of social marginalisation which affects the forest areas even though they have better resource endowments.

### ***WP 22: Commons and the Community***

Multiplicity of institutions in development is a feature of all Indian communities. In the tribal context, they have a uniqueness affecting the evolution of new institutions and their relations with the old with different value systems of trust, reciprocity and non-competitiveness. The PESA transferred the power to manage natural resources to the community in accordance with its traditions and in harmony with the existing laws. The existing forest laws have not allowed the control of the forest to pass on to the community. Without reforming it, the grass root situation may not change. The access of the community to forest resources is greater in forest department administered van grams than those under the panchayats.

Three different forms of leadership have emerged in tribal societies, the traditional, the emerging economic and the political. All the three have created their own space in the community. Their relevance depends on their ability to deliver.

In economically homogenous and relatively remote areas, social capital is much more vibrant. The trust and concerns for fellow members are in perpetual conflict with the political hierarchy which is self-serving. Participatory democracy has capability to convert cumulative unfreedom to distributive unfreedom.

## **Rural Employment**

### ***WP 14: Rural Casual Laborers, Wages and Poverty: 1983 to 1999-2000***

In rural India, casual laborers have been identified as the largest occupational group characterized by chronic poverty. Currently about 132 million strong, it is growing both in absolute numbers and their share in the rural work force. A substantial number of them do more than one job.

Within regions, factors such as sector of employment (agricultural or non-agricultural), membership in Scheduled Castes and Tribes, educational attainments and landlessness, all wield the expected

influence on the prevalence of poverty among the various categories of casual labour in any region. What matters in any region is the degree of development of rural infrastructure in that region.

In short, 'infrastructure is everything' may be the appropriate slogan for the attack on chronic poverty.

## **Urban Poverty**

### ***WP 4: From Income to Urban Contest in Global Settings***

This paper has attempted to map urban chronic poverty on the basis of qualitative interviews.

The first set of cases pointed to complex household structures responding to the fluctuations that people experienced. Even so, the relatively central city location opened up a range of opportunities. While some are able to improve their situation, there are others, like the very elderly persons, who face a very bleak situation. Cases from construction sites in more distant parts of Bangalore showed the complex links to their rural situation and also pointed to the lack of support mechanisms that the more centrally located families could tap into. This was also reflected in the case of street children. A clear distinguishing aspect between poverty and a chronic poverty situation still seemed gray.

The connection between elected representatives and the chronically poor is fragile. While the arena of local conflict is important to consider, poor groups in the contemporary city face a more complicated situation where global governance influences local civic pressures in the contest over urban space.

Chronic poverty in this context relates not just to lack of services or income but also additionally to the eviction of poor groups away from central city 'slums'. Such displacement opens up wider urban conflicts and often locks poor urban groups into a situation of chronic poverty and decreasing claims that can be life threatening at times.

In Delhi (13.5 million), Mumbai (14.5 million) and Bangalore (6.5 million), between one third and one half of the population is poverty prone.

The ability of the poor to stake a claim in the city's economic and political systems is linked closely to cyclical migration by poor groups and their strategies to get out of rural poverty. This may suggest that the

thin line between urban and rural areas needs to be seen in an integrative way.

## **Special Groups**

### ***WP 7: Chronic Poverty and Understanding Intra Household Differentiation***

When we 'break open' the household, we may find a number of intra-household inequalities with regard to division of labour, non-waged labour, decision making processes, allocation of resources, time allocation, relationship between leisure and work time and freedom of movement.

The systematic nature of inequalities leads to questions such as whether women and children voluntarily relinquish leisure, education and food.

### ***WP 12: Chronic Poverty and Gendered Patterns of Intra-Household Resource Allocation***

What emerges from our study is confirmation that even within chronically poor households, the same patterns of discrimination seems to exist as have been noted elsewhere. A rather stereotypical picture of the Indian household emerges.

Moving from the village to the city reduces many of the burdens women face. It takes away some of the resources (presence of other women to share the household tasks, child care and traditional knowledge systems).

It is fairly clear that an improvement in the economic status of the household will not change the intra household relations or disadvantage, because it stems not from poverty but from culture and tradition.

Organized and collective action by the community, in a manner that involves the young and women, would be an important step in trying to change the environment of the household.

### ***WP 17: Chronic Poverty Among the Elderly***

In formulating a policy for the rehabilitation of the elderly in India special attention needs to be focused on certain characteristics: persistence of poverty among the elderly, incidence of widowhood among elderly women (50 per cent) etc. The burden of looking after the

elderly is unequally distributed with 60 per cent of the families having no such burden. Many elderly continue to work to support themselves, as they do not have any other support. The numbers of the elderly in 2001 is 71 million and is likely to increase substantially.

One fourth of the elderly receive support from state level pension schemes, National Old Age pension scheme/Annapurna scheme.

Though the government spends around 6 per cent on pensions for their staff, the budget for National old age pension and Annapurna works out to 0.6 per cent.

## **Rural Development, Anti-Poverty Programmes and Social Safety Nets**

### ***WP 16: Chronic Poverty in Rural Areas: The Role of Government Policy***

There are several policy issues that emerge from past experience. There are a number of flaws in the guidelines of various programmes, which need correction e.g. they are uniform for all states and do not take regional differences into consideration.

