

ADB

LEARNING FROM THE POOR

Findings from Participatory
Poverty Assessments in India



Asian Development Bank

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Table of Contents

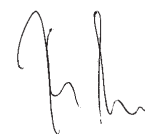
Foreword	v
Acknowledgements	vii
List of Abbreviations	ix
Overview	1
Chapter 1: Situating Poverty	5
Chapter 2: Who are the Poor?	10
Chapter 3: Dimensions of Deprivation	28
Chapter 4: Perception on Governance, Institutions and Policy	70
Chapter 5: Coping with Poverty	89
Chapter 6: Public Policy and Programs for Poverty Reduction	99
Chapter 7: What has worked: Perceptions of the Poor	110
Chapter 8: Moving Forward	129
Chapter 9: Epilogue	154

Foreword

Since the late 1990s, policy makers, donors, NGOs and researchers have become increasingly interested in participatory poverty assessments and participatory evaluation of development initiatives for the poor. As poverty is multidimensional with economic, social, cultural, psychological, and other dimensions, issues surrounding poverty are best described by the poor themselves.

Keeping in mind the learning value of such initiatives, the Asian Development Bank had along with the Government supported two phases of participatory poverty assessments in seven Indian states. The studies were supported by the Department for International Development (DFID) and spread across 78 districts and 842 locations covering over twenty thousand poor people. Completed in 2005, the studies brought forth a multitude of perspectives on the issue of poverty. The synthesis report, **Learning from the Poor**, cuts across the studies to highlight common threads that emerge.

The participatory poverty assessments point to initiatives that have benefited the poor. They also point to priorities that emerge in the development agenda. The assessments encompass income, non income and expenditure aspects of poverty. They point to directions that will help in getting the poor to the centre-stage of the development process, by harnessing their own potential and facilitating and supporting their development through governmental and non-governmental, public and private initiatives, to close existing gaps and to create a proper enabling environment to eliminate poverty and deprivation. This book attempts one more angle to understanding and addressing the poverty challenge – first hand ‘learning from the poor’.



Kunio Senga
Director General
South Asia Regional Department

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Abbreviations

ADB	–	Asian development bank
BPL	–	below poverty line
DC	–	district collector
GDGP	–	Grambashider Dara Gram Parichalona
GDP	–	Gross domestic product
IAY	–	Indira Awaas Yojana
MDA	–	municipal development authority
MFP	–	minor forest produce
NGO	–	non governmental organisation
NTFP	–	non-timber forest produce
PDS	–	public distribution system
PHC	–	primary health centers
REGP	–	Rural Employment Guarantee Program
SGRY	–	Sampoorna Grameen Rozgar Yojana
SGSY	–	Swarnajayanti Gram Swarozgar Yojana
SHG	–	self help group
TPDS	–	Targeted public distribution system

Overview

The Backdrop

While the poor stand out in their poverty and deprivation, they are not able to stand up against the maladies of the systems from which they draw their sustenance. The power equations at their level are simply not empowering. They need to break many a vicious circle to get into the virtuous circle of development.

The Challenge of Poverty

Poverty is a combination of income, non-income, and expenditure-related factors encompassing *income* and its regularity; non-income factors bearing on opportunities and capability; and complex factors impacting on *expenditure*.

The *static* pool of poor consists of those who carry the highest burden of deprivation and exclusion from the processes of development. The *dynamic* pool consists of the “transient poor” who fall into poverty seasonally or due to passing life cycle situations, natural, social, and sporadic factors.

Identifying the Poor

The participatory poverty assessments (PPAs) reveal a number of categories of poor who are economically, socially, politically, and historically marginalized from development. These are discussed in great detail. The impediments toward inclusion of the poor in development are also highlighted.

The Strengths of the Poor

The experience of PPAs clearly brings out the fact that the poor are well aware of their problems, needs, and priorities. They understand the reasons for their plight. They are hardworking, courageous, and resilient.

Their capacity to work hard and ability to adjust to hostile environs are tremendous! The poor have a great potential which needs to be harnessed.

Coping with Poverty

Poor communities mentioned several ways of coping with difficult periods. There have been both positive and negative coping strategies.

The hardship inducing coping strategies include: skipping meals, eating wild grass and tubers, encroaching upon common property resources, forced out-migration, seeking credit on exploitative terms, working for low wages, engaging in forced labor arrangements, undertaking labor-intensive and hazardous livelihoods, selling sex for livelihood, begging, mortgaging land, brewing and selling alcohol, working as child-laborers, and involuntary conversion into different ethnic identities. These need to be addressed.

Present Directions

An array of development strategies, policy initiatives, and interventions has aimed at reducing poverty and bringing an improvement in the living conditions of the poor. This has included economic, legal, social, and many other aspects, including income enhancing measures, social development interventions, basic minimum services provision, enhanced governance, and social security provision. These have been highlighted.

What Do the Poor Need?

A continuation of policies and approaches that have worked and a reprioritization to get greater focus in some areas of poverty reduction are clear needs. The later chapters draw out insights from the poor on policy and approaches as they impact on the poor and reflect their insights on the way ahead. Identifying priorities in the development agenda for poverty reduction, identifying the poor, tapping the potential of the poor and weaving policy around this, and providing opportunities for inclusive development of the poor have been discussed.

Credit is an overriding need and the lack of viable access to it is the root of a large number of negative coping strategies. Enhancing productivity and stability in agriculture and the nonfarm sectors is an important need. Skill formation of the poor in emerging sectors that are drivers of growth is extremely essential for sustainable and inclusive growth. In this context, the travails of the poor in dying and socially determined trades have been

highlighted. Objective identification of the poor is of paramount importance for inclusive development. Social security will help address dynamic poverty situations. The social security needs of the poor, provision of first- and second-generation infrastructure, and basic services including water and sanitation for which demand among poor women was high—all of which address the needs of the urban poor—are among important priorities that local level planning and good governance can bring to the fore.

Where Do We Go From Here?

Drawing the poor into the development circle is the challenge of policy. PPAs show that fresh opportunities have been created and the poor have often availed themselves of these. They also show that more can clearly be done by keeping the poor at the center stage of the development process, by harnessing their potential and facilitating and supporting their development through governmental and nongovernmental, public and private initiatives to close existing gaps and create a proper enabling environment to eliminate poverty and deprivation. This book attempts one more angle to understanding and addressing the poverty challenge—firsthand “*learning from the poor.*”

Chapter 1

Situating Poverty

Situating Poverty

The vast majority of India's poor live in rural areas or in pockets of urban areas—in hamlets or slum clusters, in inhospitable terrain, outliers of the development circle. But that is not all. If it were a mere geographical challenge, the poor could be drawn into the vortex of the developmental arena sooner or later. But the challenge is bigger. While the poor stand out in their poverty and deprivation, they are not able to stand up against the maladies of the system and its agents from whom they draw their sustenance. The power equations at their level are simply not empowering. They need to break many a vicious circle to get into the virtuous circle of development. A rising tide raises all boats provided the boats are all in the same water body.

How do we break the entry barriers into the development arena? How do we move on from theories of entitlements and opportunities to actually facilitating access to these entitlements and opportunities? We need to understand the fundamental constraints in building a realistic vision. What better understanding can we have than journeying along with the poor through their lives and being educated by them on what constraints they face?

Of course, several macroeconomic realities are not easily understood at the subaltern level. Money supply, credit, balance of payments, and many more that have a microlevel impact. We will not get into this. But several problems and issues at the grassroots level affect the poor and will be useful to reflect for policy. In fact, the poor themselves have many suggestions for a poverty reduction agenda. To preserve the richness of the

flow of information from the people who matter for poverty reduction, this publication attempts to reflect reality in its undiluted form.

The emerging reality does not propose rehashing of the development agenda. However, it points to directions for reprioritizing rather than spreading out thin, changing systems and approaches, better recognizing who the real poor are, and how to zero in on them in the development process.

Scale of the Study

The participatory poverty assessments (PPAs) were carried out over a period of 5 years over 2001-2005 and encompassed 842 locations in 78 districts spread over seven states in India. They covered over twenty thousand poor persons. The studies included a span of geographical areas and states in various stages of economic and social development. The states covered included Assam, Chattisgarh, Gujarat, Kerala, Madhya Pradesh, Sikkim, and West Bengal.

The study was led by the state Governments. The study covered rural and urban areas, mixed and separate gender groups, various categories of the poor, and a range of stakeholders. The study mainly covered primary stakeholders, i.e., the poor people directly affected by development processes and initiatives. However, it also included discussions with secondary stakeholders or intermediaries in the process of delivering aid to primary stakeholders, like governmental, nongovernmental and private sector organizations. The study also captured views of external stakeholders, including local leaders, academicians, and others who wield influence in the development circle.

Methodology

PPAs help foster an understanding of poverty from the perspective of the poor. PPAs are a way of getting the larger picture from the smaller pictures of poverty at the grassroots. It is a kind of feedback mechanism from poor people as primary stakeholders and the kind of changes required in policy, strategies, and approaches to reduce poverty. PPAs provide space for people's reality to emerge. In PPAs, the focus is on participatory interaction. Such interactions can reveal new insights, priorities, issues, and approaches. PPAs are conducted with communities, groups, individuals, children, men, and women.

Conventional poverty assessments and PPAs are different in their paradigm, approach, methodology, and principles. Conventional assessments or

multi-topic surveys are based on fixed sets of questions, which are closed-ended and mostly encourage quantification of responses. Closed-ended approaches face the in-built risk of overlooking aspects or priorities of the target groups.

The methodology for the study included application of a wide array of PPA tools using visual modes of analysis and communication, with information synthesis, sharing, and dissemination at all levels. The need to conduct oneself with appropriate values, attitudes, and behavior was one of the paramount principles. The processes were undertaken in a nonintimidating, non-imposing, relaxed, and convenient (to the poor) fashion. Some of the tools tailored to meet the various information needs of the study have been listed below:

- **Locality Map** – to identify the incidence and prevalence of different poverty-indicating phenomena in different localities of the poor;
- **Social Mapping** – to identify the various facets of rural and urban poverty such as families with vulnerability, disadvantage, and persons benefited from schemes and programs, location of opinion leaders, opinion makers;
- **Resource mapping** – to identify the availability of resources to the various sections of the population across caste, class, and gender;
- **Mobility Map** – to determine access to different services and resources by different sections of the community, in terms of distance, convenience, frequency, etc.
- **Historical Transect** – primarily to determine the growth and evolution of the localities in terms of various resource endowments and social development indicators;
- **Time Line** – to determine consequential events in the history of the places, people, institutions, and enterprises profiled in the course of the PPA study;
- **Seasonality Diagrams** – to determine changes in livelihood conditions, problems, and entitlements of the poor across different periods in a year;
- **Daily Activity Schedules** – to understand and analyze the drudgery and hardships faced by different kinds of poor in their day-to-day lives;
- **Flow Diagrams** – to determine linkages among various kinds of behavior, norms, and experiences of poor people having a causal or consequential bearing on their lives;

- **Matrix Ranking, Scoring, and Analysis** – to assess various objects of relevance—e.g., livelihood options, occupational choices, castes, institutions, etc.—in relative as well as absolute terms, for ascertaining their role in people’s lives;
- **Pair-wise Comparison Matrix** – to assess the relative strengths and weaknesses of various objects of relevance on focused criteria, undertaken in pairs, i.e., each object of comparison against each other;
- **Force-held Analysis** – to determine the relative merits of opposite perspectives, behavior or decision options that impinge upon the quality of life of the poor, e.g., analysis of perceived advantages of participating in a self-help group with respect to the perceived gains of opting out;
- **Venn Diagram and Mapping** – to compare various objects of relevance (e.g., institutions, diseases, castes, occupations, etc.) with respect to each other in a step-by-step manner, using multiple criteria;
- **Evaluation Wheels/Cobweb Diagrams** – to evaluate the status/performance of an object on different yardsticks, e.g., evaluation of an institution on multiple criteria as perceived importance, transparency, accessibility, and integrity.

Zeroing-in on the Poor

The greatest challenge facing the researchers in the PPA study was to use a sampling framework that optimally represented the diverse categories of the poor. Besides, ensuring an objective and convincing approach for site selection was extremely important due to the varied preferences prevailing among the diverse stakeholders.

The selection of the regions and districts was based on a series of exercises involving a wide range of stakeholders. The challenge of the exercise lay on the need to use a process, which could identify locations representing the diverse geopolitical endowments and capture socioeconomic characteristics of different regions.

Reaching out to the poor

The researchers were required to reach out to the poorest and constantly ascertain the suitability of time and venue while interacting with the poor. The opportunity cost of the poor participating in the process was accorded highest importance, and the processes were facilitated in a lei-

surely, analysis-oriented, and spontaneous manner suiting the convenience of the poor. The fieldwork hours were flexible enough to consult the poor at hours of their convenience. The timing of the visits ranged from 6 a.m. to 11 p.m., whenever the poor could be contacted without causing them any inconvenience. A Participatory Well-being Assessment was conducted to determine the local definitions of well-being and poverty.

The participatory assessments carried out extensively captured the perceptions of the poor. In addition, extensive use of semi-structured discussions, focused group meetings, and individual interviews was also resorted to. A large number of case studies were conducted to profile the most vulnerable people in different locations and conditions.

Triangulation was carried out at each location wherein the concerns of each of the group consulted were presented to the community, cross-checked, and verified through multiple sources to overcome any researcher/participant biases.

Documentation and Synthesis

On-line documentation was undertaken at many locations to overcome problems of loss of data. Reviews were undertaken daily to track progress and to identify gaps, and remedial measures in the form of gap-filling visits were undertaken regularly.

Key conclusions were drawn about the poverty conditions prevailing in different PPA sites by pooling together outcomes disaggregated into different thematic heads spanning livelihood alternatives, gender relations, coping strategies, institutions, governance, infrastructure, environment impact, access to services and service delivery, among others. State Implementation Committees (formed in each state and consisting of a cross section of stakeholders spanning government, academics, local administrators, and nongovernment organizations) examined the tentative conclusions under each theme. Based on the feedback received from these committees, gap-filling exercises were undertaken. The findings were documented and indexed and the conclusions were discussed with the State Implementation Committees.

Chapter 2

Who Are the Poor?

Defining the Poor

People have their yardsticks to identify poverty and vulnerability. Their judgment of the relatively deprived in their midst takes into account not only income and its regularity but combines complex details impacting on expenditure. The income-related factors include high production and employment risks, distress-induced livelihood modes involving very difficult working conditions and vulnerabilities, high debt burden, and difficulties in sustaining education and future growth opportunities in the face of low and volatile incomes. The expenditure-related factors include family size, number of dependents, socially imposed expenditure needs such as marriages of daughters, and bad practices as alcoholism, among others.

The Static Pool

Households dependent upon single sources of low and unreliable income are usually characterized as being among the poorest, since they can neither spread incomes nor risk over multiple activities. Communities also strongly point to idiosyncratic household factors such as alcoholism, loss of the breadwinner, and the burden of disability. Communities recognize *weak social capital* and *social disadvantage* as factors which both identify and compound deprivation.

At the bottom of the ladder are usually those people who carry the highest burden of deprivation and exclusion from processes of development and have the lowest chances of overcoming poverty in the foreseeable

Poverty Defined

Descriptively, according to the poor:

- Cook a meal, miss a meal...borrow a kilo of rice, then all over again, cook a meal, miss a meal.
- Spend the rest of the day and the night with us and count how many houses have fires in their kitchens. That is poverty.
- Having to work for a stomach measuring just one span, even when you are unwell, that is poverty!
- After giving the children their meals, mothers go hungry.
- No clothes to wear, no oil, perishing under the burden of our debts, no health facilities. And so, poverty is a heap of deprivations.
- Poverty is having to beg others for money.
- Poverty is when family peace is destroyed.
- Being ignored and put down by others
- We take part in the Gram Sabha Meetings, express our opinion, but they are not taken into account. Politicians and influential people get all the benefits. Deserving people usually get nothing.

Simply said, poverty is:

- “Hand-to-mouth existence”
- “Compulsion to feed many mouths out of income earned by a few hands”
- “The state of indebtedness”
- “Lack of respect in society and subjugation to torture by the powerful”
- “Nonavailability of care during sickness”
- “People dependent solely on wage labor for survival”
- “No assurance of food for the next day”
- “Life of a physically disabled”
- “Lack of credit-worthiness”
- “A life without respect and value”
- “Forceful exploitation”
- “Compulsion to support a family at a young age”

“From the time of our forefathers, we have been experiencing chronic hunger.”

“First help us find a way to have ‘kanji’ (rice gruel) twice a day. After that, we can talk about anything else..”

“We drink; our grandmother drinks and our children also drink.”

future. These are the destitute and the very poor, or the “hard core poor,” the “chronic poor.” Chronic poor have been poor for generations.

The poorest category included those that went hungry for 2–3 days. Some survived on tea (which shopkeepers give on credit), and *Arrack* (country liquor, which the bootleggers and suppliers are quite happy to give on credit), supplemented by wild roots, tubers, and leaves.

The consumption of alcohol is a serious problem among poor communities. In many poor communities, men, women, and even children consume alcohol.

Families where the head of the household is either mentally or physically challenged, or too old or chronically sick to work were often in the category of the poorest.

Women-headed households where the dual tasks of earning a livelihood and managing the family erode the earning capacity of the women are also among the poorest.

Beggars who are totally destitute are also among the poorest.

PPAs reveal a number of categories of poor who are marginalized economically, socially, politically, and historically from the development process. These include:

- Chronic poor or ultra poor, who are poor for generations or whose poverty is passed on to the next generation;
- Socially and economically poor, who suffer from sociocultural barriers to cross the poverty line; and
- Those in geographically dispersed locations, which serve as a disadvantage to economic opportunity and social access.

Poverty has many dimensions and includes vulnerability, isolation, insecurity, and exclusion. What is it like to be isolated, excluded, or vulnerable or how can one reduce vulnerability and isolation is an issue that needs to be addressed. Also, interrelationships among the multiple dimensions are complex. For instance, when economic growth takes place, income poverty tends to decline; or when income poverty declines, human poverty tends to decline. However, this relationship varies across space and time. Sometimes income poverty

may decline but human poverty increases. For example, if the poor are able to eat enough by migrating to distant places, their income poverty will decline but their health, education, or general welfare may suffer if it is seasonal or temporary migration.

The Dynamic Pool

The “transient” poor constitute the dynamic pool who move in and out of poverty due to life cycle situations, agricultural seasons, etc. These households improve their chances of escaping poverty in a “good” year but slip under poverty in a “bad” year or when they are exposed to shocks. The dynamic pool includes transient poor categories which are discussed in detail later. These categories are:

- Those displaced by natural calamities, conflicts, and development projects;
- Those in life cycle situations of chronic illness, disability, and old age without any earning members in their families;
- Impoverished by social compulsions such as marriages, dowry; and
- Seasonal poor including food insecurity.

During consultations with the poor on the causes and effects of poverty, people did not see poverty merely as a state of being and a constant. They recognized it as a dynamic process and as an outcome that is produced and continually reproduced through the interplay of various social, economic, and cultural processes. These are manifested in the shrinking dependence on land and agriculture, decline in natural and common property resources a decline in the livelihood and employment opportunities leading to an inability to accumulate savings, and inability to approach services due to various constraints.

Groups of the Poor

Communities use local indicators and their own weights to categorize poverty groups. For example, in some rural PPAs, communities used six major dimensions for categorizing social groups. These six dimensions are food security, type of dwelling, land/asset holding, major livelihood-related activities and coping strategies, access to health and education, and sociopolitical capital and its status.

Several categories of poor emerge from the observations of the local communities of which the first two—the lower (beggar, destitute, very poor) and middle rungs (agriculture/daily labor)—constitute the “chronic”

poor and assetless hard-core poor, who are still on the sidelines of the development process.

Men and women were found to bear distinct perceptions of poverty. While men expressed the lack of wealth and ability to accumulate as poverty, women felt that the inability to cope with distress and the daily struggle for survival was poverty. Despite surface differences, the poor were able to identify poverty as more than an economic condition as a predicament that affects all aspects of socio-cultural life.

Some of the groups of the poor pointed out by communities included:

- Landless and marginal labor;
- Daily wage labor;
- People in difficult and hazardous occupations out of compulsion;
- Small farmers including riparian communities denied right of access to water;
- Artisans and traditional producers in dying trades;
- Those in the informal sector;
- Physically disabled;
- People displaced by large projects and closure of enterprises;
- People displaced by natural disasters;
- People displaced by conflicts;
- Socially excluded including primitive tribes, scheduled castes in heterogeneous localities and religious minorities in sensitive locations;
- Urban homeless, beggars, and in-migrants in urban centers;
- Single women and widows;
- The old and those who lack social security;
- Distress migrants;
- Severely indebted households; and
- Households with many female children

Landless and Marginal Labor

There are a variety of agricultural labor: i) Daily agricultural labor (the wage rates on this vary by state and over time but were broadly around rupees (Rs)30–35/day for males, Rs20–25/day for females, and Rs10–15/day for the male child,¹ including two meals in states studied);

ii) Contractual labor, where the landholders contract land to labor and labor bears the entire cost from sowing to harvesting. If the landlord provides irrigation facilities, he gets a higher amount; if it is managed by the laborer themselves, the landowner gets a lower amount; iii) Systems where the laborer works for 1 year for the landlord for which he gets some fixed amount, say, Rs6,000–8,000/year inclusive of food, clothing, and shelter. Besides agriculture, he has to provide his services for shopping, household work, cattle care, etc. In some communities, (for instance, the Mishing community of Jorhat), people do not go for individual agricultural labor but form a group and work and earn group wages.

Daily Wage Labor

This livelihood option is largely based on the physical strength of the individual to undertake manual labor. Employment of the laborers is primarily through contractors and they are completely at the mercy of the employer and his idiosyncrasies. Instances of labor being asked to collect wages after a couple of days, being harassed, or wages being deducted for not addressing the contractors respectfully, were not uncommon.

People in Hazardous Occupations

Due to poverty, the poor have to undertake work in hazardous and inhospitable terrain which exposes them to occupational diseases such as tuberculosis, silicosis, and back pain.

Stone quarries, brick kilns, and mines offer sources of hard and hazardous labor under a regime of contracts. The wages could be twice as high as those prevailing in agriculture but the work involved is long and grueling, and there is absence of adequate protective measures. Such hazards also confront daily chores like collection of fuelwood, medicinal plants, and tubers from forests.

¹ Children have to harvest paddy, carry it, and take care of the cattle.

Lack of Options and Delimiting Choices with Implications on the Environment

In the absence of a sustainable livelihood, the poor engage in hazardous occupations. An example is charcoal making by the Hrangkhol community in Bororobi which depletes forest reserves at an alarming rate. Production of one sack of charcoal weighing 30 kilograms requires cutting down a tree measuring 4 feet around its trunk. It takes 3½ days to chop, dig, burn, and sell one sack of charcoal at a market price of Rs80/day during summer and Rs100/day during winter. Apart from causing environmental degradation, the process is suicidal as it leads to congestion in the throat and chest and burning sensation in the eyes due to exposure to smoke and dust. Practice of such livelihoods has to be viewed more as emerging due to lack of choice than as freedom of opportunity or allegiance to traditions.

Small Farmers

Besides coping with the problem of fragmentation of land, there are several other aspects of concern for an average small farmer. These include lack of adequate irrigation facilities, problems of marketing, lack of cold storage facilities, disturbance by wild animals and birds as well as locational disadvantage in some cases.

Riparian Communities Denied Rights of Usage of River Water

The growth of industrialization has also seen the transfer of natural resources—mines and some water bodies—to industry. Industry has been permitted to draw water from rivers, leading to the marginalization of communities living alongside the rivers and dependent upon these water bodies.

People Involved in Dying Traditional Trades

People involved in occupations such as pottery, boat making, weaving, and washing, for instance, have contributed in a big way toward making villages self-reliant. Most of these traditional occupations are dying out due to a multitude of factors such as uncertain markets, increased competition, lack of marketing skills, failure to adapt to changing times in terms of modern designs, and inaccessibility to institutional credit.

