

Poverty Knowledge and Poverty Action in India

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Abstract

Even as some households are coming out of poverty, other households are falling into poverty in almost equal numbers; poverty is being created even as it is being destroyed. The usual methods of studying poverty prevent us from learning more effectively about the nature and causes of falling into poverty, and this lack of knowledge prevents us, in turn, from reducing poverty at a faster rate.

A bottom-up methodology for studying poverty has been developed to help examine escape and descent more carefully at the grassroots level. Applied within 107 villages of three states in India, this methodology revealed that (a) escape from poverty and descent into poverty have occurred simultaneously in every village; (b) even some quite well-to-do households have succumbed to descent; and (c) the set of factors associated with escapes differs from the set of factors associated with descents. Two separate sets of poverty policies are required therefore: one set to assist households to escape from poverty and another set of policies to head off descent. Because reasons for escape and descent vary by region, both sets of policies need to be regionally differentiated.

Among the many poor people who live in India – approximately 300 million or one-third of the world's poor² – how many were born poor and how many others have become poor within their lifetimes? We do not know. How many people have fallen into poverty anew during the past ten or 20 years? We do not know.

How many previously poor people have escaped from poverty in the same period? Why – for what reasons and through which pathways – did people either escape from poverty or fall into poverty? We do not know.

We know only for any given point in time what the net figure for poverty was in each state and in the country. We do not have these figures for any district, let alone any community or village, and we do not know, for the country or even for any state, how this net figure was realized in practice: how many poor people escaped from poverty and how non-poor fell into poverty during a given period? Far less is known about reasons associated with such upward or downward movements.

Policy responses to poverty are consequently limited by gaps in knowledge. Four particular gaps are especially noteworthy.

1) First, we are not able to distinguish clearly between two different trends, respectively, escaping poverty and falling into poverty. Looking only at the net figure provides no basis for formulating policy. Any given figure for net change can be arrived at under very different circumstances, for example, a three percent net reduction over a five-year period can arise because (a) three percent of the population escapes from poverty and no one previously non-poor falls into poverty during this time; or (b) eight percent of the population escapes from poverty while five percent descend into poverty; or (c) 20 percent escape from poverty while 17 percent fall into poverty. All of these situations show up as equivalent if one looks only at the net figure. However, very different conditions underlie these three different situations, and very different policy sets will be required to deal with each one of them.

Movements upward out of poverty are responsive to one set of reasons, while movements downward into poverty are responsive to another and different sets of reasons, as we will see below. Differentiating clearly between escape and descent is, therefore, very important.

2) It is important also to disaggregate by region and locality. Escapes and descents occur at different rates and for different reasons in different parts of a country. Knowing the rates and reasons that operate in any region is critical, for how else can we know what is to be targeted by poverty policies? And how else can we identify regions within which common policies should be applied?

3) For both these reasons we will need to study poverty in dynamic context, examining households' movements over time and ascertaining reasons associated with movements in either direction. Relatively few longitudinal studies are available, however, which track households' movements over a sufficient period of time. Policies mostly follow the

results of cross-sectional studies, undertaken at fixed points in time. However, it is possible to derive some quite erroneous relying exclusively upon cross-sectional studies.³

4) Fourth and most important, it is necessary to understand poverty in the terms in which it is defined and lived by those who are themselves poor. In perhaps no other sector of policymaking are the supposed beneficiaries of policy are so poorly represented in decision making forums. This is not just a matter for regret and hand wringing; it has a very particular significance in terms of analysis and policymaking.

Poverty does not exist in a vacuum. It exists because we – as analysts – bring it into being. Let me clarify what I mean by this statement. The definitions that we provide and the measurements that we promote give poverty space and existence that it did not have before. Yes, poverty exists even without our seeing it or measuring it. But the ways in which we see it and measure it configure the reality that it takes on. Statements such as – “poverty declined by five percent in Country X between 1995 and 2000” – have no meaning other than those that we provide to them. And the meanings that we provide to poverty along with the measures that we adopt lead to the policies that we implement in order to deal with poverty as we know it. That we have not been very successful in dealing with poverty over the past fifty years owes something to the manner in which we have defined and measured this state.

We have chosen to measure poverty in particular ways – as a calorific mean, as a dollar-per-day equivalent – and we have elected to treat whole countries as the appropriate units of analysis. These decisions of ours structure reality in particular ways. These are not the only ways in which we could have selected to study poverty. Yet we selected these ways because they have allowed us to standardize poverty and to compare progress across different countries.⁴

The definition and measures that we have selected are particularly useful for these purposes, but they are not so useful for some other purposes more directly related to assisting households facing poverty. In particular, our definitions and our methods prevent us from seeing more clearly what households are doing by themselves to deal with poverty in their midst.

Households in poverty do not usually sit idle, waiting for growth or program benefits to come their way; instead, they adopt numerous strategies to cope with and tide over their difficult situations (Narayan et al. 2000). These household strategies are not guided, however, by any standardized statistician-provided definition of poverty. Rather, locally relevant understandings and definitions give rise to the strategies that households adopt.⁵

Household strategies interact with national policies and economic growth to produce results in terms of poverty reduction, but “there is woeful ignorance about [household-level] processes and strategies” (Ellis, 2000: 184). To enrich our understandings of poverty, it will be important to learn more about households’ strategies (Baulch and Hoddinott 2000). New methods will be required for this purpose. New methods will be required also to fill the other three knowledge gaps identified above.

Counting in Dialect: The Stages-of-Progress Method

One such method, termed the Stages-of-Progress method, was developed after extensive field investigations in three parts of India (Rajasthan, Gujarat and Andhra Pradesh), and additional studies using the same method have been carried out in Kenya, Uganda and Peru.⁶ Careful community-based investigations form the crux of this method. People who have lived together over reasonably long periods of time tend to know who among them has progressed and who has declined, and they also tend to know what events were associated with different households' rise and decline. Eliciting this information carefully from community members – and complementing and verifying it with information gained independently from individual households – can go quite a long way toward re-constructing the sequence of events associated with mobility in any particular case. Comparing these household-level reasons for escape and descent over a locality or region can help construct a more comprehensive picture of what is going in this area and what needs to be done in future to promote escape and prevent descent more effectively.

Seven steps are followed in these Stages-of-Progress investigations that are recounted briefly below.⁷ Three teams of eight to ten persons each implemented this approach in every village that we studied. It took a team on average about two days' time to complete these inquiries in one village.