There is a persistent demand that anti-poverty programmes should be transferred to the state governments. This may not always be desirable.

Though the programmes of poverty reduction are well designed, poor delivery is a major hurdle in achieving targets. The government machinery at the cutting edge level is thinly spread, poorly trained and ill equipped to implement the programmes, which require not only commitment to the poor but also technical expertise.

There is need for better coordination between ministries in the social sector and the state governments and convergence of services.

The anti-poverty programmes have not been an unqualified success. Administrative weaknesses, leakages, under funding, multiple objectives, uneconomic delivery cost and weak monitoring have diluted the benefits of the programmes.

Correct targeting is the essence of success in anti-poverty programmes. The new methodology of the BPL census could make a difference. In the final analysis, it is through devolution of functions and

authority that poverty programmes can be eradicated at the grass root level.

### ***WP 19: Safety Nets For Chronic Poor in India***

The paper provides an overview of safety nets for the chronic poor. The major programmes are for self-employment, wage employment, PDS, nutrition programmes and national social assistance programmes.

The analysis on safety nets shows that public works wage employment programmes like EGS (Employment Guarantee Scheme) and JRY seem to be more pro poor than programmes like IRDP and PDS. There are many stories on leakages under JRY. The right to information and involvement of voluntary organizations can reduce leakages. Rural employment programmes seem to work better in drought years.

PDS seems to have a wide coverage at high cost. Impact evaluation shows that income gains have improved in 1999-2000 compared to 1986-87. But the impact on poverty seems to be more or less similar in both the years. Antyodaya Anna Yojana seems to be pro-poor and a promising one for expansion.

We have not looked at the programmes that help the health and education of the poor.

The major criticism of the government based anti-poverty programmes relates to lack of people's participation. There is a need to involve Panchayats, NGOs, self-help groups and community based organizations.

Safety nets alone cannot reduce chronic poverty. But without them, the poor cannot recover from external and internal shocks. Direct programmes can be expected to give only limited relief. They need greater resources and better administration. They need to be integrated with the growth process, which needs to be rapid.

In general, the performance of many of the programmes is better in the South.

### **Generation Next**

### ***WP 8: Understanding Childhood Poverty in Rajasthan: Emerging Issues and Strategies***

Childhood poverty is an under researched area in the state.

Several programmes addressing health, nutrition and educational needs of children have been initiated in the state since the last two decades. Recently the State government has also formulated the draft of their Policy for children.

The programmes include, ICDS, Mid-day Meal Scheme, Immunization programme, Vitamin A supplement, HIV/AIDS, Siksha Karmi Programme, District Primary Education Programme (DPEP), Rajiv Gandhi Swarna Jayanti Pathashala and Janshala Programme.

While most of these programmes have been in place since long, both poor nutrition and health continue to play a crucial role in terms of poverty transfers.

Several innovative programmes have evolved special strategies for ensuring participation of poor children in education. However a large number of children continue to remain out of school and are likely to have a life course of poverty due to poor educational achievements.

### **Political Commitment**

#### ***WP 3: Political Sociology in India: Between Politics of Poverty and Poverty of Politics***

Three conclusions come to the fore: a) there has been a decline in the role of politics in poverty alleviation in the last several years, b) there are more conflicts between the poverty affected social groups and others in the rural areas in recent decades, and c) poverty related conflicts have positive and negative potential in the context of political and economic reforms.

From 2000 onwards there is a rediscovery of poverty and the poor. But it is only of marginal interest to the political parties and other political actors like trade unions, peasant organizations etc.

The pressure groups for social justice and political empowerment are also becoming increasingly visible and assertive. The Dalit movement, the movement of local people (tribes) for control of land, forest and water resources are some examples. The movement for right to information and electoral reforms are becoming significant.

If there is a remarkable decline in the ratio of poor in the second-generation reform, there may be further marginalization of the voice and concerns of the poor in the Indian polity.

***WP 13: Political Perspectives to Chronic poverty***

Expressions about the concerns of the poor are a small part of the manifestos of political parties. Their understanding, such as it is, is global, considers state spending as a solution and considers efficiency in public administration as desirable.

There is a substantial number of poor among the non-SC/ST households. They are likely to exert influence on poverty related policies.

Intuitively, regime differences ought to make a difference in the success of anti-poverty programmes. In the 1993-2000 period the picture is mixed. Some states with relatively poor administrative systems and no visible pro-poor orientation seem to have done better. The lack of patterns needs some attention.

Compared to the SC political parties, the political clout of ST parties is limited. The former have registered an immense political visibility in the last fifty years.

Political empowerment as the route to economic progress (including poverty alleviation) is an attractive distant promise. It does not make an immediate difference to the ground realities of poverty and chronic poverty.

The chronically poor are not a small number as a vote bank, but they have not been able to exercise political influence commensurate to their size.

The destitute are an important subset of the chronically poor. Societal distortions like hunger, need welfare transfers as a precursor to development support.

It looks as though, Indian political parties, civil society institutions and international donors have a long journey of discovery and understanding to make before the problems of the chronically poor become center court, let alone get solved.



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