Commercialization of Rivers and Common Property Resources

Kelo—a tributary of Mahanadi River—has among others, been an important source of livelihood for as many as 62 village communities settled alongside a 98-kilometer (km) long stretch. However, heavy industrialization over the last 2 decades in the catchments of the river has led to exploitative use of water, and the river has been reduced to a narrow strip of polluted water. This has had severe effects on the lives of communities settled alongside its banks. Several communities of fish workers have been particularly affected by the drastic reduction in the stock and flow of water.

Several industries that came up in the 1990s made exploitative use of water from local water bodies. The resultant decline in the stock of river water has also led to the failure of lift irrigation schemes in nearby villages. Communities severely hit include farmers, fish workers, and washer folks.

Poverty and Dying Traditional Trades

The misfortune of fortune tellers...

The community of fortune tellers is slowly getting out of business. Fewer and fewer people want to get their palms read these days.

“If we set out in the morning, we keep walking and eventually come home with aching feet. We get money on some days. On other days, we return home empty-handed. There are days when we can’t even afford to drink a glass of tea.”

Traditional potters are an affected lot...

“We make the pots, and the women sell the pots. There is no profit in this business, ever since the plastic pots hit the market.”

“Clay has become scarce and demand for earthen pots has gone down with increasing use of plastic and aluminum.”

Travails of fisherfolk...

*“We know only how to struggle against the sea.
Can you expect us to climb a coconut tree?”
– Fisherman from a fisher village in Kerala*

Consultations showed that several households are engaged in traditional rural artisan work or crafts such as potters, cobblers, ironsmiths, and weavers. Though these crafts are dying as the market for the products are shrinking, households are often not able to shift to other remunerative occupations. Many of them, particularly in the younger generation, resort to agricultural hired work or other unskilled work. The older generations usually feel lost and helpless. These households are some of the poorest households in the villages.

The problem is compounded by the inflexibility to switch trades due to caste and skill barriers. Skill barriers need to be broken with retraining and removal of caste barriers, through increasing awareness.

Nonfarm Sector

The nonfarm sector faces several problems as reflected by the poor.

- Lack of continuous supply of electricity does not allow the poor to work continuously. Their employment is irregular, depending on the availability of power.
- Lack of connectivity with the outside world does not enable them to have a regular flow of commodities for sale (for petty traders). They have to walk long distances to collect goods for sale.
- The poor see lack of education and skills as a hurdle in getting work in local factories.
- The overall poor performance of the nonfarm sector in the recent years poses a problem for the employment and livelihood of the poor.

Poor Working in the Informal Sector

Large numbers of poor employed in the informal sector—small trades as well as in local industries, mechanical shops, etc.—have expressed concern about the lack of employment security, and have voiced their aspirations for legitimate and favorable work conditions, including insurance against accidents and loss of life, payment of minimum wages, payment of overtime rates to guard against exploitation, provident fund, gratuity and reasonable terminal benefits at the time of retrenchment. It deserves mention that the employment scene in the informal sector is characterized by excessive competition (due to high labor supply as against their demand), limited alternatives, and uncertain returns in addition to exploitation from various quarters.

Physical Disabilities and Death

Families where the main income earner is sick or where family members suffer from chronic diseases or health-related problems, suffer poverty because ill health is a major drain on the family income. Many times the poor incur debts (from private sources) to meet health expenditure, and end up in a debt trap.

Cost of Health Care and Indebtedness

Ram (name changed) lives in a remote village in Khawardha, located 20 kms from the nearest primary health center. He is the elder of the two sons of his blind parents, who stay with him, along with his wife and nine children, seven of whom are girls. For the last 2 years, Ram has been suffering from a urinary disorder. The problem aggravated and he had to go all the way to the capital city seeking treatment. He got admitted in a private hospital and underwent medication for about a month. This cost him dearly and he had to borrow from local moneylenders to meet the expenses. He borrowed Rs3,000 at a monthly interest rate of 3% (36% annually) from a contractor and Rs2,000 at a monthly interest rate of 5% (60% annually) from a local moneylender. He also had to spend the whole of his household savings amounting to Rs1,000, accumulated out of the daily wages of his wife and children in availing of medical care. Today, he has neither fully recovered from the ailment, nor has he been able to repay the loans.

Beyond Death Do Not Part

Tamarai (name changed), who lives in a rented shack on the banks of a canal in a Kerala town, lost her husband to cancer. His medical treatment and last rites cost as much as Rs50,000 which she had to borrow. Tamarai works as a housemaid, gets food at the house where she works, and earns Rs600 per month. Out of this, she has to pay Rs500 per month as rent for her shack in the canal poramboke (wasteland). Now that her husband is gone, she is not quite sure how she will repay the loans or lead a life that can keep body and soul together.

Those Displaced by Development Projects

It has been observed during consultations with people located near development and environment projects that their lives have been adversely hit and some of them forced into poverty by indifferent implementation of some large projects.

People Displaced by Development Projects

The displacement of local communities from their native villages in Raigarh District began in 1989, when a large private steel company started operations in the district. Many of the people who were forced to part with their land belonged to vulnerable communities, who were rehabilitated in lieu of a compensation ranging between Rs13,000 and Rs65,000 per acre. However, heavy expansion of the industrial base of the company necessitated re-displacement of the affected segments. The villagers who did not sell their land were subjected to deposits of coal dust or fly ash around their tracts, which gradually rendered the land unproductive, leaving the landowner with no option but to sell the land. In many cases, the land is acquired even before ascertaining the acquiescence of the owner, who is paid compensation at a later date. For instance, a pipeline was dug in the land of one of the affected persons and a few structures were constructed on the 4 acres of land belonging to another without the prior acquiescence of the owners. The latter even filed a case in the high court but had to finally settle for a compromise in 1994. In many cases, the quality of land provided by the private industry as a measure of compensation was rated poor and inadequate.

The people lament the fact that compensation was limited to provision of land only for construction of houses and not for agriculture, leading to forced conversion of farmers into daily wage laborers. A trend analysis conducted in one of the affected villages indicates that the yield of paddy declined from 15–19 quintals per acre to less than 7.5–10 quintals per acre, attributed by the farmers to increasing deposits of industrial waste. Besides, the area has also witnessed heavy deforestation necessitated by the demands of industrialization, which has also affected the livelihoods of people dependent on collection of minor forest produce.

In another large-scale public sector project, efforts were made to normalize the life of affected villagers by constructing a primary school, a shopping center, and 10 hand pumps. The rehabilitation proposed was comprehensive and laudable. However, several problems arose at the implementation level. The school building has already developed cracks at several places, the shops do not sell any products, and 7 out of the 10 hand pumps are defunct, causing acute scarcity of drinking water for the villagers. A health center was also provided, but in the absence of any doctors, the villagers had to go 19 km away for treatment of even minor ailments. Dust from the plant is scattered all over the village and surrounding areas. The groundwater is severely contaminated, and water related diseases are highly prevalent. The intense sounds of the blasts and the powerful vibrations have resulted in cracks in many houses in the adjoining villages.

In yet another project, the slough created by the sides of the stream into which ores were released was responsible for trapping and death of as many as 10–15 animals in a year. It also caused extermination of all vegetation along its course. During the rainy season, the polluted water enters the agricultural fields located on the periphery of the stream, and spoils the tracts.

Closure of Enterprises

The closure of labor-intensive mills emerged as an important impoverishing factor pushing families into poverty.

Impact of Closure of a Textile Mill

Closure of a textile mill in the Rajnandangaon District has had significant impact on the lives of the affected employees. Most laborers employed in the mill were specialized in textile operations, and have not been able to find alternative employment to date. This has given rise to large-scale unemployment in the area. The retrenchment has also caused homelessness on a large scale. The laborers housed in the official quarters of the mill (numbering 240) were evicted from their houses by linking their voluntary retirement scheme benefits with the condition of leaving the quarters allotted to them.

Since 2002, as many as 150 affected families of the laborers were forced to discontinue studies of their children.. Free medical care available to laborers was also discontinued after closure of the mill, bringing about hardships for many families. Several laborers lost their lives due to heart ailments immediately after closure of the mill. It is worth mentioning in this context that the laborers working in the mill were often subjected to temperatures ranging up to 1030 F (in excess of the standard of 800), causing serious health hazards.

Closure of the credit cooperative societies run under the auspices of the mill forced many families to seek credit from moneylenders on exploitative terms. Increased population pressure on the labor market and cessation of the inflow of about 35 lakhs per month (paid to workers as salary) has had significant negative multiplier effects on the local economy leading to sudden rise in the prevalence of crime, and excessive dependence on moneylenders.

Problems from Social and Cultural Practices and the Demographic Structure of Households

Poor households face a number of problems which lead to “shocks,” pushing households deeper into poverty. Some of these problems are related to demographic life cycle issues like high dependency ratios (often with an old or disabled person in the family). Other types of problems relate to social and cultural practices, some of which have existed for some time,

and some which have started becoming more prominent recently with the breakdown of social systems like joint families.

Alcoholism: Alcoholism is a major problem in many poor households. Adolescents employed in shops, hotels, and other places start drinking alcohol at an early age. Initially, these children start smoking *beedi* and chewing tobacco. Alcoholism drives precious domestic income into the purchase of alcohol and in meeting the consumption requirements of the drinker. It also results in many instances in greater domestic violence.

Girl's marriage With dowry practices becoming more common among the poor, dowry expenditure combined with the other heavy expenditure on a girl's marriage has become a major problem for poor and very poor parents; often leading to debt and mortgage of precious assets.

Debt of Dowry

Unfavorable social customs as the dowry can cripple or even ruin a family. Girls in certain communities among the poor are married off at very high dowry levels. A typical family from this category, in one of the states surveyed, got their daughter married off with a dowry of Rs200,000. They sold their house for Rs125,000 and are not quite sure how they will pay off the balance debt of Rs75,000. And that is not all, according to the family. They have the responsibility of three more girls to marry off. Families just above the poverty line sink into poverty as a result of financially unviable social customs.

Cost of litigation Cost of pursuing litigation was found to be a significant factor responsible for pushing households into poverty. In many cases, poorer households were found to be drawn into the hassles of litigation by circumstances and not by choice. In many cases, the very cost of pursuing litigation acted as a deterrent for poor people to access the services of judicial institutions.

Those Affected by Natural Disasters

Natural disasters have a differential impact on poor and nonpoor households, the poor usually being more susceptible to such disasters because of location and constraints. At the same time, natural disasters such as floods, cyclones, and recurrent droughts drive a number of nonpoor into poverty, often forcing large numbers of people to migrate.

The Price of Justice

Ram and his elder brother staying in a village in Bilaspur District spent the entire amount received as compensation from a public sector enterprise (amounting to a lump sum amount of Rs45,000/-) in fighting a court case that implicated them as convicts in a family dispute.

In another village, a few households belonging to a particular tribe got into a dispute over encroachment of forestland. Prolonged litigation in the matter has severely eroded the economic status of the affected households, who are required to spend up to Rs500/- as fees for every single hearing. Whatever little they earn from the sale of bamboo products and daily wage labor goes to payment of their advocate and in frequent transportation to and from the court. The case has been dragging on, resulting in the affected households having to borrow heavily from the local moneylender.

Flood-related Poverty

This, mixed community village which is about 56 km away from the main road, is a flood-affected area consisting of about 135 households. The areas inhabited by the poor households are situated on a lowland, and hence, are prone to frequent floods. The communication systems are completely disrupted during floods. People move to upland and stay there for about a month. When the floodwater recedes from time to time, they come back to check the condition of their houses. Flood-affected people get a small amount of gur (jaggery) and chura (puffed rice) to eat and temporary housing as part of relief. This is highly insufficient and people have to go without enough food. The river is filled up with sand. Hence, there is need to clean the river to check annual flooding. If the height of the road is increased and reinforced, the problem will get minimized. The water gets logged in the village. If cemented drainage network is established in the village, waterlogging will be prevented.

Flood Damages The damages inflicted by annual floods are a major cause for poverty in certain areas. An immediate response is relief. Relief measures are temporary and a permanent solution to the menace of floods is needed to reduce such suffering.

River Bank Erosion The changing course of rivers result in bank erosion and engulfing of land and villages. Though people affected by bank erosion are able to resettle in safer parts along the river, it takes time to have basic minimum services, drinking water, ration cards, schooling for children, health facilities, and attention of the local government.



River Erosion (Source: PPA Field Study)

River Bank Erosion Reinforces Poverty in Villages

The village situated on the bank of the river Mahananda is prone to bank erosion. The total households in the village number 50–60. After a round of river bank erosion and flood, the houses in the village were reconstructed in clusters of 6 and 7. The houses were built with bamboo, jute stems, and polythene on the roof. The villagers wanted embankments to be constructed to prevent floodwaters from entering their villages. A primary school used to be run in the village but the school building was swept away during the bank erosion in 2003. A make shift school is run under a tree. During the rainy season, the school is closed for 2 months.

Conflicts

The underlying cause of most conflicts among various socioeconomic and other classes has been exclusion from limited economic resources and opportunities. Exclusion from economic opportunities created by the heavy and continuous influx of people from other places has been a cause for resentment among ethnic groups, leading to conflicts that seek to gain control over economic resources. The impact of conflicts has been disastrous and has led to lost opportunities in terms of economic growth and social development. These conflicts have been responsible for displacement and loss of livelihoods for poor communities in some areas.

Life at Relief Camps is a Life Without Dignity

The violence and the consequent exodus from the native villages have a devastating impact on the well-being and social fabric of communities in Kokrajhar District. These people survive in extremely poor living conditions. Interactions at these camps clearly brought out the fact that people at such camps live a life characterized by wretched poverty, lack of opportunities, increased stress levels, and an inexorable sense of fear. The living conditions are pathetic as the people are forced to live in cluttered hutments. Clean drinking water is not available and diseases like diarrhea and cholera assume epidemic proportions in the absence of health services. Community members at one of the camps surveyed recalled that around 50 people had fallen prey to cholera in 2000. The drying up of livelihood options have forced several women, both married and unmarried, into commercial sex work.

Urban Poor

Urban poverty is characterized by several dimensions including commoditization (heavy reliance on the cash economy since they do not have the security of growing their food, making them more vulnerable to fluctuations in income), overcrowded living conditions (slums), environmental hazards due to hazardous location of dwellings, social fragmentation (lack of community and inter-household mechanisms for social security), crime and violence, and the extra cost of living (housing, transport). Eviction has been contributing toward ill-being and has ranked high in problem prioritization in urban areas.

In addition to low purchasing power and high expenditure, life in urban areas is characterized by greater incidence of ill health of children due to lack of a safe drinking water source, less work done by men due to illness, and diminishing community feeling as people struggle to manage home and hearth.

As PPAs noted, breakdown in social norms is clearly visible in terms of children not caring for old parents any more. Income poverty in some communities manifest in children taking up less preferred work like ragpicking. The number of people drinking alcohol in the scavenger community (cleaning toilets) has increased over the last 20 years. The scavenger community faces social discrimination in livelihood opportunities due to its traditional occupation.

Women, Women-headed Households, Widows

The worst off among women are deserted women and widows who are prevented by social norms from accessing livelihood opportunities without facing restrictions and biases and facing additional exploitation. They are invariably placed in the lowest well-being category.

Gender issues circumscribe poverty in both rural and urban study areas. Women handle a disproportionately greater share of the workload and have a limited decision-making role. This holds true for all social groups, including primitive tribes and scheduled castes. For this reason, the burden of poverty in households falling in the lowest category of well-being falls primarily on women. Some of the more important manifestations of the role that gender plays in shaping the poverty experience of women are the following:

- Women's lack of access to arable land disempowers them in rural areas.
- Single women and widows have no access to tangible assets in many areas
- Women handle a disproportionately greater share of the family workload and hence are greater burdened by poverty
- In the acquisition of education, skills, nutritive food, and health care, women receive lower priority.
- Women play a peripheral role in household decision making and have limited autonomy in making decisions that affect their lives, or the lives of others in the household.
- They are often paid less for the same amount of work.
- When they immigrate to urban areas, it is mostly for degrading work and they are sometimes sexually exploited.
- When placed in positions of authority outside the house, their responsibility is usurped by menfolk around them.
- They are often subject to abuse and violence inside their home

Customs of (In)Convenience

Customs and practices, like tohni pratha (witchcraft), choori pratha (bangle system), and dowry, perpetuate the marginal status of women. It is common to find single women, mostly widows, brandished as tohni (witch) in the villages, often leading to usurpation of their property and their ostracism from society. The presence of such women in the village is reasoned for ailments and diseases prevalent among children and for all unpleasant developments. Such adverse proclamations are often engineered by traditional priests or faith healers and backed by local influential people and opinion leaders.

The choori system provides social legitimization to relationships between men and women without necessitating them to go through the ritual of marriage. For this to happen, a man is required to offer bangles to a woman to claim her as his own. In a society that restricts the opportunities and freedoms of a widow, women who lose their husbands at a young age are made to settle into relationships with their brothers-in-law by accepting chooris from the latter. Such an arrangement prevents the division of household property and imposes checks and control over the women. A married man having a wife can offer chooris to another woman and get into an intimate relationship without being required to have any legal obligations toward the latter.

Dowry is another highly prevalent practice responsible for impoverishment of many households. The practice has lately penetrated also into the social folds of several tribal communities, and has replaced practices like “bride price” whereby the groom’s side was required to give certain gifts and assets to the bride or her family.

Area-specific Determinants of Poverty

Area-specific problems affect the lives of poor people living in a particular area or region much more significantly than those living in other areas of regions. Examples are problems of those living in protected forests, the poor living in un-regularized slums, people in riverside tracts, or in remote hamlets. Being area-specific, some problems affect both the poor and the nonpoor (in different ways) but the impact on the lives of the poor is devastating.

In some areas, the degradation of the forests and the destruction of the natural habitat of wild animals are leading to their increasing incursion into villages and farmlands, leading to considerable loss of property and, occasionally, lives. The rural communities in two states have mentioned during PPAs the damage caused by wild elephants to standing crops.

Chapter 3

Dimensions of Deprivation

This chapter seeks to document some of the principal dimensions of deprivation as perceived by the poor in the study sites. There are many dimensions to the deprivation that the poor face.

The poor face some problems which are common to them. For example, they lack sufficient opportunities of employment and livelihood, food security, basic amenities, social prestige, and social capital. Other problems are more specific to certain social groups among the poor, such as the lower castes and tribal groups, and women. Some other problems are either specific to some types of households or are felt with a different intensity, as the shocks due to major illnesses or deaths, the impact of displacement due to major projects. Finally, there is a range of problems which are specific to the location of the poor. Moreover, the experience of poverty has many facets and these vary across the states of India, reflecting the diverse social, political, and developmental trajectories in each state.

Exclusion

The poorest of the poor belong nowhere and hence cannot avail of programs intended for them.

They live on footpaths, in unauthorized colonies, and unapproved lands and are migrant. How can benefits reach them? They cannot avail of ration cards for subsidized food meant for them.

Some communities live in areas prone to erosion. Some live in areas prone to flooding or where garbage is dumped or sewage is let out. They are excluded from the social, and civic, processes due to their physical location in marginal areas.

Many primitive tribes living deep in the forests and others living in no man's land (wasteland) are considered "nonpersons" by village administrations.

The poor are not in below poverty line (BPL) lists.

Many groups of the poor have reported that the BPL lists are "bogus or "totally wrong." Rich households are included in these lists and the real poor are often left out. There was so much opposition against these lists and at the same time so much demand for it.

The PPA discussions revealed that the reasons a family wants to be included in the list are: (a) it enables them to buy goods cheaper at a fair-price shop; (b) it enables them to claim pensions and assistance, free books and uniforms, and other allowances; (c) it enables them to avail of subsidy for house construction worth Rs20,000–30,000; and (d) it improves their access to subsidized assets like milch animals, a shop, or a well.

Frequently, large farmers, traders, business persons, and shop owners are included in the list while the poor living in dilapidated huts are out of the list. The poor are in general agreement that these lists are wrong.

The poor also agreed that they had to pay speed money to get included in the BPL list. In several cases, poor households could not be included as they could not pay the "fee." A group of stakeholders stated that "Sons of large farmers can be included officially in the BPL list, if the father owns the entire land and the sons are shown as 'landless'".

Another common complaint received was that names of those individuals who have voted against the ruling party in states are deleted from the BPL list after the elections.

Food and Insecurity

Most households' characterized as poor suffer from a deficiency of food and are subject to some periods of hunger. The poorest households suffer from chronic hunger and food insufficiency whereas the less poor households suffer from seasonal food insecurity. In all cases of food insufficiency, the dietary pattern undergoes a change, with the regular diet being substituted by gruel, or even by boiled roots and leaves available locally. Periods of food insecurity are also the toughest for women and old people, who are required to make the most adjustments.

Time line studies show that the food security situation has improved in many places. However, in some locations driven by urgency to generate surplus, there has been a widespread shift in cultivation patterns. This shift has selectively affected food security of small and marginal farmers. The limited food security has manifested itself in terms of poor quality of food intake and unusual strategies to meet consumption needs to tide over

periods of food scarcity. These included consumption of beaten husk of paddy, bread made of silk-cotton flower extract, penj (traditionally a staple intake made of suspension of grains in water, diluted during crises to last several days), wild tubers, and wild vegetables.

The chronic poor, due to their limited purchasing power, are not able to purchase food grains even at the most concessional rates, particularly during the lean season, when they need the food most. Food banks created by groups of the poor at their initiative have served as a palliative.

Working for Food and Livelihood Security

Village Lohamella in Jhargram block has 45 households inhabited by the Sabar community. Their main sources of livelihood are forest products and about 30–40 work days annually in paddy plantation and harvesting. The returns from forest products are distressingly low. During the rainy season, problems become more intense. Sal leaves are to be dried and stitched before selling. Due to rain, the leaves cannot be dried. The forest becomes full of wild plants and insects, making it difficult for them to enter. With certain amount of risk taking, the wood is collected, but the purchasers are very few because the local people have less or no cash and the wood is wet. Ultimately, they are forced to dump the fuelwood at a throwaway price.

The money earned is not enough even to procure rice. The daily earning is about Rs10–12. When the people cannot go to the forest, there is no earning. The shopkeeper is so used to listening to the “chronic cash deficit” that he does not give anything on credit. Throughout the year, food is acutely deficient in quantity as well as quality. Those Sabar who migrate have comparatively better food during migration. The locals who stay back consume bare rice, salt, and water or wild food. During passing sickness, they go without food because they cannot go to the forest. When they are able to walk, they collect wild potato, and boil, and consume it.

Ration cardholders were not able to utilize the quota because they did not have cash to purchase. They gave the card to rich acquaintances/traders to get some rice. However, a subsequently distributed “red card” has entitled them to procure food grains at a much cheaper rate—rice for Rs3 per kg, and wheat for Rs2 per kg. They have kept the card very carefully and try to use it on a regular basis. However, there are problems in the targeted PDS also as visit to fair-price shops is time consuming, entails high carriage charges in some locations (unless there are mobile supply vans) in addition to the extra charges of transportation charged by the dealer, exponentially increased due to repeated visits as a result of irregular supply, high opportunity cost during sowing season, which is also the distress period for the poor due to less food availability and proneness to diseases.

Alcoholism:

Too much intake of liquor is draining the income of the affected households and adversely impacting on their regularity of work as casual labor (they fail to go to work when in a drunken stupor). Certain agricultural produce like maize and millet are cultivated but not eaten or sold. Instead they are brewed for local alcohol which the villagers drink regularly. Local NGOs see alcoholism as a deterrent to their efforts, especially in relation to maternal health. The expenditure on alcohol cuts back essential expenditure given the low levels of income and necessary tradeoffs. Alternately, to meet overflowing expenditure needs borrowing is resorted to at exploitative terms.

Many women stated that alcoholism among men is a major drain on income and a source of deprivation. It forces women and children to leave their village in search of work, resulting in high dropout rates among the school-going children. Some village land grabbers provided liquor to laborers and on failure of payment, usurped their land. A vicious cycle of poverty is therefore initiated. However, the toiling masses look upon drinking as an “escape” route from a life of penury and voicelessness.

Vulnerability

PPAs highlighted the exploitative relationships between the poor and the rich. They reveal a feeling of fear among the poor of the nonpoor. The poor were scared to call anybody “rich” in the locality (as the rich were frequently included in the BPL list) or were unwilling to talk about their debts (and interest rates). The general feeling all over was invariably one of oppression and fear. Small group and one-to-one discussions revealed that this fear originated from the following:

- The poor have to depend critically on the rich for a number of things including employment, wages, information, and BPL status.
- The rich are frequently the only source of support in cases of crises. They lend money to the poor during illness, pressing social requirements, seasonal problems, among others.
- The rich are powerful with their proximity to police, administration, politicians, etc. They can harass the poor if they are displeased.