Since investigations in each state were conducted entirely in local dialects, different teams of investigators were selected and trained separately for each state. Each team was composed of two facilitators and six to eight investigators, equally male and female. The facilitators are college graduates, while the investigators have usually between eight to ten years of school education. I trained with each team for about ten days in each state. After completing training, we implemented the following steps separately in each selected village. In all, we studied 35 villages in Rajasthan and 36 villages in each of Andhra Pradesh and Gujarat.⁸

Step 1. Assembling a representative community group: A male and a female community group were convened separately in each village that we studied. We took particular care to ensure that all members of the village community, particularly poorer and lower status ones, were represented at these meetings. Male members of our team spoke with a men's group in each village, while simultaneously female members of our team convened a women's group. It was important to do so for two main reasons. First, we had observed in our pilot exercises that women tended to not speak very much when men were present, so we decided to convene a separate group for women alone. The two separate groups helped, however, to serve as a crosscheck on each other, so an additional reason was found for continuing with this practice.

Step 2. Presenting our objectives: We introduced ourselves as researchers, and we made it clear that we did not represent any government agency or NGO, so there would be no benefits or losses from speaking freely and frankly to us. We mentioned these facts in order to remove any incentives people might have had for misrepresenting the poverty status of any household in their village.

Step 3. Defining 'poverty' collectively: Community groups in each village were asked to delineate the locally applicable stages of progress that poor households typically follow on their pathways out of poverty. What does a household in your community typically do, we asked the assembled villagers, when it climbs out gradually from a state of acute poverty? Which expenditures are the very first ones to be made? "Food," was the answer invariably in every single village. Which expenditures follow immediately after? "Some clothes," we were told almost invariably. As more money flows in incrementally, what does this household do in the third stage, in the fourth stage, and so on?

Lively discussions ensued among villagers in these community groups, but the answers that they provided particularly about the first few stages of progress were relatively invariant across all villages of each state. In all 35 villages of Rajasthan, for instance, every village group identified Food, Primary Education, Clothing, and Debt Repayment, as the first four stages of progress in their village. This similarity in stages occurred even as community groups themselves defined these stages in each village, i.e., it was villagers and not researchers who defined the stages of progress and the poverty cutoff that followed.

After crossing which stage is a household no longer considered poor, we asked the assembled villagers, after drawing up the progression of stages in each village. The placement of this poverty cut-off and the nature of the initial stages (i.e., those below the poverty cut-off) differed somewhat across villages belonging to the three different states. Among villages located within the same state, however, there was virtually no difference in these local understandings of poverty.

Villagers within each state identified the same initial stages of progress and the same poverty cutoff. Table 1 presents these stages and the cutoff as reported in villages of each state.

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Notice the progression in stages as households gradually make their ways out of poverty in each region. In villages of Rajasthan, for example, the first four stages are food, primary education for children, clothing, and debt repayment, as noted earlier, and the poverty cutoff is drawn immediately after the fourth stage. In Andhra Pradesh villages, similarly, the poverty cutoff is drawn immediately after the fourth stage. Three of these first four stages are similar between Rajasthan and Andhra Pradesh villages, but instead of primary education, reported in Rajasthan villages, another stage, corresponding to minor house repairs, was reported among the first four in villages of Andhra Pradesh.⁹

Later stages of progress beyond the first few are not reported in Table 1, and these stages included digging an irrigation well on one's own land, purchasing cattle to start dairying, starting a small retail business, constructing a new house, purchasing jewelry, acquiring

radios, fans and tape recorders, and finally, purchasing a motor cycle, tractor or Maruti car. These are, however, discretionary expenses, and depending upon the taste of a household's members, purchasing a radio or a tape recorder can precede or come after acquiring ornaments. There was, consequently, more variation in the ordering of these later stages in different villages.

The first few stages are, however, not so discretionary: they are both physically and socially obligatory. Physical needs – for food, for clothing, for protection from the elements – combine with considerations of social recognition to constitute the definition of poverty prevalent within these communities.¹⁰

It is a commonly known and widely agreed-upon understanding of poverty, and this everyday understanding of poverty is much more real for these villagers than any definition that is proposed from the outside. These locally constructed understandings of poverty constitute the criteria within these communities for identifying who is poor. They also constitute a threshold or an objective, which defines the goals and the strategies of poor people in this context: What they do in order to deal with poverty depends on what they understand to be the defining features of this state.

It needs to be noted that the stages of progress and the poverty cutoff reported in the three separate regions are roughly similar without being exactly alike. Percentages of poor people reported (in Table 2 below) for villages in each of these regions are thus only approximately though not precisely comparable.¹¹

Villagers participating in community groups developed these criteria among themselves, and they used these well-understood and commonly known criteria to classify which households are poor at the present time and which households were poor 25 years ago. The next few steps indicate how this classification exercise was conducted.

Step 4. Treating households of today as the unit of analysis, inquiring about households' poverty status today and 25 years ago: In this step a complete list of all households in each village was prepared. Referring to the shared understanding of poverty developed in the previous step, the assembled community groups identified each household's status at the present time, for 25 years ago, and also for the intervening period. Households of today formed the unit of analysis for this exercise. In order to denote the earlier period clearly, we made reference to the national emergency of 1975-77, which is clearly remembered particularly by older villagers, and which marks a common point of comparison across different states in India.¹²

It is also important to recount that household composition was relatively stable in these villages. Relatively few households, less than two percent in all, had either migrated in or migrated out permanently in these villages during the 25-year period considered for these studies. Individual members of households, particularly younger males, have gone out of these villages in search of work, but very few members have gone out permanently, and fewer still have gone out permanently together with their family.¹³

Step 5. Assigning households to particular categories: After ascertaining their poverty status for the present time and for 25 years ago, each household was assigned to one of four separate categories:

Category A.	Poor then and poor now	<i>(Remained poor);</i>
Category B.	Poor then but not poor now	<i>(Escaped poverty);</i>
Category C.	Not poor then but poor now	<i>(Became poor);</i> and
Category D.	Not poor then and not poor now	<i>(Remained not poor).</i>

Step 6. Inquiring about reasons for escape and reasons for descent in respect of a random sample of households: Reasons associated with movements upward and downward were ascertained in this step from the assembled community groups. We took a random sample of about 40 percent of all households within each category, and we inquired in detail about causes and contributory factors associated with each such household's trajectory over the past 25 years. These event histories were checked independently for each selected household with the men's and women's groups that we convened separately in each village, and any differences that arose were resolved by re-checking these accounts with both groups.

Step 7. Following up by interviewing household members: Reasons indicated by the community groups for each individual household were also crosschecked separately with members of the household concerned. At least two members of each such household were interviewed separately in their homes. Male members of our team spoke with the men of these households, while female members interviewed the women. Multiple sources of information were consulted thus for ascertaining reasons associated with the trajectories of each selected household.

The Stages-of-Progress method provides a useful methodological device, a benchmark or yardstick, for assessing how high up the ladder of material prosperity a particular household has climbed within a particular region. It is an emerging methodology, which can certainly be improved upon, as discussed later, but even in its present shape it helps to fill the four important knowledge gaps that we identified above. In particular, this method helps to:

- (1) Elicit separately the reasons for escape and descent;
- (2) Identify these reasons separately for each separate region;
- (3) Examine households' movements and reasons for these movements in dynamic context; and finally and most importantly,
- (4) It helps by adopting for these investigations an understanding of poverty that is understood and shared by local residents.

Because it relies upon such locally relevant understandings of poverty, its utility for cross-national or cross-regional analyses is somewhat limited. It is quite valuable, however, for unearthing trends and reasons associated with households' escape and descent within particular regions.

Diverse Trends in Different Localities

In each state and in every village that we studied a significant number of households have escaped from poverty over the past 25 years. At the same time, however, a significant number of households have also fallen into poverty. Table 2 provides the aggregate results.

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Notice the large proportion of households that have fallen into poverty in villages of each state, and consider what might have happened if descent into poverty had been better controlled in these villages. Instead of a paltry 1.9 percent net reduction that was observed in the 36 Andhra Pradesh villages, for instance, a much healthier rate, as high as 14.1 percent, could have been achieved. Because 12.2 percent of households fell into poverty during the same period, however, the lower pace of progress was actually observed. Similarly, instead of the small 3.2 percent net reduction witnessed in the Rajasthan and Gujarat villages, much higher rates, respectively, as high as 11.1 percent and 9.5 percent, might have been observed had we been better able to control against descent.¹⁴

Introducing a separate focus on falling into poverty is an important contribution of the Stages-of-Progress method. Very large numbers of households are falling into poverty in each state and region of India, yet nowhere to the best of my knowledge has policy been put in place that is directed specifically toward reducing these frequent and often needless descents.

Considering separately these data for escape and descent also helps for answering a question noted at the start of this paper: Why are so many people poor in India? In these 35 Rajasthan villages, for example, almost *one-third* of those who are poor were not born poor. Rather, they *have become poor within their lifetimes*.

Even as poverty is being reduced overall in India, new poverty is being generated in villages and communities across the country. Controlling such descents is not only necessary; as discussed in the next section, it is also possible and achievable without any substantial additional outflow of resources.

New knowledge gained using the Stages-of-Progress method also shows that poverty does not occur or move uniformly in all parts of the country. Different trends and different causes operate in different regions and localities, and pinpointed rather than blanket solutions need to be devised and implemented.

That different trends operate even in villages of the same district is illustrated by the figures provided in Table 3 below. For example, while 29.4 percent of households are poor at the present time in Sultanpurthanda Village of Nalgonda District (Andhra Pradesh); in Guroamboduthanda Village of the same district as many as 84 percent of

households are presently poor. The present level of poverty differs substantially between these two villages located no more than 20 kilometers apart.

Movements over time also differ substantially. While almost half of all households have escaped poverty in Sultanpurthanda over the past 25 years and only 3.4 percent of households have fallen into poverty in this village, the opposite trends have occurred in Guroamboduthanda Village: more than half of all households in this village have fallen into poverty, and a mere 4.4 percent have escaped from poverty in the same time.

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Similarly divergent trends become apparent when we look at data for any of the 107 villages that we studied in 13 districts of three states. This diversity in both level and trends will need to be acknowledged and accommodated better in plans made to combat poverty more effectively in future.

It will also be important to address separately the separate reasons that are responsible for escaping poverty and for falling into poverty. Without knowing what reasons are most prominent for escape and for descent in any particular locality, appropriate interventions cannot be identified. It is more than likely that programs formulated without knowing such locality-specific trends will have relatively little impact upon poverty in a region.¹⁵

Going Up is Different from Coming Down

Escape and descent are not symmetric in terms of reasons. In each region that we studied, one set of reasons accounts for falling into poverty and another and different set of reasons is associated with escapes.

Two separate poverty policies will be required, therefore: one set to help promote escape from poverty and a different set to help control descent. What the contents of each such policy should be can only be ascertained after first undertaking detailed local-level analyses, intended to identify what matters for escape and what else matters for descent in each region. To the extent that these reasons are similar across an entire region, state or country, the corresponding policy can be implemented with a successively larger geographic scope. To the extent, however, that reasons for escape and descent vary locally, more decentralized policies will be required. In either event, whether the ultimate policy response is centralized or not, the initial investigation into causes and reasons is better carried out locally: you need to know first what the causes of poverty are in any particular region – and not assume that the same causes operate and the same policy is required everywhere.

In the first part of this section, I will discuss reasons for descent as identified in these Andhra, Gujarat and Rajasthan villages. In the second half, I will deal with reasons for escape.

No single reason is usually associated with descent in any village. Most often, a combination of reasons has operated to plunge any household into abiding poverty. An elderly respondent in one Rajasthan village put it succinctly to me as follows: “A single blow can be endured, but when several blows fall upon us one after the other, it becomes hard to cope...and the result [quite often] is poverty endured by generations to come.”¹⁶

The ability of any household to suffer successive blows is related clearly to its class and income category, and households that live closer to the margin of poverty (and whose kinsmen are also relatively poorer) can withstand relatively fewer blows. However, relatively richer and relatively poorer households have alike fallen into poverty on account of a similar combination of factors. Another village respondent in Rajasthan narrated the following account, which illustrates what factors are typically associated with descent.

We were quite well to do at that time [25 years ago]. My father had a reasonable amount of land, and we three brothers helped with the farming tasks. But then my father fell ill. No one knows quite what it was [that afflicted him]. But the local remedies did not help. He became more and more ill. Finally, we took him to the district hospital. We borrowed 20,000 rupees [approximately equivalent to about two years’ minimum wage at that time] to spend on doctors and medicines, but it did no good. My father died. Then our kinsmen told us that we had to perform a death feast, inviting the extended clan from the adjoining eight villages. So we borrowed and spent another 15,000 rupees... The rate of interest was going up all this while... And then my brother fell ill...the same story was repeated...and we came under [accumulated] debt of more than 50,000 rupees... Soon after that, I had my two daughters married. We must have spent about 10,000 rupees on each wedding [resulting in]...more debt... We were paying [at the rate of] three percent a month as interest, and our land was pledged as security. There seemed to be only one way to start repaying this debt. We borrowed more money to sink a well on our land. For two years, it worked. There was water in the well, and we had a good crop. But then [as quite often happens in this area] the rains failed for four years in a row. Our well went dry...and the debt only kept growing. We had to sell our land. We are poor now, my brothers’ families and mine. We work hard, wherever and whenever we can find work... just to repay our debt.¹⁷

This account, like all others considered here, was verified independently by at least one other member of this household and also by the village community. It corresponds closely in its details to the life histories that many other Category C households (those who have fallen into poverty) related in other Rajasthan villages. Some among these details are similar to those we heard in villages of Andhra Pradesh and Gujarat, but other reasons for falling into poverty vary by state and also by locality. Table 4 provides figures related to descent aggregated for all villages within each state.