Thus, the rich can support the poor in need or harass them if displeased. The poor are therefore in a vulnerable position. Clearly, this dependence needs to be weakened, to empower the poor.

The major sources of vulnerability, according to the poor, are as follows:

- Lack of enough work or employment;
- Lack of skills for alternate employment;
- Lack of assets;
- Economic risks;
- Illness and disability;
- Natural disasters;
- Social position;
- Excessive spending on social functions;
- Indebtedness; and
- Domestic violence.

Social Exclusion

A study of exclusion of the poor demands a study of at least 4 factors—the excluded; the institutions from which they are excluded; the agents whose actions result in exclusion; and the process through which such exclusion occurs. The concept of social exclusion focuses on the multidimensionality of deprivation.

Some mechanisms for social exclusion as observed in the field are: (i) attitude and behavior of institutional service providers; (ii) entry barriers, restricting the entry of the poor in certain types of jobs (and leading to overcrowding in others); (iii) undesirable institutional practices which require economic consideration; (iv) intimidation by custodians of law, and (v) physical violence inflicted by the powerful.

In the study areas, social exclusion in the areas studied especially involves systematic disempowerment in terms of accessing services by specific marginalized groups who usually belong to underprivileged social groups. The extent of marginalization and social exclusion varies among broad social categories. Among the tribals, the primitive tribes constitute some of the most deprived and vulnerable groups. These groups remain excluded from the development process. The Korbas, for instance, are heavily dependent on the forests for their food security and sustenance, and subsist on forest produce and animals year-round. Efforts to move the Korbas to settled agriculture have not been successful due to lack of appropriate skills, and the cultural and lifestyle affinity to a forest-based livelihood.

PPAs of a Pahadi Korba community, for instance, revealed that they suffer from a high degree of poverty with the following features:

- Critical dependence upon forests and absolute noninvolvement in alternative livelihood systems;
- A high degree of exclusion from institutions and local governance and extension agencies;
- High illiteracy;
- High number of starvation days;
- High level of malnutrition among children; and
- Extremely poor status of reproductive health of womenfolk.

Social Exclusion

In many sites, a high correlation was observed between low social status, landlessness, and low well-being.

- Lower social groups own little and low quality land. Many panchayats have overlooked the land needs of these groups and allotted surplus common land to outsiders in several places.
- In some places, the landless from lower social groups are not allowed to use common land even for dumping household waste or use village commons to relieve themselves.
- While most of the low-paying, “demeaning” occupations like scavenging, prostitution, shoe mending, etc. are the exclusive preserve of some of the lower social groups, many entry barriers were identified preventing the poor from these groups from taking up livelihood options that called for closer interactions with people at large. For example, women from particular communities are not accepted as domestic helpers in urban locations, persons from the lower social groups are not involved in cooking midday meals in schools.
- The representation of such groups among most service providers was found to be minimal.
- Only “higher” social group children are asked to fetch water for schoolteachers belonging to higher social groups.
- Deserving and eligible people are sometimes denied social security benefits on account of their social belonging.

Although much reduced, social stratification is still an important cause for lack of upward mobility and social exclusion in many areas.

Livelihood Insecurity

Problems of inadequate employment and sources of livelihood are the most common problems the poor face across all locations.

Wage employment

Employment in public works is certainly a preferred option and, if well executed, can alleviate poverty and prevent distress migration. It can also add to village infrastructure. However, in many instances, the contractors bring in laborers such as masons and carpenters from outside. Even in construction generally, very few construction workers are local villagers as most laborers are drawn from adjoining states. Further, serious implications of working as construction labor were found during the interactions in the field.



Landless Labor Working for Wages

Muster roll

Though temporary as the name suggests, this is one of the preferred livelihood options especially for the not-so-qualified labor. Recommendation and access to political power is a must. The work entails irregular payments (sometimes once in a quarter and can be terminated any time). However, the wages though low provide for nearly double the regular wage labor. These families are always in debt due to untimely payment or late payment.

Local Norms and Sanctions Affecting the Lives of the Poor

Several communities in Rajnandgoan District observe *Itwari tyohar* on Sundays, whereby nobody in the village is allowed to take up any income-generating work. The people defying the norm are penalized Rs15/. The local *sarpanch* collects the fine and utilizes it in worshipping gods and goddesses.

The *Satnamis* in Chattisgarh, have evolved strong caste panchayats that play an active role in resolving internal disputes and making decisions relating to community matters. While restrictions imposed by caste panchayats on drinking alcohol and consumption of nonvegetarian food have helped many poor families cut down on their household expenditure, the sanctions have also hindered many poor families from associating with microenterprises like piggery, poultry, and goat rearing, which require killing animals for trading meat. This has affected the livelihood prospects of many poor households.

In some panchayats of Bilaspur, women are debarred from attending meetings of the panchayat, and if any woman turns up in a meeting, her household is made to pay a fine ranging up to Rs25/.

Agriculture-related livelihoods

Agriculture is the predominant sector where a large part of the population is engaged. A significant contribution to agricultural productivity comes from irrigation. Yet a considerable part of agriculture is still rain-fed. Multiple cropping cannot be practiced in many areas due to lack of irrigation and uneven distribution of rainfall.

Alarming Decline in Groundwater

Alarming trends in the decline of groundwater tables in the drier regions were observed during the study. In Madhya Pradesh for instance, such locations included—Jhabhua, Khargone, Sagar, and Sheopur. In a village in Jhabhua, for example, the water table has receded from 15 feet to 300 feet in 10 years, according to the participants. The participants from the locations in the other districts felt that though the groundwater levels have receded, they are still able to manage. The decline in groundwater availability has impeded the irrigation of crops, thus adversely affecting the food basket and the returns from agriculture, according to the participants from some districts.

Other constraints in agriculture include waterlogging during rainy season, increased input costs, traditional cultivation practices, lack of extension services, lack of enough storage space and unviable marketing. For some crops on which the poor depend, lack of demand (as in the case of jute) has led to declining returns from agriculture. And generally, because of lack of access to post harvest facilities and storage, the poor get lower prices for their produce.

Emerging Crop Diseases and Declining Productivity

In some villages, farmers complained of declining trends in the productivity of modern, high yielding varieties of paddy. *Swarna*, one of the popular varieties promoted through the extension agencies of the agricultural department, has been recalled to be particularly suffering from this problem. As a result, a large number of marginal farmers have stopped cultivating the hybrid seeds, depending solely upon traditional varieties (like *Goda dhan*, *Bhusi*, and *Jheli*), which can be grown on uplands even without intensive irrigation.

Decline in productivity is also attributed to a larger variety of diseases occurring at present compared to the past. Diseases such as *Baki*, *Shatru*, and *Chhati* were rare in the past but are very common now. Prevalence of weeds like *Chhiyabaan* has also increase substantially in the recent past. At the same time, some diseases like *Nandana*, which used to occur very commonly in the past, have become rare.

Inputs into agriculture in most parts have shifted to the use of high yielding variety seeds, inorganic fertilizers, chemical pesticides, and to a more limited extent use of irrigation water. Thus, agriculture has become high external input agriculture from the earlier low external input sustainable agriculture. With a breakdown of agriculture extension services, the use of modern inputs in cultivation is not guided by considerations based on proper information, leading to irrational use, loss in long-term soil fertility and other losses.



Potential for Raising Land Productivity (Source: PPA Field Study)

New lease arrangements are emerging, which are not always favorable to the poor. Contract farming on cash rents has emerged as a popular mode of agriculture in some tribal areas. Land is leased-in from farmers by moneylenders or contractors coming all the way from outside states for amounts as low as Rs1,000 per acre. Since contractors prefer to use laborers from other areas, bringing truckloads of people during sowing and harvesting operations, local employment opportunities have declined. Leasing out has increased the prevalence of migration among some communities manifold during the last decade, and people have started thronging livelihood sites located in Delhi and Punjab.

Employment and wages in agriculture

Landless and marginal farmers mostly rely on some form of wage employment as a principal means of livelihood. But agricultural wage work is available to the laborer, on an average, only for about 60 days a year whereas casual (construction for instance) wage work is available for about 150 days a year. Agricultural wages vary from Rs20 (weeding) to Rs40 (harvesting), variations between locations are not out of place. In many locations, the availability of agriculture labor opportunities in the villages has steadily declined over the last few decades. This, according to the participants, is due to the increasing pressure of steadily growing population on stagnant or declining labor demand, leading to a slump in wage rate.

Factors Causing Reduced Productivity – Assessment by Farmers of Boragari Village

The villagers in Boragari in Dhubri District listed several factors that have resulted in reduced productivity of paddy:

- Repeated cultivation on the same piece of land has led to decline in land fertility.
- Previously, abundant forest cover and natural manure were available in the form of decomposed leaves. This helped rejuvenate the land. Now, due to deforestation, dry leaves are not available.
- Decline in grazing lands has forced community members to reduce the number of livestock. This has led to nonavailability of sufficient cow dung, which was extensively used as manure.
- Few community members linked deforestation with reduced rainfall. The problem is compounded in the absence of irrigation facilities. As a direct consequence of this, adequate water is not available for the paddy fields thus impacting on the production of paddy.
- Earlier a herb called *randoi* used to grow in the paddy fields. These herbs contributed to increasing the fertility of the soil by maintaining its softness. However, the herb was completely wiped out after the floods of 1983.
- The villagers recalled that the problem with insects was rare about 30 years ago. Insects have become a major scourge in recent times. A few old men shared that earlier *singhauri* and *gangjuma*, insects and frogs played a major role in destroying other harmful insects. However, since people have started eating these insects, harmful insects remain unchecked and continue to destroy the crops.

Availability of work is generally low except during the agricultural seasons (cultivation and harvesting). This is because the economy is not very diversified. Nonagricultural work carries a wage of Rs30 per day (with location-influenced variations). There are few avenues in the nonfarm sector for employment. Total earnings regularly fall short of minimum expenditure on food and nonfood items and the laborer has to have a credit line from an occasional employer. The employment generation programs of the Government provide some relief, but the need far exceeds the provision of such employment. The constraint is not only to find work year-round but also to negotiate a fair wage when work is found. Wage rates are usually below the minimum wage. There is, in addition, gender discrimination in many places, with wages being typically low for women vis-à-vis men for the same amount of labor input.

In summary, despite the fact that agriculture remains the mainstay of the rural economy, PPA interactions brought out the problems that plague the poor depending on the sector for a livelihood.

- The farmers lack the bargaining power to get a fair return from their agricultural products due to infrastructure and marketing problems, among others.
- The markets and even contract cultivation in segments are controlled by intermediaries, who are mainly outsiders.
- There is lack of adequate financial facilities for farmers and thus they have to depend on the village moneylenders, who charge very high rates of interest.
- Absence of cold storage and processing facilities in the proximity acts as a major bottleneck.
- Pest and animal menace is prevalent.

Shrinking Forests, Desperate People

Decrease in forest area in some places has diverted migratory birds toward paddy fields. A flock is said to be able to destroy one *bigha* of standing crop in one night. Monkeys also attack homestead productions. Farmers express helplessness to do anything about it as the forest law does not permit their killing.

- Location also has an important bearing on agricultural productivity. This came up on several occasions in the course of the PPA. For example, villages around stone quarries and coal mines are particularly disadvantaged.
- Agriculture extension services were considered inadequate in many locations. Inadequate soil-testing measures, lack of training on modern methods, dearth of agricultural land development initiatives, inadequate irrigation facilities despite high demands are some of the supply side deficiencies that the poor recounted.
- Unstable yields of agricultural produce/price crashes of plantation crops have led to a major livelihood crisis for poor people who can no longer find daily employment.

Lagging agriculture and deteriorating environment have created serious problems with respect to the livelihood of the poor. The poor therefore demanded, among others, (i) irrigation facilities to stabilize agriculture, (ii) better management of water resources by collecting rainwater in different water harvesting structures, and (iii) environmental protection of common lands for accessing fodder for livestock and fuelwood for earning small incomes.

Impact of Landslides

Dada distributed his land between his two sons. One son owns 2.5 acres of land which is affected by landslide. Earlier the production from land was 8 *mun* for maize and 25 *mun* of ginger; but after landslide, production has been nil. He now works as a carpenter, gets Rs125 per day but the job is seasonal in nature. The other son also used to own 2.5 acres of land, whose yield was 9 *mun* maize and 50–55 *mun* ginger. Now, the whole area has become barren and he is working on the land of a *bhutia*.

Jhum cultivation

A number of households still practice *jhum* or shifting cultivation on hilly tracts. Despite the intensive processes involved in this system, the yield in recent years has shown a poor record, and cannot sustain the *jhum* cultivator throughout the year. The main problems cited by the cultivators relate to decline in *jhum* area, weeds, pests and lack of irrigation and marketing network.

The poor and natural resources

The poor expressed concern about the degradation of natural resources in the following main areas:

- Encroachment and degradation of common grazing lands;
- Depletion and degradation of groundwater resources;
- Degradation of traditional water bodies;
- Degradation and depletion of forest resources;
- Alienation of tribes from forests; and
- Degradation of agricultural lands.

Forest-related livelihoods

Traditionally, forests were a major source of livelihood, especially for tribal people. Since timber felling and trade are banned, the collection and sale of non-timber forest produce (NTFP) is a critical source of livelihood for the poor residing in and around forest areas. This includes collection of fuelwood, leaves from forest trees, collection of leafy vegetables, and others.

Declining Forest Resources

During the last decade, the availability of natural resources has substantially declined in many villages, primarily on account of excessive felling of woods and poor management of forest resources. The procurement and marketing arrangements that the department of forests manages have not been functioning effectively in many places. Tendu leaf collectors have not been paid a bonus for the last 7–8 years in some areas, on the grounds of poor quality and small size of leaves. However, the villagers attribute the decline in quality, size, and volume of leaves to improper methods of processing. Similarly, cessation of the system to procure forest produce like tamarind through cooperative societies has adversely affected the interests of forest-dependent communities. The villagers have no option but to sell tamarind at very low rates to traders and private contractors from other places. Cooperative societies used to procure the same at much higher rates.

Similarly, *mahua* is also sold to private traders for a meager price, which then sells 10 times higher in the market. The dependence on forest produce is so high in some villages that fruits like tamarisk, which used to grow in very large numbers in the surrounding forests, have completely vanished from the area. Similarly, on a comparison, villagers who could harvest up to 15 sacks of mahua until about 2 decades back hardly collect three sacks now during occasional clearance of forests organized by the forest department.

The major problem for the poor is that in almost all areas, forest cover is declining, and the communities have noted the declining role of NTFP in their livelihood. Other major problems faced in pursuing these livelihoods relate to forest produce, policy, and institutional issues. By convention, the villagers living near forests collect deadwood from the forests (which belong to the State) but are not allowed to cut live trees. In many cases, the villagers pay an informal tax for accessing the NTFP. Returns from sale on NTFP like fuelwood and sale of sal plates are very low. Further, the sale of kendu leaves, as also collection of sal leaves, is only seasonal.

Men go to forests for tree felling. The work is seasonal and stressful and it takes 2 days of walking in the forest. Besides, it involves a high susceptibility to diseases such as malaria and flu, facing periods of food scarcity and fear of getting caught by the forest guards and fined. Since men are away for 2–3 days if they are to collect enough materials to sell in the local market, communities complained that “it is customary for the young men in the neighborhood to trouble our women, especially at night.”

Livestock-related livelihoods

Livestock and poultry rearing—ducks, goats, hens, and pigs—is a common practice among poor people in the villages. Poor people rear those ruminants and birds, which require little, if any, inputs in terms of feed and veterinary care. But the products from such ruminants and birds have a ready market either in the village or in nearby “markets.”

Some additional income accrues to them indirectly from animal-rearing activities by working as cowherds and goatherds. Usually, the poor are not able to upscale their livestock income because they lack resources for the proper upkeep of animals. Upscaling of activities also requires larger investment, proper feed and veterinary care, and adequate marketing channels. Some livestock popular with the poor, such as pigs, are associated only with specific caste groups. Livestock at times damage standing paddy crops and potatoes and are not looked upon by neighboring farmers with sympathy.

Ban on community grazing and restrictions imposed legislatively on the use of forestlands have forced the poor to stall feed cattle due to the unavailability of grazing land. People have started keeping fewer cattle, seriously affecting the availability of milk for household consumption and as a livelihood option to supplement and augment family incomes from dairying. Families that intend to keep cattle have to spend a minimum of 2–4 hours for collecting grass and often the burden vests with women and children.

Across locations, there has been a major decline in grazing land due to encroachment, restrictions in reserve forest, and loss of land due to erosion and sand casting, among others. This has endangered the livelihood of communities which depended traditionally on livestock for a living. Similarly the communities rearing pigs complain of high mortality rates during monsoon and insufficient fodder. Seasonal diseases and unavailability of veterinary care at the proper time have forced them to reduce the number of livestock and caused limited reliance on it as a lucrative option for sustenance.

The dairy farmers complained of low returns because of indigenous cattle, in-breeding, limited accessibility to markets, and unavailability of enough fodder. Despite most villagers possessing at least two cows, they failed to sufficiently supplement their livelihoods through dairying in the absence of fair markets at accessible distances.

Travails of fisherfolk

Traditional fisherfolk complained of declining catches due to mechanized fishing, coastal pollution, and the high cost of capital for investment in equipment and its maintenance.



Fishing to earn a living (Source: Field work, PPA study)

Fishing communities have, in recent times, lost their traditional control over fishing in inland waters. Powerful and influential people who have manipulated control of the waters now corner natural water bodies and ponds earlier leased out to fish worker societies .

Marine fisherfolk get bumper catches during August and September, but cannot go to sea in June and July at the height of the southwest monsoon. Fish workers work during the lean periods as rickshaw pullers, pushcart operators, masons, carpenters, or migrate to other places to work in factories and construction sites.



Farming, fishing, livestock rearing: Multiple Sources of livelihood
(Source: Field work, PPA study)

Seasonality

In many of the study areas, the poor people were vulnerable for 4–7 months with significant adverse impact on food and health conditions. The seasonality is especially pronounced in all monsoon-related professions like agricultural labor and fishing, among others.

Self-employment

Small trades

Exploitation by the caretakers of law and intermediaries plague the informal sector. Their livelihood security remains jeopardized and calls for policy interventions and registration of such trades.

Shortage of firewood, clay, furnaces, and limited storage facilities were important factors threatening the livelihood security of the potter community. For sweet makers, surviving in the competitive market has been very difficult. Shortage of capital is a major handicap as they cannot afford modern equipment used to make sweets.

Artisan and craft-related livelihoods

In the states studied, artisan and craft-related livelihoods have played an important role in people's livelihoods, sometimes as the primary source and, in other cases, as a supplementary source. Some artisan activities by blacksmiths, cobblers, and potters, for example, are common across regions. Others are more specialized and cater to smaller markets. But together, they constitute a very large group, including items such as woodcraft, stone craft, bell metal art objects, embroidery, beadwork, pottery, basket making, weaving mats, handloom, spinning and weaving silk fabric, weaving cotton fabric, lacquer work, and weaving fishing nets, to name some.

Redundancy of traditional occupations because of shrinking markets for artisan products and increasing competition from mechanized alternatives have been responsible for the impoverishment of a large number of artisan communities, who are resorting to mixed livelihoods or migration to urban areas.

Artisans and craftspersons face numerous constraints. Such constraints range from difficulties in accessing raw materials; accessing credit, information, and markets; design of products which have contemporaneous demand, and exploitative intermediation impeding fair prices. Among the problems connected with raw materials, the most acute is the rising cost of raw materials pitched against sticky prices of produce. Lack of enough space to store produce and limited access to marketing make the artisans and craftspersons extremely vulnerable to exploitative intermediaries. These intermediaries or middlemen, who have knowledge of and access to markets, collect crafts and artifacts from the artisans and craftspersons at a very low price. This prevents the real producers of these goods from getting a fair price and an acceptable return for the risk taken. On the other hand, the system of intermediaries has helped increase the volume of sales,

although returns remain very low. Credit at a reasonable rate is a major issue. Informal sources of credit have a high rate of interest on loans and the interest rates are steep, in part because the risks are also very high.

Many terra-cotta artisans have been shifting to other occupations at an accelerated rate. The artisans that remain craft a range of products ranging from decorative items to vessels for everyday use or for use in festivals. Production and demand are seasonal, the former falling sharply during the rains. The products are marketed in the neighboring hats (markets) and are picked up by intermediaries; the high-end items are often marketed through shops or the state emporia.

Hurdles for Craftspersons making *Bankura Ghora* (Wooden Horse)

In Karmakar hamlet in Bankura District, those making Bankura's ghora formed two groups about 10 years ago. These groups prepare superb wooden craft, mainly wooden horses, idols, and other decorative items. However, they are facing several problems in their business. There is no adequate space to work and to store woodcraft. The intermediaries get orders and collect wooden handicraft at a very low rate. The artisans do not know the market where they can sell their produce to get a reasonable return. The price of wood, wood spirit, and color are increasing but the price of the produce has been nearly constant for the last 10 years. The village artisans feel that training on modern woodcraft to refine their skill, provision of a space for collective work, and help in better marketing will significantly improve their present conditions.

Travails in Terra-cotta

Terra-cotta artisans are getting increasingly rare by the day, and are found only in select villages. In Nagarnar village as many as 30% of all terra-cotta artists have shifted their primary livelihood base to agriculture during the last decade. The highly dexterous work of terra-cotta artists goes through a lean phase during the months of rain, when availability of raw materials like clay, wood, sand, and indoor drying of finished products becomes difficult. Besides, the products do not sell easily if the glaze generated by heat is not uniform on their surface, which is difficult to ensure during the moist months of rains.

Distance from markets, lack of warehousing arrangements, high cost of transportation, high spoilage-in-transit, lack of capital, and ignorance about appropriate packaging methods are some factors preventing the artisans from taking up the enterprise on a large scale. The artisans carry only as many products to the markets as can be sold with certainty in a day. The cost of transporting the products back to the village far exceeds the cost of taking them to the markets.

Terra-cotta artists maintain a large product line for minimizing internal competition and for greater market appeal suiting different preferences. The products are designed for domestic use as well as for decorative purposes. Nearly 20% of products are designed in keeping with the trendy preferences of the market, including statuettes, vases, and miscellaneous sculptures. The remaining products are mostly for household use and mainly include pitchers and earthen containers of different shapes. The designer goods are marketed through shops based in towns and government emporia, which promote the crafts through occasional exhibitions. The products are procured through contractors, and the artisans get very low remuneration. Entry of intermediaries in the trading of terra-cotta products is believed to have helped in increasing sales, though the intermediaries retain a lion's share of the returns. Several communities in Bastar are known for their specialized skills, and attract a large number of visitors, particularly during festivals. This creates a good opportunity for the village-based artisans to sell their products directly to consumers.

Bell metal workers

Bell metal work is both extremely tedious as well as hazardous with producers suffering burn injuries. Production is also prone to a lot of wastage. The product is marketed through intermediaries affording very small returns to the direct producers. As in the case of terra-cotta artisans, many craftspersons are switching to other means of livelihood.

Weavers

Weavers face similar problems of lack of working capital, shrinking market, and exploitative intermediaries. Returns are extremely low. Manufacturers of dhotis earn low wages say about Rs140 for 6 person-days

of work or less than Rs25 per person per day. Weaving of costlier products is taken up only when demand is assured.

Bamboo craft

People engaged in bamboo craft work have raw material shortage many a time. Returns are very low. Each bamboo product is sold at around Rs20–30/-. Costs of raw material and transportation costs are high. Artisans have widely requested that the Government make available such raw material or allow the raising of bamboo plantations.

Driver

The job is available on a regular basis (12 months a year) or temporarily during tourist season (5 months) in tourist potential rich states. This is a skill-based occupation. It is a sought-after job, pay is good and it is even considered glamorous. Young children are employed by drivers as handymen. Children get food twice a day from the drivers but no payment is made. Some of the younger generations in tourism-bound states look to a driver as a role model.