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Among common reasons for falling into poverty, *ill health and high healthcare expenses* are most important. Health and health-related expenses were mentioned as prominent reasons associated with nearly 60 percent of all descents recorded in Rajasthan, 74 percent of all descents examined in Andhra Pradesh, and as many as 88 percent of all

descents studied in villages of Gujarat. Despite being located within a relatively richer and faster growing state, villagers in Gujarat faced a significantly greater threat of falling into poverty on account of health-related reasons.

There is evidence to show that health has risen in importance as a reason for descent. Many more households in Rajasthan have succumbed to health reasons during the last ten years than fell into poverty on this account in the ten previous years. An elderly villager in Rajasthan summarized philosophically: "In the old days, the aged people would fall sick and they would die. Their survivors would grieve and be unhappy, but they would pick up their lives eventually and carry on much as before. Now, the old people fall sick, and their children run up huge debts caring for them. The old people die, nevertheless, and they leave behind ruined families."

After ill health and health expenses, the second most important reason for descent into poverty relates to customary expenses on marriages and death feasts. While marriage and death feast expenses are together involved in roughly the same percentage of descents in villages of the three states, the ratio between marriages and death feasts varies. Expenses on marriages are relatively more important in villages of Gujarat and Andhra Pradesh, while death feasts matter comparatively more for descent in these Rajasthan villages. Further disaggregation of these numbers shows that each type of expense is variously high and low among different social groups resident in different villages. Addressing this particular reason for descent – through social reform movements or community actions – will require being attentive to such variations.

The third most significant reason associated with descent has to do with high-interest private debt. Villagers deal with high healthcare expenses and with expenses on marriages and death feasts by taking out high-interest loans from private moneylenders. No institutional sources are usually tapped for taking out such loans. Even in villages of Andhra Pradesh, where self-help groups and rotating savings and credit associations have spread rapidly in the last decade, hardly any villager has taken loans for such consumption purposes from any of these institutions. Private sources are most often drawn upon for such purposes, and private rates of interest – ranging as high as five percent per month – are paid. The high burden of debt that results helps push households downward into poverty in villages of all three states.

Indebtedness takes on a particularly vicious manifestation in villages of Gujarat. Debt bondage is a frequent occurrence, we found, in many villages of this state. As many as 79 per cent of poor ST households, 35 per cent of poor SC households, and 45 per cent of poor OBC households in villages of Vadodara district of Gujarat that we studied are involved in relationships involving bondage to their creditors. Suresh Khaiwal, a ST individual of Village X in Vadodara District, recalls his childhood as follows:

I remember my mother working when I was young as a bonded laborer in the fields of [a rich person in this village]. My parents worked for their entire life, as far as I can remember, doing *Chakari* [the local word for debt bondage] for these people. I remember quite well that after working the entire day in their fields, my mother would bring some grain to our house and fill our stomachs. I still shudder to think of those times. We had no alternative. When education came to this village,

then my parents and another two or three Adivasis [STs] of the adjoining houses sent their children to study, and we have all progressed to some extent... but even today, many Adivasis serve as *Chakar* in the fields and homes of [these rich people]. Whenever there is any urgent need for money, for instance, to treat somebody's illness or for some wedding or funeral expenses, this amount has to be taken as loan from these [rich people], and the individual who borrows this money is required to do *Chakari* as part of the agreement.¹⁸

Debt bondage is not quite so pronounced in villages of Sabarkantha District that we studied in Gujarat, and it was not mentioned in any village that we examined in Rajasthan and Andhra Pradesh, but it is apparent in villages of Panchmahals District and most prominent in villages of Vadodara District (the most industrialized of the four Gujarat districts that we studied).

Drought and irrigation failure constitute the last important factor associated with large numbers of cases of descent in each region. However, the effect of this factor varies considerably among regions in a state. Within Andhra Pradesh, for instance, villagers of Nalgonda district cited drought and irrigation failure much more often than villagers of the other two districts, Khammam and East Godavari, indicating that the same factor could have significantly different effects even within the same state.

It is also worth mentioning that drunkenness and laziness are not significantly associated with households falling into poverty. Laziness was mentioned as a contributing factor in less than four percent of all cases of descent into poverty in villages of all three states, and drunkenness also contributed to less than four percent of all cases of descent in these villages. Poor people do not become poor or remain poor on account of bad habits or lack of ambition. Rather, they are plunged into poverty most often because of factors beyond their control.

Escaping poverty is responsive similarly to different factors in different regions. Table 5 provides some aggregate figures.

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Diversification of income sources has been the most important reason associated with escaping poverty in these villages. It has involved villagers in taking up a range of different activities. Different sets of activities have been relatively more important in different regions. In villages of Rajasthan, for example, some villagers have taken up additional activities within their village, including rearing goats, making charcoal, and hiring out for labor in mining, transportation and agricultural activities, but many more villagers have sought new sources of livelihood in cities, and they have gone as far as Mumbai, Bangalore, Chennai and Pune, several hundred kilometers away, to work as carpenters, cooks, ice cream vendors, laborers, masons, plumbers, sign-painters, tea stall assistants, truck drivers, and waiters.

Mostly younger males move to the city for this purpose, and in nearly all of these cases they travel by themselves, leaving their families behind in the village. The positions they occupy in the city are hardly very secure, and it is both more reliable and cheaper to have one's family stable in the village. Consequently, permanent migration of entire households from villages to cities has occurred in relatively few cases.

Diversification of income sources has involved a different set of activities in villages of Andhra Pradesh, and different activities have been taken up in different parts of this state. Broadly, two types of activities have been involved. First, some households have set up tiny businesses of their own or they have sent one of their members to a city, where he or she has found some work in the informal sector. These types of activities have been more frequent in villages of Nalgonda and Khammam districts. Second, some households have diversified into non-traditional crops, while still holding on to a mainly agricultural lifestyle. The second type of diversification (within agriculture) has been more important in villages of East Godavari district. In Gujarat villages, similarly, diversification has involved a proportionately larger component of income from dairying activities.

Even though diversification of income sources is similarly large as a reason associated with escaping poverty in all three states, different kinds of diversification are more important in each particular state and sub-region. Different policy supports will be required, therefore, to promote diversification within different regions.

Employment in the formal sector is the second significant reason associated with escapes. In Andhra Pradesh and Rajasthan villages this factor was associated with just seven percent of all studied escapes from poverty. In Gujarat, this proportion was higher: 32 percent.

Even in Gujarat, however, a growth rate of state domestic product of more than five per cent per annum in the 1980s and more than nine per cent per annum in the 1990s (Ahluwalia 2000) has been accompanied by an escape from poverty of only 9.5 per cent of households in these villages. More than half of all village households continue to remain poor despite high growth. And of the 9.5 per cent of households that did, in fact, escape from poverty, *less than one-third* found their escape routes through jobs provided by the private sector.

Industrial growth has been a contributing factor for escape from poverty in Gujarat more than the other two states, but its contribution has been much less than what many analysts have expected. Along with rising capital intensity (Kundu 2000), two other factors have a bearing on the relatively slow transformation of industrial growth into job creation for village residents. First, a considerable part of the jobs created by industry have been assigned to casual laborers who have come in (or who were brought in) from other states.¹⁹ Second, the jobs that local residents are assigned are quite often of low quality and liable to vanish at short notice.²⁰

In Nalgonda district of Andhra Pradesh, all 12 villages that we studied are located alongside a cluster of privately owned cement plants.²¹ However, less than ten percent of all households that escaped poverty in these villages did so on account of getting employment in the private sector. Relatively few jobs were created by industry in the first place. Further, the conditions of employment are such that obtaining a job in the private sector does not always represent a pathway out of poverty. Local residents who work in the cement industry do so in most cases as casual labor. They are hired by intermediaries and contractors and not directly by the cement plants, and they are paid, often for years on end, on a day-to-day basis, with no benefits and little security.²²

While industrial growth can help in many other ways, banking upon such growth to create jobs in large numbers does not appear to be a viable strategy for reducing poverty rapidly enough. Relatively fast industrial growth was not good enough for this purpose in Gujarat. It is not clear that this strategy will work any better in the rest of India.²³

It is also important to note that jobs were not available in any state for all educated, talented, and hard-working villagers who were looking for jobs. Contacts providing information were critical for most cases of successful job search. In more than 85 percent of all successful cases of job search the availability of an external contact, a friend or more often a relative already established in the city, was critical. Households that have had such contacts available to them have been able to tap into economic growth and to make use of the opportunities for self-advancement that growth undoubtedly provides. But other households, equally well qualified in most other respects, have not been equally able to take advantage of these opportunities. A young village resident in Rajasthan explained why:

I am educated [to high school level] and eager to get a job in the city, but I have no way of knowing what jobs exist. I have no one in the city who can find out and tell me. It is very expensive for me to live there waiting for a job, and my family cannot afford these expenses. Some day, I hope, I will get a job and help my family. I wish I had an uncle or a cousin in Bhilwara [the nearest city], who could help me, just as Gopi Singh's brother-in-law helped him to find a job.²⁴

People need to be connected to economic growth; they need information and contacts. Individuals and households that have lacked information and contacts have been less able to use formal sector employment or even diversification as a pathway out of poverty in any of these states. The story is not dissimilar in other states of India. Based on close observations in villages of Uttar Pradesh, Jeffrey et al. (2004: 978) conclude that “to obtain a government job one must build relations of trust with a ‘source’ [who] supplies information about employment opportunities.” For people who do not have access to such information networks “development initiatives focused on formal education are likely to be only partially successful” (p. 963).

It is a sorry fact that even as the government in India (and in other developing countries) has pledged itself increasingly to supporting market-led economic growth, it has not at the same time made market-based information easier to access by ordinary citizens. Instead, citizens rely mostly on kinship-based channels: those who are lucky enough to have relations in cities are the ones who are most able to diversify and break out of

poverty. It is also noteworthy that an increase in full-time employment is *not* the main channel through which economic growth has translated into poverty reduction in these contexts. Both these facts are important to recollect as we consider possible actions in the following section.

Irrigation represents the last significant pathway out of poverty. While irrigation has been associated with roughly one-quarter of all escapes from poverty in these villages, the remedy of irrigation is not equally available in all villages. It is also not a sure bet: failed wells have contributed toward deepening existing poverty in quite a significant number of households in these regions. Lacking any reliable information about groundwater availability, many villagers gamble away their meager fortunes on digging or deepening wells or investing in pumpsets, only to find their wells drying up and their pump sets sitting idle.

One last point before concluding this section: As the figures in Table 5 show, government or even NGO assistance schemes have not been associated so far with large numbers of households escaping from poverty. This finding should not be interpreted to mean, however, that such interventions are inherently not useful or not required. Governments and NGO programs can help in very significant ways for reducing poverty – provided they address important reasons associated with escape and with descent. It is when government assistance schemes follow a centralized logic based on some preconceived notions (and not on any close examination of local conditions) that they are least likely to be successful. Better-targeted NGO and government schemes based on understanding local reasons for escape and descent are more likely to succeed in alleviating and reducing poverty.

Conclusion: Poverty Knowledge and Public Action

Obtaining localized information on reasons for escape and descent should be the first significant step in combating poverty more effectively. All concerned agencies, and not just governments, can play a part in this important effort. It will not be enough merely for growth to occur and work its putative magic, as some analysts seem to imply (e.g., Bhalla 2002; Dollar and Kraay 2000). Achieving higher economic growth “is only one element of an effective strategy for poverty reduction in India” (Datt and Ravallion 2002: 106). Different reasons for escape and descent operate within different regions, and growth is hardly any panacea for all of these reasons or even the most important ones.

Health and healthcare expenses constitute the single most important factor associated with descent into poverty in these three states, and they have been found to be critical as well for deepening poverty in other parts of the developing world (Deolalikar 2002; Pryer 2003; Sen 2003). Policy in this regard has been often been misinformed by the belief, however, that economic growth will itself constitute an appropriate response to this factor.

However, as the example of Gujarat shows us, “in spite of rapid economic growth observed in the state since its formation in 1960, the diseases of poverty remain

widespread...budgetary allocation to the health sector has declined continuously for over a decade from the mid-1980s... Despite its relatively richer status, the state of Gujarat spends less on healthcare than the average for other Indian states... [and it ranks] fourth from the bottom out of 25 states and union territories” in terms of proportion of state domestic product spent on health (Mahadevia 2000: 3200-3). Dependence on private healthcare is quite high even among the lower expenditure classes and in rural areas. Relatively richer as well as relatively poorer households in the Gujarat villages that we studied have fallen into abiding poverty on account of health and healthcare expenses.

Carefully directed public policies and well-targeted non-governmental actions are required if healthcare is to be provided in an accessible and affordable manner to poorer villagers of this region and others. The experience of Panelav Village in Panchmahals District (Gujarat) shows what can and should be done to provide better healthcare. Only seven out of a total of 106 households in Panelav Village have fallen into poverty over the past 25 years, and in only one among these seven cases was health a significant reason for descent into poverty. A locally based NGO runs a health clinic in this village. Doctors and attendant staff are regularly available, and the fees charged are within the reach of even quite ordinary villagers. Interviews with villagers in Panelav revealed the very significant impact that this service has made on the status of health in Panelav and surrounding villages.

Such public actions are important to undertake in a wider area if a critical reason for decline is to be arrested more effectively – and it does not seem likely that NGOs’ alone can do this work. The state can neither abdicate nor be absolved of its responsibilities. Government health agencies will also need to play a more effective role.