Problems of Urban Slum Dwellers

For the urban poor, the causes leading to poverty are as varied as the group itself. Land requisition, (repeated, unfruitful rounds to resolve this has a high opportunity cost, as it affects means of earning), eviction resulting in insecurity in housing, harassment by excise officials (to stop sale of homemade liquor), addiction to alcohol, poor health conditions, increase in family size, poor access to information, irregular work, problems related to acquiring licenses of rickshaws and carts, hand-to-mouth existence, and ill health are among the diverse causes. In fact, ill health, disability, and family conflict are on the increase. The number of separated women who have to fend for themselves is also increasing in slum clusters studied. Illegal activities are

“Do you need to ask us about our health? Take a look at the sewerage of our town on one side of our slum and the garbage and putrid materials of the municipal market on the other side. That should tell you everything you want to know.”

Little girls in slums also face insecurities as their families tire out earning a living.

rising in some communities, leading to police harassment which affects well-being.

Due to waterlogging, people complain of a range of health problems and lack of access to housing, roads, electricity, and associated civic amenities. Many of these communities are too poor to afford firewood to boil water to help prevent waterborne diseases.

In the urban areas, the poor reside in well-defined locations such as slums or other public places (streets, pavement, and platforms). They live in congested and unhygienic conditions, and suffer from constant insecurity, as often they have no legal claims on their living sites or on any other basic service. As a result of their irregular status, the urban poor depend upon slum lords and intermediaries and they (particularly the womenfolk) are subject to exploitation by them.

In the manufacturing sector, many of the manufacturing activities are undertaken both by men and women, sometimes working together in units accompanied by children. Some of the jobs undertaken include kite making, slipper cutting, and working in plastic, lamp, or soap factories. Men often take to rickshaw pulling, cart driving, or driving of automated vehicles. This is also the case with the small hotels sector. Petty trade employs both men and women, as do petty domestic services. Children, along with adults, find employment as ragpickers, in repair shops, hotels, and in many manufacturing enterprises such as weaving and embroidery.



Pockets of Poverty in Urban Areas (Source: PPA Field study)

Wage labor in the construction sector and as head loaders employs a number of workers, but the demand for the former fluctuates seasonally.

Since many sectors are contractor-driven, wages are low and there are delays in payment. Many jobs have a seasonal demand. There is a large influx of laborers from the surrounding areas in the slack agricultural months, which further pushes down wages.

In urban slums, PPAs revealed that a number of single, deserted, and widowed women are often subject to sexual exploitation and get pushed into prostitution to earn a living. Children who are street dwellers are also often subject to sexual exploitation. Once drawn into this work, the pressure of clients and pimps and lack of feasible alternatives have made escape from the profession almost impossible.

The basic problems of the urban poor are:

- Over-congested housing;
- Problem of drainage, sanitation, and toilets;

Perception of Child workers in an Urban Slum

According to the children, there are different kinds of children, some who are responsible and share the burden of the family, some children who work only for pocket money for their expenses on Gutkha, tobacco etc., (like those into rag picking) and children forced to work by the parents. However, in all the cases, they explained, they are to work more and paid less. For example, they mentioned that if they work in hotels and shops, they get Rs. 15/- to Rs. 25/- per day while in the mechanic shops it is Rs. 50/- a month. The children explained that they prefer to work in the hotels as they also get one time food and tea in the hotels. The children explained that they find work in Garages, Bread factories, small mechanic shops, Welding shops, Bakeries, hotels, shops, biscuits and ice-cream sellers, Scrap business (sorting out the scrap) and rag pickings.

The children also explained that there is exploitation and harassment at work in the hands of their superiors and older children. The parents expressed that working in the hazardous conditions in the garages, welding shops, scrap business, mechanics etc. the children are over burdened with the heavy work load and the tensions in the work environment which has a telling effect on their health, specially for those children in the welding shops. The children also informed that some of their peers are addicted to chewing tobacco and alcohol with one ten year old boy chewing 25 packets a day which is very dangerous.

Sex Workers in Urban Slums

This slum in District Durg consists of 200 households, of which women from nearly 35 families are involved in sex work. They are identified in the local community as women who sell liquor. Most of these women are single, deserted, or young widows. They are physically and sexually exploited even when they go out of the slum in search of a livelihood. The customers usually include young boys, local leaders, and local police.. Similarly, in another ward in the same town, a public distribution outlet dealer and the owner of one of the telephone call centers in the area acts as an agent in facilitating contact between a good number of sex workers and their clients, and even arranges to supply girls to locations outside the area. Many of the daily wage earners enter the profession through the labor contractor. Altogether, 70–80 women in the slum are engaged in the profession.

- Garbage;
- Lack of proper roads;
- Scarcity of drinking water;
- Lack of legal electricity connections;
- Conveyance; and
- Children's education and health care issues.

Evictions and the Urban Homeless

Frequent eviction from urban locations has emerged as a major problem for the homeless urban poor. Lack of a rehabilitation policy for the evicted makes the affected families stray from place to place, before settling in a new place only to be evicted again. For instance, nearly 300 households that were evicted in the early 1990s from near the railway station (during the construction of a locomotive shed) in Raipur District took refuge in another colony where they again faced threats of eviction. In August 2004, the affected poor protested in a rally before the local administration, but to no avail. The main aspirations of the evictees included the provision of a long-term solution by way of resettlement on an undisputed land. The hardships associated with eviction become particularly severe when displacements are forced upon the poor without adequate notice.

Fear of Eviction

Across urban PPA locations, eviction has been stated to be an important factor contributing toward ill-being. According to the communities visited, eviction is associated with several things such as loss of assets, loss of income (as it takes several days for the people to recuperate and go back to work), loss of school days for children, loss of privacy (as one is forced to live in the open for several days until alternative arrangements could be made by people themselves), loss of a sense of security, and untimely borrowing (to incur the cost of rebuilding the dwellings).

A typical example is Maheshnagar slum occupied by in-migrants from rural areas due to its minimum land value. The area lacked proper roads, water facilities, electricity, health centers, and schools. Eviction is the most important problem of its people. The area comes under the forest department and is a reserved area.

There was notice for eviction in the 1990s but, in 2002, all persons were evicted causing huge losses of assets. People, however, did not encroach upon the land; it was purchased from an intermediary. During eviction, not only the dwellings but also the belongings of the residents were damaged and confiscated. It caused huge losses of work opportunities, as people could not go to work for 10–15 days. They had to cook and sleep at night in the open. Children could not go to school and the primary school was also shut. All efforts to bribe the officials and salvage their leftover belongings were futile. Each family contributed Rs600/- to stop the eviction and to bribe. “Anti-social” elements also tried to encroach upon the land.

Though an electric lamppost was given in 2000, no connection was provided. The entire electrification process slowed down after the eviction in 2002. People had to buy kerosene at Rs26/liter. The absence of streetlight negatively affected the education of the children. No development initiative has been undertaken in the area. Most in-migrants do not have voting rights and, therefore, the local authorities have little concern for their issues. People are caught between the forest department—on whose land they are staying and which is involved in evictions—and the municipal corporation that has limited access to the area in terms of service delivery, even though the area falls under the jurisdiction of the municipality. The absence of water supply, health care, school, and roads have thus to be seen in conjunction with the tension over the area’s administration between the two players. An example of this tension is evident from the fact that although the municipal corporation has provided electric poles, the actual electrification process has slowed down due to eviction by the forest department.

The poor people displaced after eviction do not get access to rights on land, which are often obtained from illegal deals of intermediaries. In the absence of legal ownership, provision needs to be made to lease out alternate land and make it clear where ownership is not possible. Where ownership is mandatory, quick action is necessary to avoid untold hardships.

Steps Involved in Acquiring a Land Patta

- i) Visited the district collector's (DC's) office twice: to collect the form and for the affidavit. Total cost was Rs170/- (Rs20 for typing, Rs50 for stamp paper, and Rs100 for advocate's charge).
- ii) Visited the Circle office to submit the form. After the initial visit, five to six visits were warranted for file processing.
- iii) Verification was given by the Circle office after a field visit. The poor had to spend lump-sum money for the field visit (Rs1,000–2,000/- each time an official visited). The money was collected from individual families who were perceived to benefit.
- iv) After field verification and submission of the report, the poor had to visit the DC's office regularly.
- v) After processing in the DC's office, the papers were sent to the municipal development authority (MDA). MDA verified the papers and prepared a report according to their norms. The expectant beneficiaries had to bribe with Rs300/- per plot.
- vi) After fulfilling the MDA requirements, DC sent the papers to the Settlement office, vii) which examined the MDA norms by spot verification and checking the maps. Each committee member went to the office and spent Rs200/plot holder.
- viii) The papers were taken to the Revenue Department of the Secretariat, which verified the papers for profiling. The committee members went there 4–5 times and had to pay some "speed" money.
- ix) The Secretariat then sent the papers to the DC's office along with the holding numbers.

The entire process was completed in 2000. A new government was formed in 2002. Around this time, the DC made an objection that the disputed land was government reserve land, so people could not occupy the land. The people stated that for the last 7 months, they have been frequenting the government office for a de-reservation document. To date, nothing has happened. The people felt that they are treated like strangers in their own land.

Problems of Displacement and Rehabilitation

PPAs have documented the experience of groups of people who were displaced due to a variety of projects. Some of the common issues that emerged are as follows:

- (a) The actual compensation paid is not received by all affected households and often depends upon the influence of the landowner.
- (b) There are cases where further expansion of the plant has required re-displacement of households.
- (c) A “land-for-land” policy is not usual. In cases where land was given, the land was usually less fertile; while in some other cases, only house sites were given as compensation.
- (d) There is a negative fallout on land productivity in neighboring areas due to emissions and effluents.
- (e) In cases where industries have offered jobs as compensation, not all displaced families benefited due to inadequate records.
- (f) There are cases where industrial activity proceeded without due acquisition and compensation.

Plight of People Displaced from a Notified Area of a Sanctuary

The sanctuary in Sheopur has so far displaced 22 villages, out of which 19 have been resettled with a rehabilitation package, while 3 villages that shifted voluntarily have not received any compensation. Only cash-benefits worth Rs38,000 (for the transport of assets, house construction, and repairs) have been given to 62 out of 96 families in one of the affected villages. The assurances before displacement amounted to Rs1 lakh (100,000) per family, including the provision of 9.5 bighas of cultivable land, tilling, land leveling and bunding support, developing grazing land, provision of fuelwood stock, and developing community assets.

Waterlogging and isolation in the rainy season, barrenness, a difficult road approach, and an acute scarcity of drinking water characterize the resettlement sites. Only one hand-pump has been provided for the whole village, which is grossly insufficient. The nearest ration shop for the villagers is located 7 km away.

continued next page

Plight of People Displace...continued

Other effects of the displacement include total redundancy of livestock assets and agriculture (due to nonavailability of fodder and cultivable land); compulsion to migrate on a large scale; severe indebtedness; and deprivation from access to natural resources (a wide range of forest produce, including gond, shahad, ber, achar, chirounji, tendu, mahua, chitavar, billoro, bilaiya, white moosli, tamarisk... were within easy access of the villagers earlier).

The other side of the Coin (Managing the Compensation received)

Monetary compensation in partially non-monetized village economies has compounded the problems of families.

Keshab's family was the proud owner of 80 acres of agricultural land, 6 acres of which were submerged under a canal constructed in 1985–1986. Keshab's family was given Rs35,000/- as compensation. This incident turned out to be a turning point in his life. The land of the family was divided into eight parts and so was the amount received as compensation.

Keshab started drinking alcohol with his share of the compensation and sold part of his share of the land when the former was exhausted. He was forced later by circumstances to mortgage the remainder of his assets; he is surviving on a hand-to-mouth situation. Resettlement and compensation pushed him from prosperity to poverty.

Floods and Natural Disasters

Floods and natural disasters remain a major problem for some states and constitute a major cause of poverty.

Given the magnitude of the problem and the limitations in addressing such issues locally, it is imperative that flood and erosion in affected states like Assam be recognized as a national problem. The destructive impact of floods includes high morbidity, forced seclusion, loss of livestock, deforestation, cessation in the availability of basic services, nonavailability of livelihood, and loss of crops and productive assets. Over the decades, floods and erosion have uprooted thousands of people from their ancestral land and property.

Impact of Floods

Erosion of livelihoods due to floods has led to hazardous and illegal means of self-sustenance such as collection of drifting logs in places like Dibrugarh. It takes 4 days to collect a stack of wood while camping on a boat. In a month, the family goes out 3–4 times to collect wood from the river. The monthly income is about Rs3,000; rent of the boat costs Rs900 per month. Moreover, a yearly tax has to be paid to the local administration. The risks involved are tremendous. In addition to being left to the vagaries of the weather, braving rain, storms, and forest guards patrolling on a ferry, the peoples' energies are drained by diseases such as malaria and flu, which are rampant.

Many people live on chars which are river islands created from river sediments. The sand and silt landmasses are highly unstable and are in a constant state of formation and erosion. While erosion results in loss of land, deposition of silt and sand provides new land for settlement. Recurrent flooding and the consequent erosion trap its inhabitants in the grip of poverty and indebtedness. This, combined with poor connectivity, poor condition of physical infrastructure, and inaccessibility of government services, results in poor living conditions in the chars. The living conditions worsen during the monsoon months due to high incidence of flooding and erosion. The economic losses due to erosion and floods are enormous. Flooding and erosion often change the topography of the land and landowners are often dispossessed of their lands through no fault of theirs. The Brahmaputra River washes away huge areas of agricultural land and the char dwellers lose their household assets and livestock. Several char dwellers lose their patta land and feel a sense of lack of identity. The loss of agricultural land has forced people to migrate to cities in search of employment. Households are forced to loan to meet their basic needs and to access health care facilities.

PPA interactions brought out a strong demand for a permanent solution to the menace of floods and erosion. Recurrent floods have been responsible for destroying lives and livelihoods, standing crops, assets and livestock; depleting food security of households; and reducing grazing lands. Relief is perceived as a temporary solution.

Expenditure Patterns of the Poor

High cost of living for the poor:

The poor pay more than the rich.

Forced by poverty to live in outlier areas, the cost of transport is significant in terms of cost impact on the already overstretched poor. This is a problem even in remote pockets of well-developed and well-connected states,

Those living in remote and in peripheral areas (including tribes) bear the heavy brunt of transportation costs that adds to prices.

In the tribal district of Idukki in Kerala, transport costs add Rs6 to a kilo of rice, Rs12 per kg of fish.

Jeep taxis charge Rs5 to transport a kilo of provisions. To put this cost in perspective, a kilo of salt with a base price of Rs5 costs twice as much by the time it reaches its destination.

Compared with other places where it may cost Rs20,000/- [a year] to live, it costs double—say, Rs40,000/-—to live in such remote areas.

Since many of the poor buy on credit, they have to pay more at the outset. A thing costing Rs10 costs them Rs12 for a week's credit. The poor lose on economies of scale since they buy in small amounts.

There are still many barter transactions and use of inputs for self-consumption. Monetary values have changed. Estimates of expenditure levels may not necessarily be accurate.

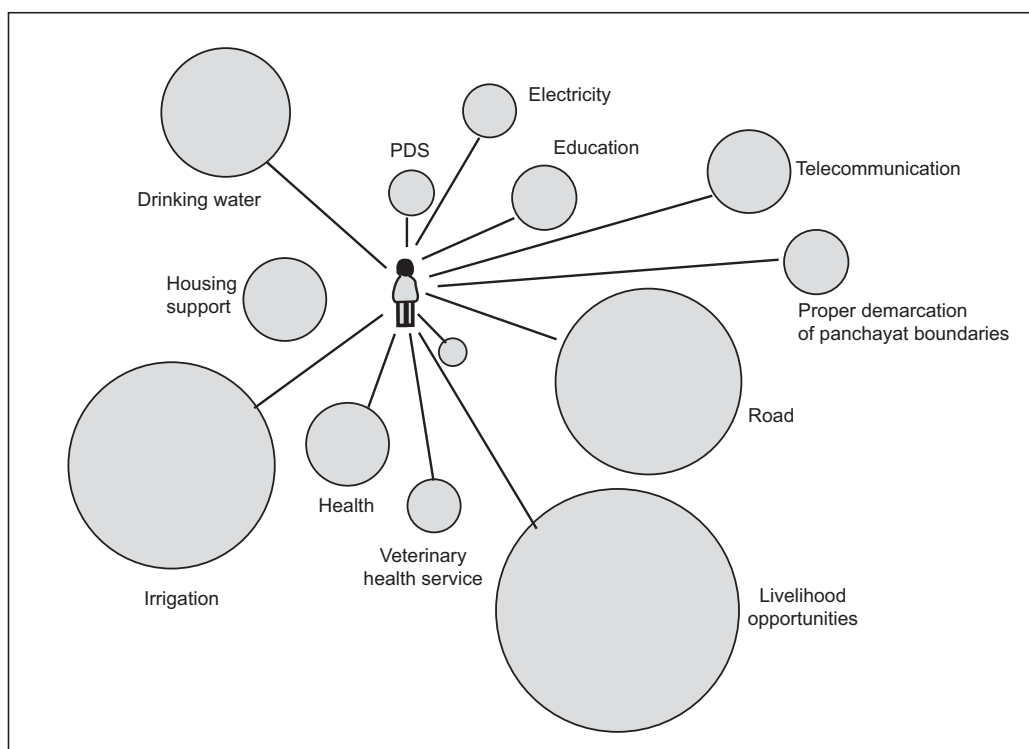
How can we tell you accurately how much we earn? In the old days, if we sold a coconut, we could buy enough fish for a meal with it. Today, if you want fish worth Rs10, you have to sell five coconuts.

High social expenditure

Expenditure on social commitments is a serious problem of the poor as is well known. Almost all PPA teams came across this problem. It was widely observed that borrowing for social obligations often resulted in a debt trap for the poor.

Also, large parts of personal incomes are spent on undesirable patterns of expenditure encompassing alcohol.

Basic Services



(Source: Field Study, PRAXIS)

The poor suffer from poor access to basic services because of the location, quality (when these services do exist), cost of these services, and due to systemic factors leading to exclusion. The basic services and basic infrastructure involved include drinking water facilities, sanitation, roads, electricity, public irrigation, schools, and health services.

A large number of groups consulted in many locations attributed their backwardness to the lack of basic infrastructure and access to basic services. Services and programs especially targeted for the poor also do not reach them. Poverty is greatly influenced by poor physical infrastructure—particularly poor quality of roads—low concentration of health infrastructure, and relatively underdeveloped agriculture affected by limited irrigation facilities.

The access of the poor to basic services has two major dimensions, namely availability and accessibility. Together, they determine the use of the services by the poor. Availability refers to the physical existence of the services, with characteristics like:

- Adequate quantity,
- Acceptable quality,

- Location and distance (convenient),
- Regularity of supply (dependable),o
- Information about the availability (awareness), ando
- Proper maintenance (sustainability).

Access, on the other hand, is determined by:

- Affordability,
- Utility, ando
- Equality of opportunity.

Connectivity

Poor connectivity is a major factor leading to exclusion from basic services and forcing people to live with restricted choices. The poor have trouble in accessing services such as health care centers, hospitals, schools, and even markets of vegetable and crop produce. The long distances compel villagers to spend more on transport or invest time in walking to distant places. Therefore, good quality roads not only remove constraints in accessing basic services like health and education but also open up opportunities for wage employment. They also promote self-employment by improving outreach to far-off markets. Lack of maintenance of roads, however, has been a major problem as stretches of roads in many locations have been destroyed.

Seasonal exclusion is very common in several villages visited during the PPA since the roads are washed away during the rainy season. In many villages, due to the poor quality of roads, public transport is not available and travel time increases manifold during the waterlogged months. The flooding of unpaved muddy roads in poor localities cuts off the poor from the village and from basic amenities such as primary schools, grocery shops, and health care centers; and often results in a high incidence of diseases.

- Poor quality of roads (unmetalled since 10–12 years of their construction) and unavailability of vehicles restrict mobility, and hence, the income-earning capacity of dairy farmers and vegetable vendors who sell perishable products. Public distribution outlets (PDS) being at a distance of 4–6 km on the average, villagers face difficulty in accessing them due to the improper condition of roads.

In hilly and remote areas, the problem is even more accentuated.

- Footpaths and stony paths are the crucial connections to various villages and to the outside world in the northeast. Many footpaths however need repairs, as they are damaged, steep, broken, and slippery, which makes it difficult for small children and pregnant mothers to access the integrated child development services (ICDS) and schools, among others
- During the rainy season, when some of the village roads become dangerous, people are unable to send their children to school. There are locations where children have to cross streams, rivulets, and rivers to reach school. In some places, even the nearest school is about 2–3 km away from the village and it takes an hour for children to reach school. Students cannot attend school during rainy season (from July to August) since many streams/rivers have no bridges.



Indigenous Communication Links (Source: Field study, PPA)

The Tale of Broken Bridges

Communication problems due to lack of bridges or broken bridges in some locations with streams and rivers cutting across are a major problem.

Harang River separates Village Garor Bhiton from various government institutions as well as other villages of the panchayat. Connectivity was not a problem until 3 years ago, as there was a wooden bridge to cross the river. However, the bridge caved in subsequently—creating a major problem for the villagers—as they had no option but to cross the river on small boats.

The villagers were overjoyed when a concrete bridge over the river was sanctioned. However, not only was the work delayed, it was also of poor quality. Two pillars of the bridge were washed away by the river's currents. The people continue to pay boatmen to cross the river.

For the Singhas of Mashpara,, building and rebuilding the bamboo bridges has become a way of life. Entry to the village is possible only through the two bamboo bridges which do not last even a year. Even the panchayat has given up as the members say that they do not have funds to build a concrete bridge.

A similar situation was seen in Hmar-Kholein Village. The two wooden bridges connecting the village to the road are on the verge of collapse. The villagers cannot even take their bicycles on the bridge and the daily wage laborers, who carry sacks of pineapples from the village to the road, fear that the bridge may collapse anytime.

Energy

Accessibility of some services such as electricity is dependent upon proximity to the road and is not governed by the needs of villages. The result is that the farthest villages are often neglected the most. Although most villages are with electricity, some pockets or sections have not received electricity. In such villages, people have to pay for private electric connections that costs Rs2,000–2,400/-. Only those who can afford it are able to pull the wires to their houses, while the poorest have no option but to stay in the dark.

Electricity is an irregular facility in many villages. This affects adversely certain basic occupations and sectors such as industries (flour mills, local manufacturing units like diamond polishing, welding, and lathe), agriculture, and other services.

Water supply and sanitation

The availability of safe drinking water was accorded a very high priority by many communities. Concerns were expressed regarding both the availability and the quality of drinking water across several locations. The shortage of safe drinking water appeared to be a common phenomenon in majority of the locations—urban and rural—resulting in increased drudgery for women and health problems.



The Quest for Water (Source: PPA Field study)

The need for proper sanitation facilities were indicated as a pressing priority in both urban and rural locations. Lack of proper sanitation facilities came up as an important issue during PPA exercises. The urban poor prioritized sanitation as a major problem and they perceived “not having a private place to defecate” as an important criterion of ill-being.

The Thirst for Water

In some locations, people collected water from leaks in railway water pipes, water pipes, and sewerage lines. People fetched water from railway pipes meant for washing trains. They also fetched water from houses where women worked as domestic helpers.

Private wells are accessed by certain communities only, while others have to go far off. In one of the colonies for instance, one official water supply point served 75 families (population of about 350 persons). This caused conflicts over water. Women across the urban poor pockets have rated lack of potable water as the most important problem, lack of which leads to quarrels. Two water points in a slum, for instance, are insufficient for 100 families. Unclean water is then used for toilets; it is contaminated. Access to sewage systems is poor in small- and medium-sized towns and low-income households. In the absence of a proper drainage system, which serves the twin purposes of carrying sullage from individual households and draining storm water, the residents of slums face several problems. Clogged and katcha drains cause anxiety as they flood the lanes and road approaches to slums during rains and severely hamper mobility causing hurdles in income-earning activities. They also serve as breeding grounds for diseases and make residents vulnerable to epidemics.