More important than the nature of the agency concerned, however, is the nature of its working partnership with local residents. In principle, government as well as non-government agencies can run effective healthcare facilities; the critical element lies, however, in being accountable to area residents and responsive to their concerns.

Governments cannot, however, deal as effectively with the second major reason for falling into poverty; social and customary expenses are better dealt with by societal forces. The story from some Rajasthan villages is illustrative in this regard. All caste groups in Rajasthan are equally vulnerable to descent on account of such social expenses, and the only exception is provided by Scheduled Tribes (STs) of Dungarpur district, among whom there is not a single case of death feasts or marriage expenses resulting in descent. There is no other caste group in these villages of Rajasthan for whom social expenses are not an important reasons for descent – including, surprisingly, STs of the adjoining Udaipur district. STs of Dungarpur are alone in this respect, in that they abjure death feasts and spend relatively small amounts on marriage parties. They have been assisted in this respect by a powerful social reform movement, the Bhagat movement, which became widespread in this district about 20 years ago.²⁵ Similar social reform movements, spearheaded by non-government agencies of different types, can help deal better with this particular cause for growing poverty.

The third important factor associated with falling into poverty – high-interest private debt – is critically associated with the first two factors. When healthcare becomes available more accountably and at lower cost, and when people are persuaded to spend less on marriages and death feasts, their need for borrowing from moneylenders will be commensurately reduced. Until the time it takes, however, for these positive results to materialize, it will help to enhance people’s access to reliable and cheaper credit. No moneylender in these villages has ever gone bankrupt, as I ascertained, and I fail to understand why institutional lenders do not step up to provide such loans to villagers at more affordable rates, while also making tidy profits for themselves in the process. Perhaps it will need some non-conventional lenders, such as businesses or foundations, to show the way in this regard.

Last – but very far from least – it will take large amounts of information to root out poverty. Consider trying out an experiment the next time you have a chance to go into a village. Ask the young boys and girls of the village about what they wish to become when they grow up. Ask their parents and guardians the same question in respect of their wards, and follow up by asking how – through what pathways, by following what course of study, by appearing for which examinations, etc. – they will attempt to achieve their career ambitions. Whenever I have asked these questions – and I almost invariably ask such questions of children and teenagers whom I meet in a village – I have most often accosted blank stares (“what kind of stupid question is that!”) and I have met much less often with a clearly stated ambition. Even when the ambition has been clearly stated, however, the pathway involved is far from clear (“he is good at mathematics and he wants to be an engineer, but no one here can guide him about what he needs to do”).

Talented, bright-eyed, hard-working, young men and women exist in large numbers in villages throughout the country, but they remain ill informed in most cases about the opportunities that exist. They remain ill informed not so much because of lack of interest or lack of trying on their part. Rather, it is because decision makers and institution builders have failed to build the institutions or to take the decisions that can provide the information required by a keen and interested villager. Where are the teachers who can provide young villagers with career counseling? Where are the libraries that young villagers can consult in lieu of teachers who often do not teach and mostly do not counsel? Where are the employment exchanges that can provide regular information about jobs and career opportunities?

Providing more regular, and more reliable information, not only about jobs and careers, but also about several other factors will be critically important in the fight against poverty. Information about where to dig a well, for instance, and where not to; about what diseases are most prevalent in an area and how to avoid them; about how and where to complain about teachers who do not teach and health workers who do not heal – these are the kinds of knowledge that diverse agencies can helpfully serve to provide.

Generating and communicating appropriate knowledge is a key objective that all concerned agencies can help serve in years to come. “We have come up with a model of growth and development that has aimed at prosperity for the nation that is then meant to

be shared downwards with the people, rather than setting more modest goals for the people that are automatically shared at the bottom and middle tiers of the economic pyramid and social structure” (Kothari 1993: 121).

Admitting ordinary people as full participants in the acts of understanding poverty, analyzing causes, and identifying appropriate remedies will be critically important for rectifying the existing inequalities. Important new knowledge needs to be generated about poverty and its causes, and new methods need to be pioneered for this purpose.

Why people fall into poverty needs to be known much better, and why only some people (and not others) are able to benefit from opportunities generated by growth also needs to be investigated more closely. Suitable methodologies need to be developed for this purpose. That is the main point of the exercises I have been undertaking together with my colleagues, and that is why I have presented in some detail one such methodology – though hardly the only one possible – that is currently being adapted and implemented in different parts of the developing world.

Building on a rich history of participatory approaches, the Stages-of-Progress methodology is rigorous but relatively simple to apply. Communities can utilize these methods on their own to track poverty in their midst, to isolate reasons for escape and descent, and to develop strategies to deal with these reasons.

Some limitations will need to be addressed as this methodology is extended further. First, the methodology will need to deal better with intra-household differences, particularly those based on gender. In its present form, the methodology does not disaggregate further below the household level.

Second, it will need to be adapted for dealing better with newly formed communities, particularly those in large cities. Because it relies upon commonly shared community memories, this methodology works better among more longstanding and close-knit communities. Such communities are easier to find in rural areas, and they are less prevalent in metropolitan areas, which limits somewhat the reach of the methodology in its present form.

Third, it is very important to track poverty and its reasons consistently over multiple years. Understanding poverty comprehensively in any region will require undertaking such continuing re-learning. I am currently working on a proposal intended to set up in collaboration with NGOs and academic institutions a set of poverty tracking stations in six or seven different regions of India, where a combination of methods can be used at periodic intervals, say, every three years or so, to track poverty within a selected group of communities. Suitably located and managed, these stations should help to gain new knowledge about poverty and to stay current with region-specific reasons associated with escape and descent.

Admitting different definitions and methods will help us accomplish multiple different objectives related to poverty reduction. The field is too narrow at present and too

concentrated within one limited understanding of poverty. Disaggregating by trend (escape and descent), by reason (why escape and why descent), and by region and method will help us to uncover new facts about poverty and to triangulate and verify old facts.²⁶ Progress in poverty reduction will be better as a result.

Table 1: Stages of Progress and the Poverty Cutoff

ANDHRA PRADESH	GUJARAT	RAJASTHAN
1. Food 2. Minor house repair, particularly patching leaky roofs 3. Retiring accumulated debt in regular installments 4. Some clothing to wear outside the house	1. Food 2. Some clothing to wear outside the house 3. Sending children to school, at least to the primary level 4. Retiring accumulated debt in regular installments	1. Food 2. Sending children to school, at least to the primary level 3. Some clothing to wear outside the house 4. Retiring accumulated debt in regular installments
	5. Minor house repair, particularly patching leaky roofs 6. Renting a small tract of land to farm as a sharecropper	

Table 2: Trends in Villages of Three States (Percent of Households)

State	Districts	Cat. (A) <u>Remained</u> <u>Poor</u>	Cat. (B) <u>Escaped</u> <u>Poverty</u>	Cat. (C) <u>Became</u> <u>Poor</u>	Cat. (D) <u>Remained</u> <u>Non-Poor</u>	<i>Poverty</i> <i>Reduction</i> <i>in 25</i> <i>years</i>
Andhra Pradesh (36 villages)	Nalgonda, Khammam, East Godavari	51.4	14.1	12.2	22.3	1.9
Gujarat (35 villages)	Dahod, Panchmahals, Sabarkantha, Vadodara	55.6	9.5	6.3	28.6	3.2
Rajasthan (35 villages)	Ajmer, Bhilwara, Dungarpur, Rajsamand, Udaipur	17.8	11.1	7.9	63.2	3.2

Table 3: Diversity within States and Districts (Percent of Households)

Village	Number of Households	Escaped Poverty (%)	<i>Became Poor</i> (%)	Percent poor today	Reduction in poverty over 25 years (percent)
Nalgonda District, Andhra Pradesh					
Sultanpurthanda	89	49.4	3.4	29.4	46.1
Guroamboduthanda	114	4.4	51.8	84.2	-47.4
Panchmahals District, Gujarat					
Balaiya	215	23.7	4.2	64.7	19.5
Chikhali	214	9.3	20.6	70.1	-11.2
Udaipur District, Rajasthan					
Barda	146	12.3	14.8	47.3	-2.5
Gowla	111	13.5	3.6	9.9	10.0

**Table 4. Different Reasons for Falling Into Poverty
(Percent of Households of Category C)**

<u>Reason</u>	Andhra Pradesh (36 villages)	Gujarat (36 villages)	Rajasthan (35 villages)	Remarks
Health and health-related expenses	74	88	60	
Social expenses: Marriage/dowry	69	68	31	The lower incidence in villages studied in the four Rajasthan districts reflects the positive impact of dowry-rejection campaigns among particular social groups in these districts.
Social expense: Death feast	28	49	64	Associated with almost every caste group in Rajasthan but with only a few specific groups in Andhra Pradesh.
High-interest private debt	61	52	72	Also associated with debt bondage in Gujarat, particularly in villages of Vadodara District.
Drought/irrigation failure	44	22	18	Particularly important in Nalgonda district, Andhra Pradesh.

Note: The numbers in each column add up to more than 100 because multiple causes are associated usually with each case of households falling into poverty.

**Table 5. Reasons for Escaping Poverty
(Percent of Households of Category B)**

<u>Reason</u>	Andhra Pradesh (36 villages)	Gujarat (36 villages)	Rajasthan (35 villages)	Remarks
Diversification of Income Sources	51	35	70	Different kinds of diversification have helped relatively more in different states.
Government Job	11	39	11	A one-time increase in schoolteacher jobs was important in the case of Gujarat villages.
Private Sector Job	7	32	7	
Irrigation	25	29	27	
Help from some government or NGO scheme	14	6	7.5	

Note: The numbers in each column do not add up to 100 because multiple causes were associated with ascent in many cases.

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Notes

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² Exact estimates vary on account of methodological disputes, however, they range from 26.1 percent (Parikh and Radhakrishna 2002) to 35 percent (World Bank 2003) of the Indian population. Himanshu and Sen (2003) provide a good overview of debates surrounding conventional methods of measuring poverty, indicating the fragility of estimates derived using these methods.

³ For instance, it is claimed on the basis of cross-sectional studies that “the probability of experiencing poverty is more in bigger households...[and so] effective population control in rural areas [is necessary] to eradicate rural poverty in India” (Thakur et al. 2000). But if poorer households are also larger in size at any given moment of time, it does not necessarily follow that large size is a *cause* of poverty among households. The causation might run the other way around: poorer households need more earning members and so might prefer to have more children (Iliffe 1987; Mukherjee and Benson 2003). Or there might be a third factor, e.g., high infant mortality, that affects both poverty and household size and causes increases in both. Without examining these connections over time – do larger households tend to do worse over time compared to smaller households? – it is not possible to weigh in conclusively on these issues. Because large population size increases the denominator of national per capita income calculations, it does not follow that large size is a reason as well for poverty at the household level. In the 107 villages where this study was conducted, large family size was, in fact, associated more often with poorly performing households than with better performing ones, but this difference in numbers on each side was quite marginal. Many large-sized households have, in fact, escaped from poverty, and many small-sized ones have fallen into poverty. In the aggregate it makes sense, of course, to limit population for any given level of resources, but at the micro level, where these decisions are made in practice, the nature of this relationship is harder to discern.

⁴ Because entire countries have been assumed to be the relevant unit of analysis, measurements of poverty have been made using national sample frames. A different national sample is selected each time these measurements are undertaken, thus succeeding poverty surveys do not often track the same sets of households. The data that are gathered uphold the assumptions upon which they are based: macro-national

variables, such as the rate of growth, are shown to matter for poverty reduction; regional-, locality-, and micro-level variables are increasingly not relevant. That these conclusions are at least partly an artifact of survey design and data collection is not often acknowledged.

⁵ As Jodha's (1988) seminal study points out, quite different conclusions can emerge when poverty in a region or community is viewed alternatively from the professionals' viewpoint and that of local residents.

⁶ Results from these studies are available at the website:
www.pubpol.duke.edu/krishna/householdpoverty.

⁷ Readers interested in obtaining more details about methodology can consult Krishna (2003, 2004) and Krishna et al. (2003, 2004), or they can refer to the website given above.

⁸ In Andhra Pradesh we selected three districts – Nalgonda, Khammam and East Godavari – that represent different points on the scale of regional difference within this state. While the region of “North Telengana [which includes Khammam district] occupies among the lowest position among all regions, with income lower by 8.8 percent than the state average... South Telengana [including Nalgonda district] occupies the middle position, and North Coastal Andhra [with East Godavari district within it] occupies the second position from the top” (Subrahmanyam 2003: 519). In Gujarat, we worked in the districts of Panchmahals, Dahod, Sabarkantha and Vadodara. These districts represent diverse populations, with STs being a considerable presence in Panchmahals and Dahod Districts, and OBCs forming a large part of the population in Sabarkantha District. Industrial development – while not quite as high as in the famed Golden Corridor of Gujarat – is nevertheless significant, particularly in Vadodara district. In Rajasthan, we worked in a contiguous belt of districts, from north to south: Ajmer, Bhilwara, Rajsamand, Udaipur and Dungarpur. While Bhilwara has a considerable concentration of industry, and Ajmer and Udaipur are commercially quite prominent, Dungarpur is a relatively isolated tribal district. Villages in these districts were selected so as to further capture variation in terms of attributes such as size, distance from markets and major roads, population composition, and degree of industrialization. The villages that we selected in each state include a mix of better-connected and more remotely located villages, including some in which industrial units are located, and others situated relatively far away from any industrial influence. Single-caste-dominant villages were included as well as those with more mixed populations; small villages and also some quite large ones were studied.