In many areas, the urban poor have prioritized sanitation as a priority need. In some locations for instance, five community latrines cater to a population of 1,500 (approximately 1 toilet per 300 persons). These latrines are in a deplorable state and men and children mostly defecate in the open. Most slums have no local institution to manage the community toilets. Due to open defecation, diseases such as diarrhea and dysentery are common. Open defecation also leaves little space for children to play. Deprivation of sanitation facilities affects most severely the old and infirm, and women who either have to walk long distances to relieve themselves or defecate in the shanty itself.

Financial Services: Credit

Credit is one of the most pressing needs of the poor. PPAs reveal that poor people are spending much more than they are earning and that there is a widening and deepening of debt, at a very high cost.

Main causes of heavy indebtedness were identified by the poor as:

- Inadequate income and savings to meet consumption expenditure;
- Expenditure on health care;
- Expensive social customs (marriages, death ceremonies);
- High lending rates and exploitative terms of credit from informal sources;
- Urgency to raise money to overcome sudden crises;
- Inaccessibility to banks and other formal institutions due to lack of credit-worthiness and innovative risk-based lending instruments; and
- Debt trap (seeking credit to pay back outstanding debt).

In The Shadow of Debt

Ramadevi lives in Village Thanikhera. Her husband suddenly passed away leaving behind four sons and a daughter to feed along with some debts. The only source of income is an acre of infertile land that also encroached upon the village's common land. The land used to fetch a few bags of maize every year. Now, nobody is there to till that land.

Ramadevi has now undertaken wage labor to feed the family. She earns Rs25/day but even this is not regular. At most, she gets work for 15 days in a month. The income is not enough to cater even to their basic food requirements.

Ramadevi's main problem is that her husband had loaned Rs15,000 from a bank to purchase a pair of bullocks. Until now, only Rs3,000 has been repaid; the rest remains. Ramadevi does not know how she is going to repay the loan. The bank has sent notices demanding payment. But how and from where?

The poor and the very poor categories of people have few options for credit: (i) the local grocery shop from where they purchase essentials, (ii) the local moneylender, or (iii) the rich people in the village. Interest rates range from 36% from the grocery shopkeeper, about 120% from the rich, and up to 360% from moneylenders. Forward trading of cash crops against a loan on which 120% per annum is charged is also in place and weighs against the poor.

In the absence of acceptable collateral, the poor rely most often on moneylenders who charge exploitative rates of interest. The credit needs of the poor for economic and social purposes are enormous. Majority of the community members expressed their inability to access credit from formal credit institutions. In the absence of access from formal credit institutions, the village communities relied on informal sources, which though usurious, were available locally. They end up paying anywhere between 120%–360% per annum.

The “Annachi Bank,” a locally run institution of moneylenders in the south, for instance, deducts Rs250 at source on Rs1,000 and expects repayment of 10 weekly installments of Rs100. Further, local moneylenders have political and criminal muscle power. All these notwithstanding, in the eyes of the poor, moneylenders are important and useful. Several of the poor included “moneylender” in the list of useful persons and ranked that person highly. The reason is that a moneylender is willing to lend money “even in the middle of the night”— that is, he is always available to the poor when needed, especially during crises.

The perception of the poor of moneylenders is indicative of the urgency of the need for credit by the poor. It is so important for them to get support in crisis, that the terms of the support become secondary. In other words, the poor are even prepared to get into the debt trap if only they can somehow overcome a financial crisis!

In urban areas too, lack of access to institutional low-interest credit has been found to be a serious problem affecting the lives of the poor. It prevents them from scaling up their enterprises to the optimal volume. This is also linked with their lack of bargaining power and inability to provide collateral. Most poor households in urban areas hardly have any savings from their meager wages after providing for the household needs, which prevents them from accessing or servicing debts.

Debt and Forced Labor Situations

Debt and Forced Labor – A Snapshot

Barahmasia – Employment in the farm or household of a creditor in lieu of 2 pyalis (1 pyali = about 750 g) of rice as daily wage, 2 meals at an employer's place, and 15 days' of annual leave until the principal loan amount is repaid.

Boohi – Full-time employment (1 year for every Rs1,000 borrowed) in the farm or household of a creditor in lieu of 2 pyalis of rice as daily wage, 2 daily meals, and basic health care in times of sickness until the principal loan amount is repaid.

Bani – Employment in the farm of a creditor until the loan amount is fully recovered out of the daily wages (Rs15/day as against the prevalent rate of Rs20/day).

Hari – Contractual, full-time employment in a creditor's farm in lieu of a fixed annual advance (~ Rs5,000–7,000).

Aarhi – Contractual, full-time employment (up to 20 hours a day, even overnight at times) in a creditor's farm for a fixed annual amount of Rs5,000–6,000 until the debt is fully paid (often taken between 3–15 years).

Children as indemnity – Instances of sending children to work in a creditor's household to provide indemnity for loans were found in some villages.

The need to avail of credit to meet exigencies, with little or no bargaining power, places the poor in a vulnerable situation and sometimes leads to “forced labor” situations, both in agriculture and nonagriculture. This, in turn, further reduces the prospects of the poor to improve their chances of escaping from poverty.

Gender and the Poor

Gender analysis reveals patterns of inequality. Women have fewer avenues and limited access to cash income, no share in land ownership in many cases, no fixed assets, limited choices, and restricted mobility. Their representation in local governance is low, and few women members are nominated to school and village committees. Not all caste women can engage in daily wage labor even though poor. In some communities, women's entry in the labor market is equated with loss of status in society. In the Ahom community, women are not allowed to go to the market to sell commodities even though they are actively engaged in homestead production.

Men spend a good part of their daily earnings on alcohol, and women reported that they are expected to spend their entire earnings on the needs of the home. Due to intra-household inequalities, women get less nutritious

food and sometimes less food. This applies to girls also. Regarding property rights, land tenure is usually registered in the name of the male head of a household. Upon the death of the male head of a household, women retain usufruct rights to the family holding and continue to live there until their death.

PPAs in many sites reflected the fact that girls' education has less importance than that of boys, and is therefore neglected. Even when a household is prepared to send boys to school, they are not always willing to send girls to school. This is because of the perception that:

- Girls' education is not likely to benefit the family. It is not likely to help, as it is felt that girls are not going to be the breadwinner of the family.
- Education may reduce a girl's choice of marriage, as there are not many educated boys around.
- Girls look after younger siblings.
- Schools do not have women teachers.
- Schools do not have separate toilets for girls.
- For secondary education, girls cannot be sent outside the village or to a distant place.

There is also discrimination against girls and women in the field of health care.

- Boys eat first and girls follow.
- Boys are taken to doctors if they fall ill, but girls are usually treated at home.
- Similarly, women go to hospitals or dispensaries only in cases of emergency.

The onus for family planning appears to have fallen mostly on women. Family size in remote villages is around four to seven children. One of the main determinants across sites is the expectation to have at least one son in the family. Male children are preferred. Men may marry a second time to have a son in the event that the first wife is unable to bear a boy. Home deliveries are common. Women are very much willing to practice family planning measures, but the following perceptions and experiences inhibit their access to these measures:

- Weakness in the body and backache after using oral contraceptive methods; and

- Lower faith due to instances of failed contraception (despite the use of copper T or vasectomy).

Various causes cited across locations for high maternal mortality include neglect of antenatal and postnatal care. Visits to primary health care centers on a workday mean loss of a day's wage.

Scarce resources have implications on willingness to spend on preventive health care. Malnutrition is high among women and children. In many instances, there is no regular intake of iron tablets among expectant mothers. The average marriageable age is 13–18 years and, most often, the first child is born by the age of 14–15 years.

In major decisions like marriage and purchase and sale of assets, women's views are not as important. Women reported violence due to the anger of men who suddenly find themselves unable to provide for their families. Apart from family peace, they also said that poverty was gradually destroying the fabric of the family.

Among tribal communities, the position of women is largely better. An example is the Dimasa tribe of North Cachar Hills.

Practices of the Dimasa Tribe in North Cachar Hills Reflect the Status of their Womenfolk

- i) When a child is born and after the umbilical cord has been severed, a woman priestess performs a sacrificial ritual called "Daosa Rataiba." This is an all-women affair with their exclusive feasting over the sacrificial meat. This ceremony cannot take place without a woman priestess.
- ii) In marriage, the groom has to pay a price or dowry (Kalti) of Rs101/- in coins to the bride's family.
- iii) When a person dies in the village, women assemble and mourn over the dead body. While going to the cremation ground, women lead the pallbearers by drawing cotton yarn all the way to the cremation ground because the yarn is a bridge for the soul.

However, some rituals and festivals prohibit the participation of women as they take place in the forest. The dietary intake of Dimasa women is somewhat low compared to their men who usually take a rich diet of meat by attending the rituals meant exclusively for them. According to an estimate, there are not less than four such rituals in a month. Despite the fact that women look after the livestock, their consumption of meat is less.

The older adolescent girls cook for their families daily and help in other household chores apart from attending school. Women attend to all household chores, help in the fields, feed the animals, and look after the children. Their responsibilities also include fetching fodder and firewood, although during pregnancy this may be lesser. Given that cooking is a primary concern of women, the depleting availability of firewood in several locations implies that women have to spend longer periods, exert more effort, and walk longer distances to find firewood for cooking.

Failure to find regular wage labor opportunities and the desire to escape from taxing physical labor has led women to commercial sex work in some poor pockets. A woman engaged in commercial sex work, for instance, was able to earn around Rs250 a day, which was about 5 times the amount that she could have earned after a whole day of rigorous labor. Many of these women were not aware of sexually transmitted diseases, and hence, did not insist on any protection.

There is a word of caution while differentiating the status of women in patriarchal and matrilineal communities:

- *Prevalence of the dowry system.* Dowry or bridegroom price is very common even among the poorer sections of the society. Surprisingly, even among tribals where bride price is common, women are made to suffer as women have to repay the debt incurred by the groom's family in the payment of the bride price! Thus, both types of dowry, bride price and bridegroom price, affect women adversely.
- Women in most areas, except in tribal areas, observe "*Parda*" or *using of a veil*. This custom keeps women isolated as it does not allow free interaction with others in the society. This also prevents women from participating in a large number of social activities with men.

Chapter 4

Perception on Governance, Institutions, and Policy

James Mill, Chief Executive of the East India Company in 1830, made one of the early comments on the relationship between poverty and governance in India. He said, “Poverty was the effect of bad laws and bad governance—never the characteristic of people well governed.”

Institutions play a critical role in the lives of the poor by either responding to or representing their needs, concerns, and voices. These limit or enhance poor people’s rights to freedom, choice, and action (Sen 1984, 1999). The poor and very poor people have dealings with several institutions but they find that delivery systems are often not inclusive.

Formal, private, and community based institutions impact on the lives of the poor. Attempts were made by the study teams to understand issues relating to performance of various institutions on a wide range of criteria. This Chapter seeks to bring together people’s perceptions relating to governance, key institutions, and policy.

Institutions and Service Delivery for the Poor

Formal:

Local self-governments (Panchayats)

“The village development plans are discussed in Gram Sabha and these are not known to the villagers.”

“Capacity of elected representatives is too limited to fulfill the rising expectations of the people.”

“There is lack of funds in the panchayat; hence, workdays are not generated.”

Report Card on Panchayats Prepared during PPAs

A special study on *Grama* Panchayats (local administration at the village level) was carried out in the 14 districts of Kerala as a special case study under the PPA. Two grama panchayats were selected randomly from each district. Within each grama panchayat, 8 to 10 respondents were selected randomly from each ward, using the random walk method. Respondents were asked to evaluate their grama panchayats based on performance on 18 issues before and after 1996—the year the decentralized planning program was introduced.

While the average score for “before 1996” was 34.21% in terms of overall rating, the average score for “after 1996” was 51.50%. This shows an improvement of 17.29 percentage points. The constituents of the grama panchayat were much more satisfied with the decentralized planning dispensation than the old State controlled dispensation. The contribution of the grama panchayat toward overall development (a general approval rating) showed an improvement of 23.16 percentage points. Openness and transparency showed an improvement of only 20.30 percentage points.

While the capacity to monitor projects is perceived to have improved, the improvement in the capacity to formulate and fund projects is not impressive.

The poorest improvement was in corruption-free governance, at 10.20 percentage points. Operation and maintenance of public assets was also a weak area, with an improvement of only 11.90 percentage points.

“Panchayat members discriminate against those who are not close to them. Only their party members get benefits from them. The case is the same with the block office.”

“All schemes, strategies, and activities should be made transparent to the villagers. For this, the Government should pressure panchayats. The Government should also train panchayats in this regard.”

“The strategy for the preparation of BPL lists should be modified.”

Poor leadership in panchayats came out as a concern in many locations of PPAs as people shared that the leaders *“do not know much about development, cannot talk properly with anyone, and work as puppets of the powerful and the influential.”* Community members also talked about a nexus between panchayat leaders and the political-administrative authorities that makes it difficult for people to raise their voices against the former.

From the viewpoint of panchayats, they face several problems. Ward panchayats, for instance, have the responsibility of implementing schemes for the needy, which in many cases translates to walking or traveling far to reach the district headquarters. They get a small honorarium per month, which they felt is too inadequate for the work undertaken including travel to the district office on work, stay in hotels, and cost of meals outside.

Lack of information hampers people’s participation with the resultant lack of transparency in aided schemes. This provides panchayats opportunities to identify only those “beneficiaries” who are closer to them or the party and not to the needy.

Throughout the rural sites, several instances of local level politics directly and indirectly affecting the well-being of either individuals or villages as a whole can be cited ranging from provision (non-provision) of individual benefits to positioning of social infrastructure.

In the course of PPAs, many strong and active forums of traditional bodies were discovered, which have been effectively functioning for centuries, without any role or powers whatsoever in the affairs of the

“We ward members have been asked to select what we want to do and do it. But how can one do something when the money has been allocated for an altogether different thing?”

“As a panchayat member, I am responsible for my ward as each one knows me personally. I take all the precautions and see that the eligible beneficiaries are selected and recommended for the schemes.”

formal panchayat. These traditional bodies include caste panchayats which play an important role in community affairs.

The caste panchayats were popular among communities due to high frequency of meetings, high participation (including women), implementation of decisions, voluntary contribution of labor, and immense authority in the community.

Overall, the perception about panchayats is that they are highly significant local level institution that people relate with well. However, per the poor it requires tremendous systemic improvements, systems for public monitoring of interventions, and greater transparency in identification of beneficiaries of development schemes.

One of the key expectations of people from the village panchayats was also to see a far greater degree of promptness in their actions and responses. In states other than West Bengal and Kerala, areas for improvements included mechanisms for real empowerment of elected functionaries (and divestment of powers of controlling authorities). Many of the shortcomings observed in these areas were attributed to high dependence on authorities based in *Janpad* panchayats and *Zilla* panchayats. People recalled several instances where there were avoidable delays due to tardy processing of applications at the block and district levels of panchayats.

Urban local self-governance

The services provided by the municipality and municipal corporations have been limited and the expectations of the communities have not always been met. Even bare minimum requirements like safe drinking water, streetlights, roads, and drains are wanting. Across the locations, municipalities were trusted and looked upon as institutions that could make a difference in the lives of the poor provided they became more proactive and service-oriented.

Who finally gets selected is not under my purview.”

“Decentralization has only been notional. Many have not been trained and do not know what to do. As district officials, we feel sad for them as every decision is taken at the Secretariat and even we have no say in it.”

“What do you expect me to do with Rs300 per month? I am also among the poorest of the poor for I spend most part of the money traveling to the district headquarters to meet the MLA, the minister, and the officials.”

In some urban locations, however, the urban local body is viewed as an evil that disturbs the life and livelihoods of the poor with threats of eviction and playing to the tune of powerful builders and politicians.

Determinants of Panchayat Performance – Feedback from the Poor

The observations of community members in some rural locations highlight some of the reasons for variations in the performance of panchayats across states.

The participants in some locations stated that the performance of the panchayat depended upon individual initiatives of the panchayat functionaries. In proactive panchayats, the driving force has been the persistent initiatives of key panchayat functionaries.

People in some villages felt that panchayats were not able to perform optimally either due to the lack of awareness about the functions or due to control by dominant sections of the society.

In some locations, participants felt that the panchayats had failed to perform well due to the complete absence of transparency in planning and execution of works.

Low awareness about powers and duties among panchayat representatives greatly hampers panchayat performance and credibility.

Social distance between different communities can also be held as a factor responsible for the suboptimal performance of the panchayat and lack of participation of all communities.

In traditional communities, it was observed that traditional institutions and caste-based panchayats held more power than the constitutional body of the panchayat.

Activities of the Oraon Samiti in a Village Studied

Activities	<ol style="list-style-type: none"> 1. Collecting funds at Re1/- per week and one glass of rice from all member households. 2. Helping poor households meet educational expenses of the children and helping them find employment. 3. Holding meetings to discuss social problems. 4. Maintaining register of attendance, income, and expenses and keeping record of proceedings of the meetings.
Impact	<ol style="list-style-type: none"> 1. Prohibition on consumption of liquor in the Oraon society; 2. Prohibition on dowry; 3. Prohibition on consumption of nonvegetarian meals and wine during marriages; and 4. Women are allowed to participate and make decisions in the meetings. All decisions are implemented.
Problems	No legal status; therefore, no cooperation from the administration.

Credit institutions

Credit options available to the poor range from banks, cooperatives, SHGs to moneylenders.

Public sector banks were rated very low in terms of accessibility because the communities felt that the banks are not poor friendly and have inflexible and complicated procedures. The requirements of collateral and guarantor security for accessing bank loans were considered hindrances. The services of banks were found to be rarely accessed by the poorest sections and this was attributed to lengthy processes involved, fear to approach concerned authorities due to illiteracy, lack of access to information, and lack of assets considered credit-worthy. Again, in the instance of requiring agricultural credit, the poor needed to produce a “no objection certificate” from the other banks servicing the area. This imposes high pressure on time during the agricultural season. In many locations, the poor were hesitant to go to the banks and speak with the educated officials.

SHGs operate in some locations but the available credit is limited. Across all locations the moneylender was found to be the best option, despite the high rate of interest, mainly due to being accessible during emergencies at short notice. However, many of the poor aspired for easier access to bank credit to improve their living standard.

In most of the urban locations, while the poor repose faith in the banks to deposit their savings, they do not hesitate to criticize the banks for not helping them financially (in the form of loans) and for asking numerous formalities and kickbacks. The poor wondered if they did have the capacity to pay a bribe, then they might as well use the same money as capital and start on their own.

“Banks provide loans only to those who have money and witnesses.”

“Banks do not grant loans to the villagers.”

“Banks are accessed by the rich sections of the community.”

Public Distribution System

Among other prominent institutions that were rated to be highly important in the lives of the poor were public distribution system (PDS), primary health centers (PHCs), *Anganwadis* (*child care centers*), and primary schools.

For the poorest of the poor, PDS is highly important. Some concerns voiced by the poor on this included:

- i. Limited days of opening of PDS outlet (except in sites where the panchayat or local SHGs have been entrusted with the responsibility of managing PDS);
- ii. Irregularities along the supply chain;
- iii. Compulsion to lift the allotted quotas in one lot, debarring many poor households from availing of the subsidies meant for them;
- iv. Negligible coverage of homeless beneficiaries (e.g., pavement dwellers and those living in unrecognized urban slums); and
- v. Distance traversed in remote sites to reach the nearest PDS outlet. Communities in as many as 12% of all PPA sites recounted this as a problem.

“The ration shop sells bad quality rice.”

“If beneficiaries of the ration shop do not buy their goods on time, it is to be expected that the ration shopkeeper will maximize his income by selling the goods illegally in the black market.”

Entrusting gram panchayats and local SHGs with the responsibility of managing PDS is seen as a positive step by communities in many places, primarily because of improvement in availability of stocks. According to the communities in some PPA sites, it

should be made mandatory to assign PDS dealerships only to local people for greater accountability.

People in several locations have commented negatively on the process, time, and money involved in applying for a ration card. Anomalies in the selection of BPL households were common as relatively well-off families were enjoying the benefits meant for the poor.

Education

Education is a critical part of the development agenda. It is well worth examining the views of the poor on the institution and options available and availed of by them.

Many states now have provision for pre-school education also in addition to primary and elementary schooling. The pre-school also serves as a conduit for distribution of nutritious food. Children get rice, dal, and *Khichri* to eat.



Children attending school (Source: PPA Field Study)

The poor and the very poor are aware of a variety of schools—from state-run schools to expensive public schools. In a few villages, there are *Madrasas* where Muslim children get education. In state-run schools, free books and lunch are distributed in many locations. Despite this, the poor weigh the cost of education against forgone child earnings and labor.

The issue of “cost of education” is an important issue in the minds of poor people, in terms of their perception of the benefits that they think they can get from the education, and the opportunity cost of starting work with their parents in traditional occupations. This factor also weighs heavily against girls who have to look after younger siblings and tend to housework. One important reason for the poor not sending their children to school is that they do not find education useful. Though there is a feeling that “education may help in earning money, they do not see any evidence around them. In fact, their children can, for instance, polish diamond, work on farms, migrate to work, and earn money without education. They can also work in small factories without any literacy and earn wages. The poor therefore prefer to keep children home for animal grazing, hired wage work, or for taking care of young siblings.

In a number of communities, poor people talked of the cost of education, not necessarily in terms of fees (in many cases education is free), but in terms of clothes or uniforms and travails of travel.

There is a shortage of infrastructure that acts as a barrier to pursuing sustained education. While primary schools are accessible for most villages, the secondary school facilities are more spread out and technical schools and polytechnics scarcer still. There is shortage of teachers in most of the schools. In many cases, teachers “manage children” rather than teach them. They expect parents to teach, which is not possible in the case of the poor children whose parents are not literates. Children of poor families therefore usually perform badly. They are consequently, treated badly by teachers, with the result that they drop out gradually. In some cases children from certain social groups are asked to sit away or are asked to do manual work, which again encourages them to drop out.

The availability of drinking water facilities and toilets was not found in all the schools. A separate toilet for girls was available in less than a quarter of the schools. For those girls who have dropped out of school and want to continue studies after some gap, there is no facility to mainstream them. The system lacks flexible options.

The reasons that emerged from the participatory assessments for the poorest not attending school included:

- Education not useful for income earning;
- Expensive facilitative measures like travel, etc.;
- Migration;
- Children an economic asset (child labor);
- Discrimination;

- Taking care of siblings; and
- School far away.

Health Care

Health institutions consist of state-supported public health care centers, such as primary health subcenter, primary health center (PHC), and community health center and also private doctors and nursing homes, local health providers (like *Baiga, Ojha, Koviraj*), Quacks, and traditional birth attendants.

The outreach of the public health delivery system does not always encompass poor and very poor patients. Medicines required are not available, doctors' in-charge do not come to the center regularly. Sometimes doctors visit for brief periods, at timings that do not suit the patients. Most states have a network of medical colleges, district hospitals, taluk hospitals, and PHCs, catering to public health. However, with given personal policies and shortages in availability of drugs at centers, the poor have to pay speed money for services. Some of the views of the poor are given below.

“There is a crisis in health care. The health care center is 4 km away. Patients with serious illness, die on the way.”

“There is a hospital in the village with one male and one female doctor. There is no medicine in the hospital.”

“The health care centers provide only white and yellow medicines (e.g., Paracetamol). Hence, the villagers go to private doctors paying Rs40.”

“If you take a pregnant woman to a hospital, you have to bribe even the pillars of the hospital.”

“We depend on public hospitals but doctors are invariably not to be found there.”

Due to travails in accessing health care facilities, the poor people avoid seeking health care in the initial stages. They tolerate the pain and discomfort of ill health accentuated by scarcity of money. During emergencies, they seek medical help only if they are able to manage money.

Community members, across many locations regarded “affordable and quality health facilities in the proximity,” as one of the most valued basic services, which enhances their physical well-being. While the relatively

well off households were able to access various private health providers, the poorest, owing to their poor paying capacity, and absence of health insurance, had the limited choice of state health providers, traditional healers and untrained medical practitioners. Nurses who visit the villages are also an option. Those who could afford preferred to go to private doctors and hospitals located in nearby urban centers or large villages.

There have been deaths of the patients due to the distances – either for lack of availability of doctors at the first instance or distances to the health care centers. The net result is that medical help is not available in emergencies. People have to carry sick persons in a tractor or put them on mats and carry them to nearby hospitals, which are 5, 7, or 10 km away! The poor even in mainland states complained that their family members sometimes die as no medical help is available during emergencies.