⁹ Sending children to primary school came in as the second stage in Rajasthan villages, immediately after food, and it was also reported as the third stage in the Gujarat villages that we studied (after food and basic clothing). However, primary education was not reported among the list of stages in any of the Andhra Pradesh villages. Probing deeper we found that education is not a significant aspiration or marker of material progress in these Andhra Pradesh villages not because parents care less about educating children, but because primary education is almost universally provided in these Andhra Pradesh villages, and it is no longer something that is out of reach of even very poor households.

¹⁰ It is important to note that social recognition matters as much as economic conditions in defining the shared understandings of poverty within these (and other) communities.

For instance, in Gujarat, the fifth stage, fixing leaky roofs, usually entails an expenditure that does not in most cases exceed an amount larger than Rs.400-500, and it is a one-time expense, not often incurred year after year. Even as it is a relatively modest expense, however, its critical significance is in terms of status and recognition: people who are not poor in this region do not have leaky roofs. The sixth stage – renting in small tracts of agricultural land on sharecropping basis – also has a distinct social significance that is peculiar to this region. Advance payment made to rent in a small parcel of land is not very large (roughly, Rs.1,500 – Rs.2,000 on average), and it is recouped at the end of the year when the harvest comes in. However, the act of renting in even a tiny parcel of land elevates the household concerned to a perceptibly higher status. Most significantly, it raises this household above the status of households that are or that might at any time become bonded debtors in the village. The continued presence of debt bondage in these Gujarat villages, discussed later, makes salient this desire to differentiate one’s status from theirs. It does not necessarily imply any considerable increase in net income.

¹¹ It is open to question whether the more conventional methods of measuring poverty – the dollar-per-day calculations or those based on national poverty lines or calorific norms – provide any more reliable or precise comparisons across diverse countries and regions. Palmer-Jones and Sen (2001), Reddy and Pogge (2002), and Wade (2004) provide insightful analyses of the difficulties involved in such exercises. Sen and Himanshu (2005) show for the Indian context how changing a single aspect of measurement methodology – reducing the recall period for household expenditure from 30 days to seven days – results in *halving* the calculated percentage in poverty for the nation.

¹² In Andhra Pradesh villages we used another commonly remembered marker for 25 years ago: the time when it was widely rumored that Skylab, the earth-orbiting satellite, was going to come crashing down.

¹³ While seasonal migration can be very significant, and the number of days of migration in a year can be as large as 175, on average, for men, and 143, on average, for women, as found by Shylendra and Rani (2004) in villages of Dahod district in Gujarat, it is also true, as Breman (1996: 37) reports from his experience in southern Gujarat, that “surprisingly few...households leave the village for any prolonged time or even permanently... I have seldom come across cases of households who left in their entirety to seek a new life elsewhere.”

¹⁴ Analysts make a distinction between chronic poverty (situations where people persist for long periods of time in a state of poverty) and transitory poverty (where there are frequent oscillations into and out of poverty). See, for instance, Gaiha (1989) and Hulme and Shepherd (2003). An important distinction has also been made between stochastic (fluctuating and reversible) versus structural (better rooted and more abiding) poverty transitions (Carter and Barrett 2004). Here, we were concerned primarily with chronic poverty and structural transitions, identifying households that have made an abiding changeover in either direction.

¹⁵ That plans and programs for poverty reduction have, in fact, had relatively little impact upon poverty is attested to by several analysts, including Dreze and Sen (1995); Swaminathan (2000); and Yugandhar and Raju (1992).

¹⁶ Interview with Prabhu Khoral, member of a Category C household in Village Badla, District Ajmer (June 15, 2002).

¹⁷ Interview with Kishan Gadari, Village Muraliya, District Bhilwara (May 20, 2002).

¹⁸ Interviewed on May 26, 2003. Respondent's name and village have been disguised at his request.

¹⁹ "Employers show a definite preference for these alien workers [from other states]", claims Breman (1996: 19) from his study of south Gujarat, "with the result that men and women who belong to the region are denied access to branches of industry that have shown rapid growth." M. Chatterjee of SARATHI, who has been observing these trends in the immediate region that we investigated, explains why this is so: "Initially local residents received jobs in local industries...but after they established labor unions, these companies started eliminating local labor... Now, local people are only employed in very few positions as daily-wage labor [and] earning very low wages... Companies like to give employment to people from outside because these outsiders are not involved in labor unions and [also] because it is felt that people of UP and Bihar are stronger and can work for longer hours" (personal communication from Chatterjee).

²⁰ We came across several instances where people had given over their land to factories against the promise of jobs, but these jobs had vanished when these factories became (or were declared) sick units, the land was no longer theirs to cultivate, and monetary compensation awarded by the state land acquisition authority was relatively meager and could not last very long. Hirway (2000) explicates these issues further.

²¹ The first cement plant of this area started production in 1981, 14 more plants have started production subsequently, and all of them are currently in operation at full or near full capacity. Interview with N. Bhaskar Reddy, General Manager, Sagar Cements, Mattapalle, District Nalgonda (January 15, 2004).

²² Interview with K. Suryanarayana Reddy, labor contractor for Nagarjuna Cement Limited, Mattapalle, District Nalgonda (January 20, 2004).

²³ Other analyses conclude similarly on this point. Ravallion and Datt (1996) show that 84.5 percent of the recent significant poverty reduction in India was due to growth in the agricultural sector. Using data from 27 countries for the period 1962 to 1992, Timmer (1997) also found that agricultural growth is a central force in lowering poverty and unemployment. His findings show that growth in the manufacturing sector reduces poverty very slightly, but there is far greater impact from growth in the agricultural sector. Mellor (1999) also concluded that growth in the agricultural sector is pivotal in reducing poverty and unemployment. His findings indicate that, "in fast-growth, low-income countries, upwards of three-quarters of all employment growth comes from the sum of agriculture and agriculturally stimulated growth."

²⁴ Interview with Pratap Singh, village Khatikhera, district Bhilwara, May 16, 2002.

²⁵ Despite the lower significance of these social expenditures, however, Category C households still constitute a larger proportion of households in Dungarpur compared to the other four districts. More than 85 percent of all village households in Dungarpur belong to Scheduled Tribes, a historically marginalized and impoverished group, and their healthcare status gives considerable cause for concern. (Interview with Devilal Vyas, Director, People's Education and Development Organization, a long-standing NGO operating from Mada village in Dungarpur district).

²⁶ Critical for this process will be "a willingness to break down the hierarchical relationship between social scientific ways of knowing and other forms of expertise – to

recognize, that is, the legitimacy and importance of knowledge that is grounded in practice, in activism, and in the experience not only of material deprivation but of the everyday workings of the economy... of building long-term collaborative relationships for setting as well as carrying out poverty research – a model that takes the production of knowledge out of or at least beyond traditional or expert venues and into a variety of communities” (O’Connor 2001: 293-4).