Wheels of Bureaucracy

He is 15 years old and the son of a landless laborer in Saigona Village. He suffered an attack of polio at a very young age, which affected both of his legs. In due course, he also developed mental retardation. He cannot speak out his feelings. A small room has been set aside for him, where he spends his days squatting on the floor, and occasionally crawling out whenever needed. His father had applied for a wheelchair from the local administration but to no avail. His own earnings are too meager to provide one. The village has a high number of polio cases. Health care services are a distant dream. The nearest PHC is located 7 km away.

In some hilly tracts and in remote places, people do not prefer to go to PHCs located in far places due to high transportation cost. Before reaching the road, they have to trek for a couple of hours on slippery makeshift footpaths, which are very steep and rocky. Private taxis cost anywhere up to Rs1,000/- for a “to-and-fro” trip depending upon distance. Villagers are required to buy medicines from the chemist and if they have to get an X-ray done, they again have to go to district headquarters that are 20–25 km away.

The Economic Cost of Health Care

Ali is 25 years old and a resident of a slum in Tinsukhia. His family consists of an aged father and three young brothers. Ali has earlier worked as a rickshaw puller and daily wage laborer, depending upon availability of work. Three years ago, he was diagnosed with tuberculosis. Since then he has been on medication—infrequent though—as there is no financial assistance from anyone. He has become very weak and can hardly walk. His ailment has severely affected his livelihood prospects and he is completely dependent upon his aged father who has taken to begging on the streets of the town. Sometimes, the neighbors help them with cash and give them rice and pulses. The surplus from this (i.e., what remains after consumption) is sold to cater to other necessities such as medicines and accommodation. They live in a rented one-room shack which costs Rs300/- per month. The owner of the house shows no leniency or flexibility over the issue of rent, which has to be deposited on the very first day of the month. The father's daily income is Rs50/- which is insufficient to support a family of five, and to meet Ali's medical expenses.

Pregnant women find it difficult to access institutional health care. This is especially true of women living in scattered hamlets. Due to the need to walk long distances over treacherous roads, they prefer to deliver their baby at home.

As per the participatory assessments, many health problems of the poor arise from the following:

- Lack of potable drinking water;
- Lack of enough water to clean and wash (many cannot take bath regularly);
- Dirt, garbage, and lack of proper sanitation – the problem worsens in the monsoon season;
- Migration where a healthy environment is not available; and
- Malnutrition and poverty.
- Occupational health hazards.

Women have specific problems due to their high dual-work burden, poor nutrition, inadequate water supply, and lack of sanitation facilities. Many women complained of women-related diseases.

The common diseases of the poor were observed to be malaria, typhoid, tuberculosis, flu, diarrhea, bronchitis, asthma, and cough. Seasonality analysis reveals the cycle of these diseases year-round. In

tribal villages, sickle cell anemia was found to be quite common as were diseases springing out of malnutrition like goiter, blindness, and stunted growth. Disabilities were observed in many cases, as were pollution and occupation-related diseases. These diseases were a huge financial drain on the poor, frequently resulting in large debts.

Nonavailability of timely medical help, particularly in monsoon, when work is available, harms the poor in many ways. On the one hand, they cannot go to work and therefore lose wages. On the other hand, they have to spend money, many times on private doctors, to get well. The situation is similar in urban areas.

Reducing Maternal Mortality – Sisters in Need

Traditional birth attendants (TBAs) (*Dai*) play an important role in the village during child delivery. Due to high expenditure-related to institutionalized deliveries, many of the poor do not avail of hospital services. Hence, majority deliveries are conducted at home by the dai. In Bengal, observations by the villagers showed that TBAs were readily accessible and provided supportive health services to mothers and children during minor health problems. Similarly, in Madhya Pradesh and Chhatisgarh, the midwives operating under the *Mitanin* scheme were praised in many sites for their easy accessibility.

Anganwadi

Anganwadi centers are for pre-school and young children aged up to 6 yrs. The Anganwadis were immensely popular among the poor. In fact, a major grievance of many women is that there is an upper limit in anganwadis for children. At one time it cannot accommodate or look after more than 40–45 children. In the absence of an alternative, children who cannot be accommodated spend the day playing on the street, with all the inherent risks and lack of the additional nutrition.. The institutional analyses done during PPAs clearly indicate that the urban poor rate the anganwadi as the third most important institution after PHCs and schools.

Law Keepers - the Police, Army, and Judiciary

Police

The poor are forced to interact with the police, and this interaction is full of dread.

Their woes against the police are numerous.

The police have been rated poorly by different groups of the poor, particularly those based in urban areas. The key concerns expressed against the police include their insensitive conduct and the high level of graft among the levels that the poor get to interface. Some specific communities of the poor (e.g. the rag pickers and sex workers) rated the police as being particularly harsh and negative in dealing with them. Often, people apprehended by the police on even unfounded charges had to pay bribes to be released and the cost of lodging or pursuing a police case was stated to be too prohibitive and impoverishing in nature.

“Thana (police station) does not take care to hear the villagers. They take the side of those who will fill their pockets with money.”

“An elephant costs Rs12,000/- dead or alive. Police officers are like that. The complainant and the accused have to pay him of.”

In instances where community members clashed with the police, they were implicated in false cases and had to make regular appearances in the court. Court appearances were a major economic strain, as it meant forgoing daily wage labor and payment of lawyers' fees.

Institutions of Justice

The existing institutions of justice were rated to be too expensive and procedurally unsuitable to be of use to the poor. In a few instances recalled during PPAs, the poor considered the experience of accessing judicial services to be averse to their interests.

No Light at the End of the Tunnel

(Pursuit of legal redress by an indebted household seeking reclamation of mortgaged land)

	Activity	Time and Cost
A	UR files a case in the court of the subdivisional Magistrate (SDM) in R District seeking reclamation of his 8 acres of land mortgaged to GS in lieu of a loan of Rs800/-	1986; Rs5,000/- (Court fees)
B	Case filed in the lower court after losing at the SDMs	1993; Rs5,000/-, Court fees
C	Case filed in sessions court after losing in the lower court	1998; Rs5,000/- (Court fees)
D	Appeal lodged in the sessions court after losing the case 2003;	Rs5,000/- (Court fees)
E	Meeting with the then Chief Minister requesting his intervention	
F	P – UR's son has been trying to meet the Chief Minister.	

The case has been running for 19 years now, and both UR (plaintiff) and GS (defendant) have passed away.

Their sons, P and S respectively, are pursuing the legal battle. UR's family has so far lost Rs47,000/-, including Rs10,000/- in meeting the charges of his advocates and Rs17,000/- in producing necessary documentation and in traveling to attend hearings.

The Forest Department, Van Samitis, and other Forest-based Institutions

For the poor who are dependant on forestry, the forest department is an important point of interface. As such, its role is significant in the lives of poor villagers living in or near forests. In some PPA sites, the role of the forest department is positively acknowledged. But, in many there is skepticism. On the whole there were mixed views.

In some forest villages, the participants lauded the initiative of the forest department in tree plantation, starting primary schools and constructing roads. Some villagers have obtained the support of forest department personnel to avoid menace of wild elephants, crocodiles and

Alternate Systems of Justice

PPAs came across several local institutions that played important roles in conflict resolution and delivery of justice.

In some communities, disputes and conflicts are taken to the **village level committee**. For instance in the *Shalisha*, the village headman acts as the chief of the committee. Women are allowed to participate in the meetings but do not have any major role. A non-refundable sum of Rs12.50/- is paid by both the parties to call a meeting of shalisha. Judgments are made at these meetings after hearing the cases of both parties. The committee is empowered to impose penalties which are used for community development work in the village. Unresolved issues are taken to a higher-level democratically formed committee comprising 30–33 members from the area.

Similarly, some communities have an elaborate system of justice. Local conflicts are solved by a committee comprising the *majhi* (village head), *paranik* (assistant village head), and other nominated members.

In many villages, the jury board comprising the village headperson and other elderly members preside over matters like family disputes, divorces, disputes over land, and quarrels with neighbors. This saves the poor enormous amounts of money that would otherwise have to be spent on legal procedures.

have saplings to plant on patta land. However, the participants felt that the forest department is more for the animals and forests than the people. The people felt that the demarcation of land for setting up sanctuaries, the prohibition of felling and restriction on cutting of grass imposed by the forest department were major problems for them.

The forest guard is viewed by the local poor with apprehension for his role in policing the minor forest products (MFPs) and other resources, which they are sometimes allowed to extract at a price.

In some locations where the *Van Samrakshan Samithis* or Forest Protection Committees exist, the role of the forest department was lauded. The main function of the elected committee is to protect the forest from illegal felling and excessive exploitation. The participants in these sites observed that the samithis do not allow anyone to fell trees for fuelwood or timber but allow collection of dry branches and stems for purposes of fuelwood. The participants recalled that at times when any poacher was caught, that person was handed over to the forest department for the levying of a penalty. Of the three parts in the penalty levied, one part was credited to the account of the samithi operated jointly by the chairperson and the vice-chairperson for taking up developmental work in the village.

According to the poor in some locations, the cessation of procurement through cooperative societies has adversely affected the livelihood of villagers and has resulted in a decline in forest-based income. At present, intermediaries play a strong role in trading of forest produce.

Other Public Service Providers: Public institutions like the post office, fishery office, irrigation office, veterinary center, and telephone department are institutions with which sections of the poor interface and have varied experience with.

The veterinary centers are important for the poor as animal husbandry is an important economic activity. But veterinary centers are very few and often distant. The villagers are forced to undergo a lot of inconvenience to carry livestock to such centers. The lack of *in situ* veterinary service leads to high mortality of livestock.

“There is no veterinary support in the village. Many animals die due to lack of veterinary knowledge amongst the villagers.”

“The veterinary clinic is there in the village but lacks proper medicines. The doctor is also very irregular.”

Private Institutions

Private institutions including Co-operative Societies (Most villages have access to co-operative societies, which have finance schemes for their members), moneylenders, provision shops, cultural and religious institutions, and trade unions play an important role in the lives of the poor and need to be streamlined to play a more productive and less exploitative role.

Markets

The livelihoods of poor people are affected by the functioning of various markets—market for labor, markets for purchase of goods, markets for the sale of goods produced, markets for lease land, and credit markets. Not having the resources to function in any one market alone, quite often the poor participate in interlocked markets (for example, sale or purchase of goods tied with credit). This being the case, they are not in a position to negotiate the terms and conditions in any one market and usually the terms on which they participate are adverse to them.

Two types of market institutions for the purchase and sale of goods which are commonly used by the poor are the village grocery shops and the village bazaar (market).

Almost all villages have small or large grocery shops. Even in the interior villages, essential commodities like rice, pulses, soap, tea, salt, etc. are sold through such shops. Poor persons usually purchase items from the local grocery shops from their earnings for the day. If they do not earn wages on a particular day, they purchase at least a minimum amount of rice, salt, and tea on credit. The amount of access to food on credit in such situations depends largely on the mercy of the grocery shopkeeper. Sometimes, they exchange small amounts of food items earned through labor or collected from the forests for items available at the shops at very poor exchange terms.

The village *bazaar* (market) is an important institution. The market is held weekly or bi-weekly in the village or in other villages. In such markets, the poor people sell vegetables, fruits, ducks, goats, hens, clothes, mats, ropes, etc. and meet with their acquaintances from adjacent villages. An important problem is that most markets are in the open. During the rainy season when such areas become muddy, there is a setback to marketing.

Community-based Organizations

Feedback of the poor on two popular community-based organizations is given below:

Self-help Groups – SHGs have been formed in many villages under various development programs and many groups are doing well. They have utilized loans for various activities such as for purchasing livestock, rickshaw vans, repairing houses, starting small business like making puffed rice, incense sticks, etc. The women's groups are becoming empowered to face the outside world, to take up action against social evils like alcoholism, domestic violence, dowry, etc. They have also effectively taken up functions like management of local institutions like PDS.

“People display their vegetables and fruits on footpaths, as they don't find place in the market.”

“There is no space to park cycles in the market.”

“Sufficient space should be provided for the market. This will enable villages to accommodate more sellers and increase incomes.”

“The club is important for the community because it helps the community in various crisis situations.”

“The club of the village has no room (space). Meetings are organized in the houses of villagers.”

Club – Several villages have clubs. Youth are very active and the poor are supported by such clubs during marriages and other crisis situations. But clubs, in general, are not functioning well because of constraints, such as inadequate infrastructure, lack of space, lack of sufficient funds, and lack of maintenance. Most clubs do not have their own building, chairs, tables, and sports materials.

The villagers also suggested that if the limitations of clubs are taken care of (such as provision of club rooms, benches, chairs, and play materials), the club members can play a pivotal role in the welfare of the villages, and it can be transformed into a useful institution.

The Voluntary Sector: The “voluntary sector” varies widely in the delivery of services and the views of the poor on these are mixed depending on the local experience. Some of the voluntary sector groups have done tremendous work in awareness raising, formation of local groups, service delivery and advocacy. However, one of the major criticisms of local associations and civil society organizations is that they are not necessarily representative, not accountable many a time and their strength is based on popular support and involvement.

Social Capital

Poor people help one another with information, small loans of money, food, and social support in times of trouble or disaster. SHGs help institutionalize some of these arrangements (e.g., food banks) and greatly enhance the bargaining power of the poor. Horizontal networks refer to relationships within the community or colony and to relationships with other similar communities. Vertical networks refer to relationships with power groups like associations, trade unions, or political parties. Poor people build relationships with formal power structures like the local police establishment and informal structures like caste groups.

Chapter 5

Coping with Poverty

This chapter identifies survival strategies of the poor that help them cope with poverty and periods of distress. The main coping strategies adopted by the poor include:

- Local strategies – strategies adopted while remaining in the villages or urban centers;
- Commuting to nearby villages and towns – looking for livelihood opportunities close by; and
- Temporary or seasonal migration to nearby or distant rural or urban areas.

The major local strategies adopted by the poor are: (i) incurring debts, usually with exploitative terms and conditions, (ii) mortgaging and selling land and other assets, and (iii) depending on common lands and common natural resources. Borrowing from relatives, employers, or from moneylenders is quite common among the poor. These debts are incurred for survival (for buying food in the summer or during drought years), for meeting health-related expenses on illness, injury, or childbirth, or for social expenditures on marriages, births, deaths, and other functions.

Poor communities mentioned several ways of coping with difficult periods. Some of the commonly recalled coping mechanisms included the following:

- Eating only one meal in a day or skipping meals;
- Selling firewood and timber;
- Migrating out of a village in search of livelihood;

- Working for low wages, engaging in hazardous and forced labor;
- Selling sex for livelihood;
- Begging;
- Seeking credit on exploitative terms;
- Mortgaging land;
- Accessing land through leasing and other arrangements;
- Brewing and selling alcohol;
- Working as child-laborers;
- Conversion to different religious and ethnic identities;
- Distress sales (Selling for less than cost of production);
- Sending children to big cities; and
- Encroaching upon common property resources.

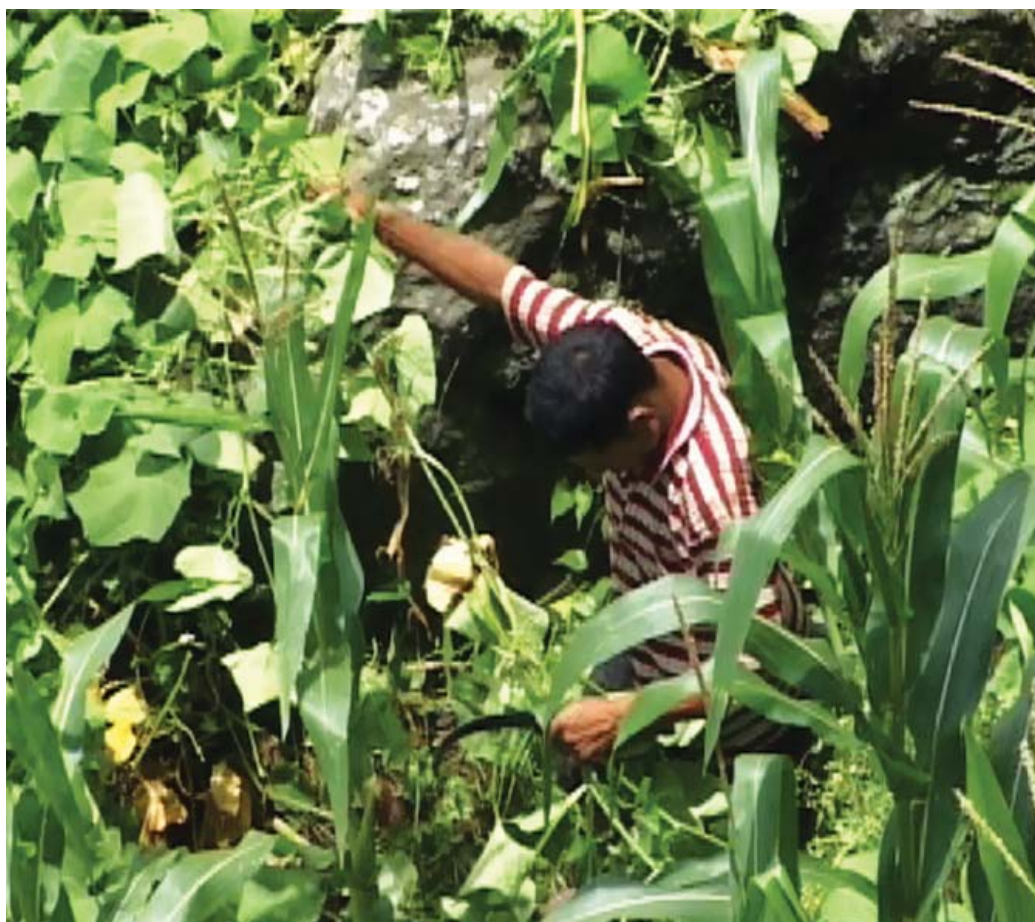
Skiping Meals and Eating Only One Meal a Day

In areas where no other options are available and family and community support systems have broken down, the poor have coped with hunger by eating gruel made of grass, wild boars, and wild potatoes.

Food Crisis and Responses

In the event of food crisis, some communities especially tribes resort to eating wild potatoes. They bring these wild potatoes from the forests. An elaborate treatment follows, to remove the poisonous portions of the wild potato. The potatoes are cut into small pieces and are packed in a sack. The sack is then kept under flowing river water for around twelve hours. Thereafter, the sack of potatoes is brought home and boiled. The entire process is repeated and the potatoes are consumed after they are boiled for the second time. The community members contend that the potatoes are fit for consumption after this elaborate process, though eating it continuously for over a week causes health problems as the body becomes yellowish and puffy. It also leads to weakness and nausea.

Eating only one meal a day is a common coping mechanism observed across a large number of poor households. One of the reasons underlying high consumption of alcoholic drinks in many poor communities was stated to be the fact that it made one overcome hunger. Chewing of betel nut is another such practice.



Forests Supporting food and livelihoods (Source: PPA Field Study)

Selling Minor Forest Produce

Selling minor forest produce (MFP) is an important source of income for a large number of poor households living in and around forest areas. Poor families near forest villages can engage in the collection and sale of mahua, *saal* seeds, *tora*, tamarind, *harra*, *baherra*, *char*, *safed musli*, and other MFP and earn an income. MFP also acts as an insurance against hunger for many poor households. Mahua flower and other MFP are sometimes stored and exchanged with essential commodities on a barter basis.

Other than sale of MFP, selling firewood and timber is another common survival strategy for a large number of poor households. This is particularly true of some primitive tribes who spend a good number of days in the pre-winter months gathering and storing stocks of firewood that can be sold in winter to make a living.

Migration and Poverty

Migration is a major coping strategy of the poor. Tribals migrate to irrigated areas, to urban centers, and to construction work sites; the poor from dry regions migrate to urban areas and to irrigated areas in search of unskilled casual work; the poor from irrigated regions also migrate to distant urban centers in search of casual work; and the poor from small urban centers also migrate to larger centers looking for work. A lot of the work that migrant workers are engaged in is seasonal, temporary and low paid.

Migration across the border is a major cause for the less than rapid fall in poverty in the border and more prosperous states. The continuous influx of migrant population from neighboring states and adjacent countries has not only worsened the unemployment situation but also has changed the socio-cultural fabric of some states.

People Subject to Distress Migration

A number of poor households migrate to towns and other states during the lean seasons to work in quarries, kilns, and other places where conditions of work are harsh and exploitative.

The Story of Pandi – A Victim of Exploitation

Pandi of Silli Village had gone to work in a construction site in a neighboring state for about 2 months, along with his family members. A few days before his scheduled return to his village, the contractor started demanding excessive work and began to harass him and his family. When Pandi asked for payment of the wages due to him and his family, the contractor promised to send the money to his village at a later date.

When Pandi left to return to his village, agents of the contractor caught hold of Pandi in a moving train and threw him out of his compartment in the presence of other members of his family. His damaged body was recovered by the railway police posted at the next station and treated in a wayside hospital. It took Pandi almost a year to be cured of the injuries, but the economic health of his family was completely ruined in the process. They had to sell their cattle, ornaments, and a few acres of land to mobilize Rs35,000/- for his treatment. His family stopped migrating after the incident.

Distress migration intensifies during periods of droughts and famines. PPAs document extensive rural out migration in periods of drought.

Patterns of Migration

About half of the villages covered under PPAs show distress migration of both short- and long-term nature to urban areas and prosperous locations in other states.

The most common livelihoods of migrants include rickshaw pulling; casual labor in factories; wage labor in construction sites, brick kilns, stone quarries, road works, and unskilled jobs of various forms.

While seasonal migrants mostly include men, a large number of women and children too migrate during lean seasons. Women support men in most collective activities of toilsome nature (e.g., harvesting, sowing, work in brick kilns, stone quarries, etc.) Children take up employment in *dhabas*, confectionery shops, vehicle-repair shops, small factories, recycling stores, etc.

Most migrant laborers take up accommodation in the workplace itself, in nearby slums, or makeshift settlements. The urge to save out of their meager income often makes many of them forego meals or consume cheap food. Some migrants have managed to clear their debts by stretching themselves.

Many poor migrants are not happy that they have to migrate. Their major complaint is that their lives have become totally unsettled and uncomfortable due to such migration. They leave their homes, their relatives, and sometimes their children when they go out, which is very painful. The facilities at the place of migration are invariably poor and the work is hard and long stretched. The poor cannot access education, health support, employment programs, or other welfare programs of the government. Since migration is mainly for survival, it does not help them in upward mobility either. Many suggested that work should be made available at home.

Working for Lower wages, Forced Labor and in Hazardous Occupations

As detailed in chapter 2, the poor have to undertake work in hazardous and inhospitable terrain due to poverty, work at available wages due to low bargaining power and enter into forced labor arrangements.

Forced Labor

Several kinds of exploitative systems and forced labor practices were also found during PPAs. For instance, under practices like *Harvahi*, *Dhangar* the poor people in need of money borrow from moneylenders and offer their daily labor free of cost (or for a token wage which is extremely low) for a mutually agreed period, normally ranging between 1 to 3 years for a loan amount in the range of Rs10,000/- to Rs25,000/-. Traditional systems of forced labor are prevalent in some villages where families are employed in the houses of rich farmers for several generations, and are allowed to neither seek alternative livelihoods, nor take leave.

Maintaining a Diverse Portfolio of Livelihoods to Minimize Risks

For the poorest of the poor households concentrated in the urban slums, maintaining a diverse portfolio of livelihoods is a common strategy. In urban slums, working as domestic help was recounted by many women to be a compulsion, as they commonly lacked access to their husband's income and had the responsibility of managing their households almost single-handedly. Multiple working members and diverse portfolio of part time work helped cope with poverty.

Selling Sex for Survival

One of the extreme forms of compromise made by poor single women in PPA sites is to engage in sex work during periods of crises. This has been elaborated in earlier chapters.

Begging

Begging is a very common strategy employed by the poor to cope with nonavailability of livelihoods, particularly in urban areas. Most beggars in urban areas are migrants from villages, and are homeless. A large proportion of beggars comprise people with disability of different degrees, besides the elderly, women, and children. Many children who beg on the streets work for agencies and regularly deposit their collections to their masters in lieu of two meals and addictive substances.

Begging is also a common coping mechanism for people falling in the lowest well-being category. In some instances, begging was also found to be a traditionally perpetuated occupation.

Seeking Credit on Exploitative Terms

Under desperate circumstances, many poor households take loans at highly exploitative terms. Several kinds of informal credit arrangements are prevalent. For instance, the practice called “*Bedhi*” requires the borrower to pay back double the amount of loan in four months time. Another prevalent system known as “*Dedha*” requires the borrower to pay an interest amount of 50% in 4 months. On failing to repay, the moneylender has the freedom to confiscate household goods like utensils, crops, or domestic animals.

Mortgaging land

Mortgaging land and other productive assets in times of crises is a common coping mechanism of the poor. The poor recalled several kinds of mortgaging arrangements during the PPA exercise. In notified areas with a restriction on sale of tribal landholdings, establishing de facto control over land through mortgage arrangements is a common mode of land alienation of scheduled and primitive tribes.

Some Systems for Mortgaging Land

In *toota bandhak*, a maximum duration of mortgage is agreed between the moneylender and the landowner, and irrespective of whether the loan is repaid or not, the land has to be returned to the owner after the mortgage lapses. Normally, the duration of a mortgage is between 5–10 years, by which time the loan is expected to be repaid.

Under the *Phirouti* system of mortgaging, the moneylender uses the mortgaged land as long as the borrower does not fully repay the loan amount.

The *Katouti* system is similar to the *toota bandhak* system, whereby the loan amount is divided into several equal installments, and for each installment, an equivalent duration of control over land is given to the moneylender.

Sikmi is another prevalent system of land mortgage, whereby the land is valued by the moneylender, and the amount of loan is accordingly determined.

Accessing Land through Joint Arrangements

Local systems of mutual help are prevalent whereby farmers divide themselves into groups and work in each other’s farms in turns to finish off labor-intensive activities on time. Systems like *Pancha* or *Sangat* are good examples of such arrangements.

Lease arrangements such as sharecropping practices which allow the poor landless to access and cultivate land on rent are common in some areas and are known by a number of local names such as *Sajha*, *adhia*, or *batai*. In some parts, fixed rent systems are prevalent.

Brewing and Selling Alcohol

In many villages studied, brewing and selling alcohol was found to be a common strategy employed by many poor households. The impact of this on nutrition levels and cropping patterns has been discussed earlier.

Children at Work

The engagement of children in labor, often voluntary, is one of the ways in which poor people cope with poverty. There are some exploitative systems which entail leasing of children in lieu of a predetermined consideration.

Conversion of Religion

Religious institutions offer gruel and food to the poor who under certain circumstances of deprivation either convert their religion or transfer their traditional feudal loyalties to the hands that feed them.

Distress Sale (selling for less than the cost of production)

For many artisan households living through the lean periods of their business (e.g., the food-scarce rainy season when businesses go through a low and artisans are busy in agricultural operations), distress-sale of their unsold craft-products for a very low price (often amounting to less than the cost of production) is a common survival strategy.

Encroaching upon Common Property Resources

Occupying common property resources, mainly forestland, riverbanks, various kinds of non private fallow land and local water bodies is a common strategy employed by the poor for survival purposes. This phenomenon has become extremely common in the last 10 years and transcends a large number of communities in a number of districts.

The Debt of Childhood

In some villages, the poor have mortgaged their children to moneylenders in lieu of bullocks and seeds. For instance, K mortgaged his daughter in July 2004 to a household located in the neighboring village in lieu of a pair of bullocks. The girl is primarily responsible for grazing the animals of the household and taking care of children.

S of the same village mortgaged his 10-year old son last year in lieu of about 40 kg of rice. The boy has not come back since going away.

J mortgaged his son to a moneylender. The boy died while extracting juice from a *Sulphi* tree. After the death of the child, the moneylender forcibly took back his bullock, and J could not claim any compensation in the absence of any documented evidence of the transaction.

In the extreme form of mortgage, children are kept in the houses of prosperous farmers in lieu of yearly supply of rice (paid to the parents of children). The children only get two meals a day, occasional clothes, and a place to sleep. This practice is believed to be a key reason behind the high rate of school dropouts and preference for male children in some villages.

In some of the sites of PPAs, sending children to big cities to work as domestic servants was found to be common. Households were found to have sent their children, including adolescent girls, to big cities. In some cases, the children are no longer traceable as their addresses and contact numbers known to their families have ceased to be valid.

In some of the urban slums studied, a number of children in the age range of 6–18 years are engaged in child labor and in various forms of petty crime. Most of the younger children (aged up to 10 years) work as rag pickers. They leave their homes early in the morning and walk 6–8 km in search of scrap. The elder children also sell their labor and work as assistants in roadside garages and mechanic shops. Engagement of children in child labor and various criminal activities stem from limited earnings of large-sized families, the need to earn enough to buy addictive substances, and to meet other personal needs, peer pressure, and nonavailability of parental guidance to children of poor, working parents.

Private Coping Initiatives at the Household and Community Levels

When there is shortage of food, people sell household items like cycles and go for daily wage employment.

The poor use dried up river beds for cultivation during winters.

Some communities like the Mishing community in Jorhat, have evolved their coping mechanisms against flood and starvation by building *Chang Ghars* to store food for the rainy season and keeping boats ready for mobility.

In some instances, communities have come together to build common infrastructure including canals to channelize water to agricultural fields.

Similarly, a common fund has been formed in some villages called “*Kalyan nidhi*,” where many households contribute Rs10/- per month during work seasons, to be used during difficult phases.

Social Security

Both the rural and urban poor perceive social security benefits as critical to meeting their needs with dignity. This is particularly true of female-headed households including widows who have to fend for themselves and the aged. Despite the recognition of the benefits accruing in well-being of the poor as a result of a well functioning social security system, the outreach has not been to the extent required. While a small percentage of the poor are availing these benefits, a large percentage of the aged and infirm still fall back on the informal systems of support that exist in rural areas but are drying out in urban areas.

Chapter 6

Public Policy and Programs for Poverty Reduction

Indian public policy explicitly recognizes that there are multiple sources of deprivation, and the removal of these is enshrined in the Indian Constitution. At the conceptual and measurement level, there has been a shift away from using a scalar definition of poverty. The government has explicitly moved toward a more embracing concept of “human development” which includes a comprehensive multi-faceted definition of deprivation and poverty and this has been operationalized in the setting of targets relating to human development. The National Human Development Report produced by the Planning Commission also reflects this nuanced shift toward a multi-faceted understanding of human deprivation, with a focus on vulnerable groups (women, children, social groups, and so on).

Since income poverty is not a comprehensive *operational* definition of poverty, efforts are on to develop indicator based criteria for identifying poor households, as well as giving flexibility to States to develop such criteria. The indicators which have been developed so far are based on the recommendations of a Task Force of the Rural Development Ministry, which included experts, some of whom have been involved with the PPA studies. These indicators essentially relate to assets and occupational categories.

Another issue identified as perpetuating poverty is powerlessness and oppressive social relations. This is seen as a structural issue which may influence negatively the ability of the poor to obtain access to assets and opportunities. Empowerment of the poor and social mobilization have been key themes in India’s national development strategy, and devolution and improved governance are explicitly seen as important links to pro-poor development. The plans deal with this through a concept of disadvantaged and vulnerable groups who should be targeted by special programs.

Particularly backward areas also receive special attention. The emphasis in the various plans has been on social mobilization, community participation, gender empowerment, decentralization, and governance.

The Strategy and Public Policy for Poverty Reduction

The broad aim of the state is to accelerate its rate of growth while at the same time ensuring a favorable composition of such growth, to bring about a reduction in regional disparity and poverty and achieve high rates of growth of employment.

Public Policy for Poverty Reduction in India

- **Pro poor Growth:** Stimulate a pattern of growth that is labor intensive and focuses on regions and sectors that have the maximum impact on poverty.
- **Targeting:** Targeted programs to generate employment and livelihoods for poor people have been undertaken where necessary. These include asset distribution and asset creation programs, as well as employment generation programs.
- **Enabling environment through appropriate physical infrastructure investments:** Undertake investments to build basic physical infrastructure (roads including rural roads, railways, energy investments) which create an enabling environment for growth and private sector investment.
- **Appropriate social infrastructure investments:** Undertake investments to build basic social infrastructure (schools, health facilities, drinking water) which fulfill the minimum needs of people and enable them to access opportunities. This has included emphasis on human and social development as envisaged by monitorable indicators in the areas of income poverty, infant mortality, gender parity, literacy, drinking water, and environment.
- **Governance and institutional framework:** Creation of an appropriate governance and institutional framework for poverty reduction and human development has been a significant area of focus. Devolution is part of this agenda. So is the empowerment of poor women through SHGs.
- **Social Security** programs for the poor. These include nutrition programs and subsidized access to PDS, old age and widow pension schemes, and accident and maternity benefits.

Pro-poor Growth

A broad two way link between the achievement of development targets and overall growth has been hypothesized. Significantly, growth has been disaggregated by sector and region. The sectoral burden of achieving pro-poor growth has fallen on the agricultural sector, services, and a number of sectors that have been identified as being capable of providing “high quality” employment growth. Since the performance of states is crucial to good achievement, monitoring, and incentive, structures have been built in linking transfers to state performance.

Direct interventions to reduce poverty

India has an array of direct interventions which aim at bringing about an improvement in the living conditions of the poor. These fall in four main groups:

- Programs and interventions which stabilize and raise the employment and income of poor households; (This category includes wage employment programs, programs which help the poor to acquire assets and raise asset based incomes, and land (re-) distribution programs).
- Programs which focus on poor households and vulnerable individuals to improve their food or nutrition security status; (This category of programs includes PDS, and nutrition assistance programs, especially for children, expectant mothers, and the elderly).
- Interventions which improve the access of poor households to basic minimum services through greater private or public provisioning; (This category of programs includes measures for increasing basic social and physical infrastructure (e.g., rural roads, drinking water, sanitation, health, and schools).
- Social security interventions (pensions, accident benefit) which are intended to cover vulnerable poor individuals. (This category includes old age pensions and widow pensions).

The various anti-poverty programs are the responsibility of both the center and the states. States also sponsor a number of programs of their own, especially those which fall in the social welfare category.

The major employment and livelihood anti poverty programs consist of **self-employment** and **wage employment** programs.

The major self-employment programs include:

Swarnajayanti Gram Swarozgar Yojana (SGSY), launched in April 1999, aims at bringing the assisted poor families (*Swarozgaris*) above the poverty line by organizing them into SHGs through a mix of bank credit and government subsidy.

Rural Employment Generation Program (REGP) was launched in 1995 with the objective of creating self-employment opportunities in the rural areas and small towns. It is being implemented by the Khadi and Village Industries Commission (KVIC). Under REGP, entrepreneurs can establish village industries by availing of margin money assistance from the KVIC and bank loans.

Prime Minister's Rozgar Yojana (PMRY) was started in 1993 with the objective of making available self-employment opportunities to the educated unemployed youth by assisting them in setting up any economically viable activity.

Swarna Jayanti Shahari Rozgar Yojana (SJSRY) The Urban Self-employment Program and the Urban Wage Employment Program are the two special components of the SJSRY which, in December 1997, substituted for various existing programs implemented for urban poverty alleviation.

Wage employment programs included the:

- (a) *Sampoorna Grameen Rozgar Yojana (SGRY)*: SGRY, launched in 2001, aimed at providing additional wage employment in rural areas and thereby food security and improved nutritional levels. The SGRY is open to all rural poor who are in need of wage employment and desire to do manual and unskilled work around the village or habitat. The program is implemented through the Panchayati Raj Institutions (PRIs), and the
- b) *National Food for Work Program*: The National Food for Work Program aimed at intensifying the generation of supplementary wage employment in 150 most backward districts of the country to start with. Food grains form part of wages.

These programs have been subsumed under the **National Rural Employment Guarantee Program** in the poorest 200 districts with effect from February 2005.

National Employment Guarantee Program The National Employment Guarantee Program aims at providing 100 days of guaranteed employment

to unskilled labor in every poor household in rural and urban areas. The program is now being implemented in 200 poor districts in the country, in the first phase, with effect from February 2006. As per the guidelines under the Act:

- Every rural household needing employment in the implementation district can register with the gram panchayat and can obtain an identification card in the names of the adult members.
- The household should be provided employment, within 15 days of application, within a radius of 5km. In case, the employment site is more distant, higher wages (by 20% will be given).
- Failure to provide employment will entitle the applicant household to an unemployment wage, which will not be less than a quarter of the minimum wage for the first 30 days and half the minimum wage for the remaining period.
- Wages are payable every week, at the minimum rates fixed by the state governments, and should be equal for both men and women.
- Each work site has to be provided with minimum facilities for land improvement, soil and water conservation, and rural roads.
- The works can be executed by the gram sabhas or by line departments, or other government and nongovernment agencies.
- There are several provisions to ensure transparency and social audit so that the resources are spent effectively.

Area specific programs are also in operation.

Drought Prone Areas Program (DPAP), Desert Development Program (DDP) and Integrated Wastelands Development Program (IWDP) DPAP, DDP and IWDP are being implemented for the development of wastelands and degraded lands.

The concern with multiplicity of existing programs has led to changes in terms of rationalization and merger (for instance of self-employment programs under the *Swarna Jayanti Gram Swarozgar Yojana* or SGSY) along with certain other changes. There has also been a recast with major emphasis on the formation of women-centric SHGs, and the channeling of financial assistance through these groups.

Targeting

There has been a focus on targeting of poorer groups in a number of programs. The food-grain security system, operative through the PDS, now has four tiers. Households above the poverty line (APL) are entitled to purchase cereals from the PDS at prices fixed at the economic cost. Those below the poverty line (BPL) can purchase specified quantities of cereals at prices which are roughly half the economic cost. The poorest households (designated as *Antyodaya* households) are entitled to purchase specified quantities at still lower prices. Finally, the old-age poor who are eligible for pensions are entitled to a free ration of cereals under the *Annapurna* program.

In the area of targeting, the need for proper identification of the BPL persons has been recognized. Toward this, options like direct credit of entitled amounts into savings bank accounts, and credit of old age pensions at post offices have been initiated. The introduction of smart cards and use of information technology for recording and monitoring lists of the poor are being contemplated for wider use and is a vital step in the right direction going by the feedback from the poor on performance of targeting during the PPAs.

Enabling Environment through Appropriate Physical Infrastructure Investments

Several initiatives have been undertaken to create physical infrastructure. In addition to investments in national highways, railways, state roads, ports, energy, water resources and several other large investments, there have been programs for creating infrastructure to connect these to the ultimate users.

The *Pradhan Mantri Gram Sadak Yojana (PMGSY)*, launched in December 2000 aims at providing rural connectivity to unconnected habitations with population of 500 persons or more in the rural areas by 2007.

Bharat Nirman: The program, “*Bharat Nirman*” is to be implemented over a period of four years, for building infrastructure, especially in rural India. It includes six components, namely, irrigation, roads; water supply, housing, rural electrification and rural telecom connectivity. The goal of the *Bharat Nirman* Program is to increase rural infrastructure. It proposes to bring an additional ten million hectares under assured irrigation and connect all villages that have a population of 1000 (or 500 in hilly and tribal areas) with a road. The project also entails construction of 6 million houses for the poor, provision of drinking water to over 74,000 new habitations, reaching electricity to 125,000 villages that still lack such a facility, provision of electricity connection to 23 million households and giving telephone connectivity to over 60,000 villages.

Jawaharlal Nehru Urban Renewal Mission (JNNURM): The mission is being initiated to cover 60 cities with a million-plus population in the next seven years. The emphasis is on providing basic services to the urban poor—housing, water supply, sanitation, slum improvement, community toilets and enhanced overall urban infrastructure. The mission has two objectives—urban infrastructure governance and basic services to the urban poor. JNNURM is a mission for integrated development of urban infrastructure services with the assistance of the Government and local bodies.

Appropriate Social Infrastructure Investments

Programs and schemes to build basic social infrastructure (schools, health facilities, housing, and drinking water) which fulfill the minimum needs of people and enable them to access opportunities, have been created. This has included emphasis on human and social development as envisaged by monitorable indicators in the areas of income poverty, infant mortality, gender parity, literacy, drinking water and environment.

The provision of basic education and health and of basic social infrastructure has been an important component of public policy in India. Though this provision has been of a universal nature, special efforts are made to include the poorer and excluded sections of society.

Universal elementary education

Article 45 of the Indian Constitution stipulated provision of free and compulsory education for all children until they complete the age of fourteen years”. Although the Article was placed in Part IV (Directive Principles) of the Constitution, a decision of the Supreme Court of India interpreted the right to education as a fundamental right of every citizen. Following this decision, the Government of India amended the Constitution and the Right to Education is now a fundamental right. Thus the state is now under obligation to provide quality school education to every child in the age group 6 to 14 years.

Education was earlier a state subject per the Indian constitution. In 1976, it was made a concurrent subject (i.e., brought within the purview of both state and central governments). Since then, the role of the Central Government in the provision of elementary education has been steadily increasing. In 1987, the Central government decided to address the infrastructure and teaching requirements of elementary schooling through the “Operation Blackboard” program. After 1992, the externally assisted District Primary Education Program also became an important program for bolstering the efforts of the state governments to provide schooling to all children.

Together, the Central and State governments spend about 3.5 to 3.8% of the gross domestic product (GDP) on education with almost half that amount being spent on elementary education.

With universal elementary education becoming a constitutional imperative, the government stepped up its effort to universalize elementary education. After 2000-01, the *Sarva Shiksha Abhiyan (SSA)* became the flagship program of the government to address the needs of elementary education. The SSA's aim was to bring all children in the age group 6 to 14 into school by 2004, to provide all children in that age group about 5 years of schooling by 2007, and to ensure that by 2010, all children had received education up to the middle level. The SSA encompasses institutional reforms to improve delivery systems, sustainable financing, community ownership, community monitoring, accountability to the community, institutional capacity development, priority to the education of girls and other special groups, thrust on quality including teacher resources and public private partnerships.

Since July 2003, the Government of India is also implementing the National Program for Education of Girls (NPEGL) by providing additional support for the education of underprivileged girls. The program is being run in Blocks where the female literacy is below the national average and the gender gap in literacy is higher.

Provision of basic health care

To provide basic health care, the Government has set up a three tier health delivery system, consisting of PHCs; community health centers (block or subblock level), based on a population norm; and secondary and tertiary hospitals at the district and higher administrative levels. The health subcenters are operated by the Auxiliary Nurse and midwives whose main objective is to take care of reproductive health.

There are also a number of disease control programs, such as the National Tuberculosis Control program or the National Leprosy Program, which are being implemented.

Health care reforms have focused on issues such as greater community role in the management and supervision of public health institutions, decentralized procurement systems, public-private partnership, greater public expenditure on health, and introduction of user charges, especially for the nonpoor.

In the last several years, state governments have undertaken reforms of the public health systems with external support. Among the study states, MP and West Bengal have undertaken health sector reforms with the support of the World Bank and the Department for International Development of the

Government of United Kingdom. The Central government has launched the Reproductive and Child Health (RCH) program with external support.

The Rural Health Mission was launched to improve the availability of, and access to quality health care by people, especially for those residing in rural areas, the poor, women and children. The National Rural Health Mission (2005–2012) seeks to provide effective health care to rural populations throughout the country, with a special focus on 18 states that have weak public health indicators and/or weak infrastructure. These 18 States are Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Himachal Pradesh, Jharkhand, Jammu and Kashmir, Manipur, Mizoram, Meghalaya, Madhya Pradesh, Nagaland, Orissa, Rajasthan, Sikkim, Tripura, Uttaranchal, and Uttar Pradesh. The mission is an articulation of the commitment of the Government to increase public spending on health from 0.9% of GDP to 2–3% of GDP. The mission also seeks to revitalize local health traditions. It aims at effective integration of health concerns with determinants of health like sanitation and hygiene, nutrition, and safe drinking water through preparation of district health plans. It seeks decentralization of programs for district management of health.

Water supply

Water is a state subject but the efforts of the states to provide adequate drinking water facilities are supplemented by the center. The two major Central programs have been the Accelerated Rural Water Supply Program and the Pradhan Mantri Gramodaya Yojana. The latter has now been subsumed in the Bharat Nirman Program. In the urban areas, the Accelerated Urban Water Supply Program is being implemented through the Rajiv Gandhi Drinking Water Mission. It aims at providing sustainable potable water supply to all rural habitations with a population of 100 or above. With the operation and maintenance of water supply sources becoming a problem, the government has increasingly sought community participation in the management of water sources and to this end, the *Swajaldhara* scheme was taken up in 2003.

Rural sanitation

Rural sanitation is yet another major issue to be addressed. Only a small percentage of rural households have access to sanitation facilities. The Central Rural Sanitation Programme of the Central government, launched in 1986, was restructured in 1999 with the introduction of the Total Sanitation Campaign (TSC). The TSC has introduced greater flexibility, and works on a demand based project mode, with greater household involvement.

Rural housing

The Indira Awaas Yojana (IAY) operationalized in 1999–2000 is a major scheme for construction of houses for the poor, free of cost. The Ministry of Rural Development provides equity support to the Housing and Urban Development Corporation for this purpose.

The Valmiki Ambedkar Awas Yojana (VAMBAY) launched in December 2001 facilitates the construction and up-gradation of dwelling units for slum dwellers and provides a healthy and enabling urban environment through community toilets under *Nirmal Bharat Abhiyan*, a component of the scheme.

Governance and Institutional Framework

Creation of an appropriate governance and institutional framework for poverty reduction and human development has been a significant area of focus. Changes in the policy and governance environment and institutions have been emphasized.

In the last few years, significant changes have occurred in the framework of governance of anti-poverty programs as well as the nature and orientation of these programs. Some of these changes have the backing of the Constitution as well as the apex judicial court.

Since 1992, a major change has been with respect to strengthening of local bodies by devolving more powers and responsibilities on to them. The 73rd and 74th Amendments to the Indian constitution have endowed urban and rural local bodies with substantially increased powers, and have constitutionally mandated a number of vital functions, placed in the Eleventh and Twelfth Schedule of the Constitution, relating to poverty alleviation, local planning, primary and secondary health and education, agriculture, small industry etc, to be carried out by the local bodies. Following the Constitutional Amendment, these institutions have been endowed with greater financial and administrative powers and responsibilities. Many of these steps are beginning to have a large impact on the way a number of programs are implemented at the ground level.

Social Security

Social Security programs support poor people in vulnerable situations from accessing support. These include nutrition programs and subsidized access to PDS, old age and widow pension schemes, and accident and maternity benefits.

Antyodaya Anna Yojana (AAY) launched in December 2000 provides food-grains at a highly subsidized rate of Rs2/kg for wheat and Rs3/kg for rice to the poor families under the Targeted Public Distribution System (TPDS). The program is intended to cover 200 lakh families.

A large number of measures have been proposed to improve the conditions of deprived groups. These include women, the poor, socially vulnerable, the disabled, elderly without means of support, laborers in the informal sector of the economy and so on. The initiatives envisaged include both direct social security-type support; support to group-based credit schemes for deprived women, and implementation of already existing legislation for protection and positive discrimination of deprived groups.

Chapter 7

What Has Worked: Perceptions of the Poor

Changes have occurred over time, some of which have impacted positively on the lives of poor, drawing them out of poverty. There have also been changes that have impacted negatively, keeping people in poverty and or drawing them deeper into it.

Time line studies in PPAs bring out the general direction of changes quite clearly, while at the same time highlighting what has worked better, what has not, and the problems which continue to exist even in areas where the directional change has been considered by the participants to be positive overall.

The overall direction of change suggested by PPAs while positive on some fronts presents a mixed picture on others. For example, in some locations the gap between the richest and poorest categories has widened over a decade. At the same time, there is a swelling up of middle categories in others. Overall, positive, mixed and negative changes co-exist in a number of spheres important to the poor.

Positive, Mixed, and Negative Changes as Perceived by the Poor

- **Education:** Relatively more children going to school and higher literacy, facilitated by incentives.
- **Livelihood options:** Wider range of options available, especially in the nonfarm sector
- **Agriculture:** changes in cropping pattern in favor of high value crops

A Snapshot: Historical Transect through Two Decades in a Semi-tribal Village

Objects of change	Two decades back	Now
Size of village *	Between 50 - 60 households	103 households
Forest produce	Forest products were available in plenty, besides a wide variety of tubers, fruits and MFPs. The village was situated in the heart of a thick forest.	Forests have reduced to almost 60%, and have receded an extra 1.5 km from the village
Dietary habits	Old varieties of cereals like <i>kodo</i> and <i>kutki</i> used to be staple food; roasted mahua was another popular item	Mainly rice; <i>kodo</i> , <i>kutki</i> , etc. consumed only in times of crises
Dress	Both women and men used to wear only a small loincloth, besides brass ornaments	Some women and men have started wearing <i>saris</i> and <i>Dhotis</i>
Agriculture	Practiced only by a handful of people	Main occupation of a majority of people
Institutional services	Nonexistence of even basic services like schools, health care, <i>anganwadi</i> , <i>panchayats</i> .	All the important basic services have a "presence" in the village
Drinking water	No hand pumps. Only sources of water were wells and a stream	Seven hand pumps have been installed, which yield water with high iron content. People drink water only from the wells
Livelihood base	Primarily dependent on forest produce. Nobody used to go out of village in search of livelihoods. Agriculture practiced on a small scale.	Several people have started migrating. Agriculture has become the main occupation.
House type	Thatched hutments	Some houses are made of bricks; use of rounded clay tiles.

- **Irrigation:** Improved irrigation facility in some areas, helping to increase cropping intensity and yields.
- **Migration:** Greater migration to more prosperous agriculture belts, nearby towns and far away. But migration is not beneficial evenly to all poor people. It also has devastating effect on the poor villagers.
- **Wages and return:** The wage rate of men as well as women has gradually increased over time in a number of areas. However, there is gender disparity in wage payment in most districts.
- **Type of houses and dwellings:** Now many poor people have small dwellings and cement and brick houses.
- **Assets:** Better household assets. The poor purchase cycles, watches, cots, fans, steel utensils, livestock and even land.
- **Food Security:** The food security is improving for many poor. Earlier, the very poor people had food problems throughout the year. Due to work availability, the food problem reduced to 6 months in a year. The food consumption pattern is also more diversified. But the food quantity and quality consumed is still far from healthy.
- **Health Problems and treatment:** Health problems have shown increasing trend in a few villages. There is wider access to modern health facilities, delivery and vaccination services.
- **Sanitation:** Greater number of toilets in some places supported by programs.
- **Village infrastructure:** The condition of the village roads is improving.
- **Smaller family sizes:** The number of children per couple is decreasing everywhere.
- **Age at marriage of girls:** The age at marriage of girls is increasing everywhere.
- **Social Networking:** Social networking of the poor people has improved to some extent as also their interaction with the panchayat, Block and other offices.
- **Status of poor in the society:** The social status of the poor has marginally improved in many areas, partly because of the political mileage they bear and partly because their awareness. Their economic situation has improved marginally.
- **Status of women in the family:** Women's respect in the family is also increasing in some pockets. This is mainly due to their

increasing empowerment through enhanced awareness and participation.

- **Self-help Groups:** Number of women in SHGs is increasing in many areas. This is helping women in terms of both social and economic empowerment.
- **Forest and Common Property Resources:** Many participants reported that the forest cover and availability of NTFP has been declining. Many poor people have to cover longer distances to collect wood, fuelwood, and other forest produce.
- **Water table:** The water table is reportedly going down everywhere.
- **Water reservoirs:** Rivers and ponds are drying up due to siltation and exploitation. The water sources are also more polluted.
- **Quality of land:** The quality of land was quite good in several places but productivity is declining due to several factors. Only in some places the reverse trend is reflected due to high investment in land and labor by people.
- **Availability of raw material:** With the degradation of forests, the availability of raw material which supports a large number of traditional industries and poor households is also going down.
- **Cost of rice as food:** The price of rice and other staple foods is increasing.
- **Ruinous Social practices:** Since the poor try to emulate the practices of the rich, practices such as dowry, and other customs requiring large expenditure have begun to raise their head. Along with these, the violence inflicted on women has also increased among social groups where they enjoyed comparatively greater equality.

Strengths of the Poor

The experience of PPAs clearly brings out the fact that the poor are well aware of their problems, their needs, and priorities. They understand reasons for their plight and they also have solutions for this. They can be motivated to suggest, and given a chance, they articulate very well. This is a very positive finding for any poverty reduction strategy or approach.

Another positive aspect of the poor is that they are hardworking, courageous and resilient. They work for long hours - from morning to late evening, to make the two ends meet. They migrate from their open lands to dirty congested slums, they accept sheer hard work in brick kilns or factories, they push heavy carts and carry heavy loads on their heads on

railway platforms or godowns and they suffer the extreme cold or extreme heat to feed their children. Indeed, their capacity to work hard and ability to adjust to hostile environs is tremendous!

In spite of being poor, they do not normally resort to devious means of earning their income. They accept their fate without grumbling. They smile, they dance and they sing in spite of their problems. They celebrate festivals and come together to enjoy social occasions.

These qualities will help them rise when the chance is given to them. The poor have a great potential which needs to be harnessed.

PPAs offer a number of insights on the design and implementation of strategies, programs, and services for the poor.

Perceptions of the Poor on Policies and Programs

PPAs provided an opportunity to assess the views of the poor, albeit in the region studied, on the role, impact, and priorities in respect of public policy for poverty reduction.

The views are presented per the framework used in the previous chapter in classifying public interventions viz.:

- Pro poor Growth and livelihoods
- Targeting
- Enabling environment through appropriate physical infrastructure investments
- Appropriate social infrastructure investments
- Governance and institutional framework.
- Social Security

Pro-poor Growth and Livelihoods

The issue of pro poor growth is complex and encompasses multiple dimensions including supply side dynamics for livelihood provision, enabling environment, requisite skill base, power equations and demand side including mobility, opportunity, etc.

Below we discuss this aspect against the provision of public policy for livelihoods, considering that livelihoods constitute an interface of availability and capability. Livelihoods as discussed in the previous chapter take the form of self-employment and wage employment programs.

Self-employment programs

Self-employment programs are a viable economic option to stem jobless growth. However, the poor generally seem to prefer remunerative wage employment, which can provide regular income without much risk.

Where the poor had managed to access assets there was no sustained increase in income because the asset had either been sold off or wasted (e.g. death of milch animals), or the poor family had become indebted to the bank without improving its status. In many cases they had to financially grease the process which was also a burden. Further even where there was access the poor did not consider self-employment programs as very useful because such programs could not be run successfully in the absence of local demand and access to outside markets.

Further, there were innumerable instances of self-employment programs being availed of by the nonpoor (as per the wealth assessments) and targeting in the context of local power equations was misdirected.

In the context of traditional occupations, there are many trades dying out in terms of demand. Skill development of the poor in emerging areas of growth is a major need. Training the poor in segments which are the drivers of growth is essential for inclusive and participative development.

PPAs corroborate the fact that:

- Self-employment programs are viable when implemented in the form of sound projects rather than as a program with blanket norms.
- It is important to involve the local poor in the design of self-employment projects.
- Efforts will also have to be undertaken toward training and capacity development of the poor.

Wage employment programs

Wage employment programs were generally preferred in many of the locations as they provided stable income and were flexible to cycles of alternate employment in some cases. Such programs have also had some impact in terms of creating assets like roads, community halls, Panchayat Ghar, pipelines, etc. in villages. These assets were sometimes accessible to the poor also.

Wage Employment Preferred to Self-employment

There have been some impediments toward realizing the potential of these programs on the generation of employment. A major problem is that the system of contractors has led to employment of select groups of people.

Across various PPA locations the poor felt that there was a decline in the availability of daily wage labor and lessening of negotiating power over wages. Diminishing options in other occupations, including agriculture, is shifting a sizeable population toward casual labor. The poor who were on their own often traveled long distances to work, at times even 20 km, for daily wage labor. Some were lucky to secure work in nearby houses for repairing, domestic help, washing clothes, and pounding rice and take up other odd jobs while the men traveled to far off villages. Children are left to fend for themselves and sometimes eat tobacco leaves, charcoal, etc. and fall sick.

Contracting and Employment in Public Works

For every construction contract by a contractor, the same labor is employed most of the time. Therefore, the contractors are in touch with this guild of labor and employ them as and when a new construction contract is finalized. A mechanism adopted by contractors is to employ people they trust and who will not raise their voice if payments are delayed or are less than the entitlement. These workers stay along the side of the roads. Their housing condition is very poor with no basic amenities like toilets, electricity, and clean drinking water. Houses are covered with plastic bags and walls made up of wooden planks. During rains, the condition deteriorates due to leakage in the roof and children fall sick quite frequently. The roof is blown away at times due to strong winds and the workers have to sleep on gunny bags. Sometimes It takes around 4–5 hrs to collect fuelwood which lasts 3 days or so. Education of migrant children is a distant dream.

Wage employment programs have now been scaled up and can form the potential basis for employment security of the able-bodied poor, while building critical productive assets. The programs can also be used for protecting the massive environmental degradation of the environment through proper planning of these programs. However,

- Contractors and intermediaries, through whom such programs are implemented, create a new class of power equations that act as a barrier for the deserving poor to access such opportunities.

Hence to have the desired impact, programs need to be well designed, i.e. they have to take into account the local characteristics as well as the macro-context. Lack of participatory planning and proper information imply that wage employment programs do not have the expected impact on employment and the creation of community assets.

- In many cases, programs are designed, and guidelines for implementation prepared at a centralized level, without taking into account the local variations in context which make the fulfillment of the guidelines difficult, if not impossible.

In employment programs, for instance, a 55 per cent unskilled labor content is deemed necessary. This was feasible in certain types of works in some areas, but not in others, providing an incentive to fudge muster rolls. Another problem is the lack of coordination between schemes with similar objectives, leading to poorer accountability and suboptimal performance.

Government Interventions in Livelihood Generation

Harsh's village got destroyed in an earthquake and he along with his family shifted to the present forest village. His family initially cleared patches of forest for agriculture and depended on it for subsistence. In 1988, he got a loan under the integrated tribal development project (ITDP) with which he bought two buffaloes. In 1994, he got a loan under the Prime Minister's Rozgar Yojana. Out of the total amount, he invested Rs70,000 to buy 10 buffaloes. Today, he is able to supply an average of 35 liters of milk per day at Rs16 per liter (income of about \$13 a day). The family's well-being has improved as a result of Harsh's initiative and government support, and his family is well above the poverty line. The only word of caution is that such programs help when well directed and in keeping with the requirements of the area.

Targeting

Identification of beneficiaries

A number of programs in the rural and urban areas are targeted at the BPL households. Programs of this nature include TPDS, the self-employment programs, and the National Social Assistance Programs. In some states, entitlements to the public health care system are also differentiated on the basis of the BPL status of the household. But as was noted at several

locations the BPL lists are faulty (including the nonpoor), and more problematically, exclude the poor and the needy.

- There is a strong need for revising the BPL list, using objectively verifiable and simple indicators for updating the same.
- These need community validation.

Approaches like well-being assessment can be effectively used to this effect. The responsibility for identifying the poor can be vested in a committee of people, including, for instance, development practitioners, panchayat leaders, teachers, representatives of community-based organizations, senior citizens of a community, etc. The approach should be to purposely seek the poor.

At the same time, there are inherent problems in categorizing a household as poor or nonpoor. This is both due to the need for an objective system of identification, and the problems of identifying characteristics of poverty which may vary between contexts. As a result, there is a compelling need to evaluate alternative ways of reaching the poor i.e. through geographic targeting, self-targeting, and universal targeting after a careful evaluation of costs and benefits associated with each approach.

Transparency in selection

As long as a program targets a subset of BPL households, there should be complete transparency in identifying such households.

- Display the composition of BPL lists, names of beneficiaries of different schemes and the criteria used for the selections at a public place.
- Effective processes need to be institutionalized to enable eligible poor excluded from the list to appeal for their inclusion.
- Reasons for inclusion/ noninclusion of certain applicants must be communicated to the community quickly and transparently.

Targeting has not worked according to the poor and secondary stakeholders because of:

- Local power dynamics
- The award of cash transfers that can be availed of by various sections, not necessarily the poor.

Issues in Targeting

Anomalies in the selection of BPL households were common as relatively well-off families were enjoying the benefits meant for the poor.

People in several locations have commented negatively on the process, time, and money involved in applying for a ration card.

Poor across the various locations indicated that when large amounts of subsidy were provided, only part of the amount was received by them. For instance, a budget of Rs25,000 was sanctioned for the construction of a house, not more Rs7,000–8,000 has been spent on each of the houses.

Grievances pertaining to compensation and relief were expressed during PPA interactions. For example, though a compensation of Rs10,000 was announced only a few persons received the full amount. While others got less, many did not get any compensation.

Midday Meal – Instead of the stipulated 3 kgs of rice per head, children in surveyed sites get 2 kilograms

Going rates for winning the bid for lease rights over fishponds presently range between Rs6–12 lakh. Tenders are entered by intermediaries on behalf of pseudo societies. Upon favorable settlement of their bid, the key fishing groups are paid a lump-sum amount (about Rs40,000–50,000) to keep their mouth shut and to withdraw from fishing. Thereafter, the intermediaries assume total control of the fisheries.

- Even where the poor are directly targeted like wage employment programs, contractors may not necessarily transfer the benefits and the appropriate wages to the poor.

Targeting has Many Pitfalls

Rural housing

A major problem with the scheme per secondary stakeholders is that it provides an expensive asset of Rs25,000–30,000 free to the beneficiary, and generates a lot of ill will as the funds are given only to some households. As a result, lobbying under the scheme was almost a rule. Poor households gave Rs1,000 to Rs5,000 for each of the houses. Leakages were very common. The nonpoor frequently used such houses as an extra house, or a storage shed or to keep animals. The poorest of the poor were frequently left out of the benefits of housing schemes as they could not contribute anything.

Largesse through single person subsidy not preferred and may not yield the desired outcomes

Where benefits were provided, there is a time gap of six months between the installments. Many beneficiaries complained of not receiving the final installment. The people felt that there was no supervision on the utilization of the rural housing scheme funds at the beneficiary level, and on whether the houses were being constructed at all or not. The beneficiaries often had to sell off portions of their land to finance the completion of the house. This happened when the committed amount was not paid to the beneficiary.

The poor feel that politicization of the panchayat is an important factor that has resulted in many deserving people not having been covered under various public schemes. Lists of beneficiaries under various schemes need approval of local politicians. As the people said, those who do not support the nominated representative are not given benefits under any scheme. Flying the flag of the ruling party was one coping strategy adopted by many villagers.

An Experience of Receiving Housing Support

With a wife and four children to support, he had requested the sarpanch of his village in 2002 for housing support under the Indira Awaas Yojana (IAY) scheme. The Gram sabha accepted his request and he deposited Rs150 with the sarpanch along with a form. The application got passed in early 2003. Three months later, he got 6,000 bricks from the Gram Sabha to build a house which, according to the sarpanch, cost about Rs6,000. At that time, neither any money was given to him for undertaking construction work, nor did he have much savings. He started building the house with mud and other cheap materials as he did not have money to purchase cement and sand. He had to hire a mason and pay him at the rate of Rs110 per day. His total expenses amounted to Rs3,500/-. For this, he had to take a loan from the local moneylender, as the next installment of financial support was yet to be released. He also had to borrow food grains from neighbors for sustaining his family. He received Rs2,050/- from the panchayat three months later, which enabled him to clear his debts. He received another installment of Rs2,000/- shortly afterwards, which he used for purchasing mud tiles to build a roof for his house. Thus, his total receipts from the panchayat amounted to about Rs10,000/- less, including bricks. However, the sarpanch calculated his total receipts to be of the tune of Rs14,000/-. On asking for records of transactions, there was no response. He has been waiting for the last 2 years for the remaining of Rs20,000/- sanctioned under IAY, to give finishing touches to the house and for constructing a latrine. The authorities have ignored, in the meanwhile, his pleas.

Enabling Environment through Appropriate Physical Infrastructure Investments

Connectivity

Poor Connectivity is a major factor leading to exclusion from basic services. The poor experience difficulty in accessing services such as health care centers, hospitals, schools and even markets of vegetable and crop produce. The long distances compel villagers to spend more on transport or invest time in walking to distant places. Therefore good quality roads not only remove constraints in accessing basic services but also open up opportunities for wage employment, and promote self-employment by improving outreach to far off markets. Lack of maintenance of roads has however been a major problem as stretches of roads in many locations have been destroyed. Seasonal exclusion is also prevalent as roads get washed away during the rainy season.

Energy

In the matter of electricity the farthest villages are often neglected the most. Even though most villages are electrified, there are pockets or sections that have not received electricity. In these villages, people have to take up electricity connections privately which costs about Rs2,000–2,400/- and only those who can afford it are able to pull the wires to their houses, while the poorest have no option but to stay in the dark.

Electricity is an irregular facility in many villages. This affects adversely certain basic occupations and services that are powered by electricity, and agriculture and services.

Urban infrastructure

Life in urban areas is characterized by greater incidence of ill-health of children due to lack of safe drinking water sources, less work done by men due to illness and, diminishing community feeling as people are struggling to manage home and hearth. As noted by PPAs, breakdown in social norms is clearly visible in terms of children not caring for old parents any more. Income poverty in some communities manifests in terms of children taking up least preferred work like rag-picking.

Eviction and nontenure slums have created major problems for the poor in terms of economic and social stability. Local lords have exploited the poor tremendously in such situations. Eviction has been stated to be an important criterion contributing toward ill-being. According to women in

the slums, eviction has been ranked first in problem prioritization in urban areas along with sanitation .

Appropriate Social Infrastructure Investments

Water supply and sanitation

Availability of safe drinking water was accorded a very high priority by many communities. Concerns on availability and quality were widespread. Need for proper sanitation facilities were also indicated as a pressing priority in both urban and rural locations.

Education

“Cost of education” was a primary issue among the poor. They perceive the opportunity cost of education to be very high compared to the returns. The poor preferred to keep children home for (a) animal grazing, (b) hired wage work, or (c) for taking care of young siblings.

The Crisis of Water Delivery

A large number of PPA sites suffer from acute scarcity of drinking water. A sample study of hand pumps carried out in a few of the PPA villages indicates that only 38% of all hand pumps are in working condition. The problem is particularly acute in some of the tribal districts, where the problem has been stated as critical in almost every second PPA site. Besides, many villages in the eastern plateau region spoke of poor quality of drinking water, whereby consumption of water from some of the local hand pumps is believed to leave a lasting black mark in the teeth. Scarcity or alternately the quality of drinking water has emerged as a burning issue in many of the sites in most of the states. Many of the health complaints across sites stemmed from lack of potable drinking water.

As indicated in Chapter 4, *“There is a shortage of infrastructure that acts as a barrier to pursuing sustained education. While primary schools are accessible for most villages, the secondary school facilities are more spread out and technical schools and polytechnics scarcer still. There is shortage of teachers in most of the schools. In many cases, teachers “manage children” rather than teach them. They expect parents to teach, which is not possible in the case of the poor children whose parents are not literates. Children of poor families therefore usually perform badly. They are consequently, treated*

badly by teachers, with the result that they drop out gradually. In some cases children from certain social groups are asked to sit away or are asked to do manual work, which again encourages them to drop out.

The availability of drinking water facilities and toilets was not found in all the schools. A separate toilet for girls was available in less than a quarter of the schools. For those girls who have dropped out of school and want to continue studies after some gap, there is no facility to mainstream them. The system lacks flexible options.

The reasons that emerged from the participatory assessments for the poorest not attending school included: (1). Migration, (2) Education not useful for income earning (3) Expensive facilitative measures like uniforms, travel, etc. (4) Children an economic asset (Child labor) (5) Discrimination (6) Taking care of siblings, and (7) School far away.”

Health care

The system of health care, both public and private, is beset with problems. Some of the most common complaints about public health care relate to inadequate personnel, equipment and medicines. Private health care is costly, virtually leaving the poor out of a health care net. The rate of hospitalization among the poor is low. Moreover, health care expenditures are among the major causes of indebtedness of poor households

On the other hand, the private health system is largely unregulated. In addition, the existing public and private systems do not build upon their mutual existing strengths. Some steps have however been taken to ensure access to secondary and tertiary health care through referral systems, which can tap the private sector expertise.

Anganwadis

The supplementary nutrition program being implemented has two components: for pregnant women and preschool children; and midday meals for primary school children. The program for pregnant women and preschool children is implemented through a network of anganwadis managed by trained women who work for a small stipend.

The institution of anganwadi found great favor with the poor as it enabled women to leave their preschool children to care. They however felt that the capacity of these institutions must be increased.

Swashtha Swahayikas (Para-health workers)

The swashtha swahayikas is an innovative experiment in providing health services through local para-health workers. The para health workers promote awareness on quality health and sanitation. They play the role of promotional agents for government health schemes or during special drives against any disease. Most of these swahayikas have been selected from SHGs in the blocks and they act as the agents of health care on behalf of the government machinery. They have been given basic training for raising awareness about the common diseases in the villages and the details of the medicines that they can administer. The Block Health Officers also give the swashtha swahayikas some common medicines like paracetamol, oral rehydration therapy packets, family planning kits, etc. to be used by them in their areas. Bicycles have been provided to increase their mobility in the locality concerned. This scheme has been running for the past 2 years. The local nongovernmental organizations supply the medicines that are distributed by the para-health workers. The swashtha swahayikas maintain detailed records of their daily activity in a set format in notebooks provided to them. The swashtha swahayikas are the grassroots channels through whom the government delivers the various health and sanitation programs to the villagers. Programs such as pulse-polio have been popularized by the swashtha swahayikas. Such a cadre of para-health workers can form a dependable backbone in poverty – stricken localities for promoting primary health care and sanitation.

Governance and institutional framework.

PPAs bring out both the positive and negative role of governments in fostering participation through local administration. For instance, in some cases, development bureaucracies are seen as too over bearing, and they do not allow panchayats to function independently. On the other hand, devolution has been an important route through which the poor can access public goods and services and public expenditure to yield the best possible pro-poor outcomes.

Local self-governance is now the route through which many of the initiatives meant to improve the lives of the poor are planned and implemented. However, the experience of participatory local governance varies across states.

Mainstreaming the poor into local decision-making and strengthening the capacity of panchayats to undertake local planning are important components of the decentralization agenda. The Grambashider Dara Gram Parichalona (GDGP) in West Bengal is an attempt to build participatory

plans through the involvement of the Gram Sansads. The involvement of the poor agricultural laborers in local decision-making and planning is central to the GDGP, which recognizes the fact that planning priorities and project selection tend more easily to take on board the interests of the well-to-do.

Better Governance and Awareness

Some of the instances of movements out of poverty and improvements in quality of life identified during PPAs were attributed to better governance through alternate systems and accessibility through better information. The systems that work include: (i) Engaging community based organizations and SHGs with management of key services like PDS. Entrusting panchayats and community-based organizations like SHGs with the responsibility of managing PDS was lauded by many communities. Their management of PDS resulted in improved performance of the scheme; (ii) establishment of village secretariats, helping in a better flow of information for the poor, and expediting local development schemes; and (iii) holding review meetings in remote villages by senior officers, making it easier for the poor to register their grievances and to hold service providers accountable.

Case Study: Holistic Approach to Poverty Reduction through Community Action

Kerala has successfully aimed at a holistic approach to poverty reduction through its Kudumbashree program which aims at reaching out to needy families through women and reaching out to the community through families. It has helped create thousands of Neighborhood Groups and middle level Area Development Societies and hundreds of apex level Community Development societies. It covers several lakh women from poor families.

The Mission relies upon community structures to carry out the task of poverty reduction through concerted community action under the leadership of Local Governments, by facilitating organization of the poor for combining self-help with demand led convergence of available services and resources including education, and skill development. It aims at tackling the multiple dimensions and manifestations of poverty in an integrated manner. Where local institutions are not so well developed or have a political flavor, nongovernmental agencies could be used for the mobilization process.

Participatory Planning and Action

The Grambasher Dara Gram Parichalona (GDGP) is an attempt to build participatory plans through the involvement of the Gram Sansads in West Bengal. Official booklets on GDGP in Bengali on decentralized planning process state that laborers are an integral part of the productive force and are the real force behind social change. To organize laborers is a major thrust of this decentralized planning movement. Data collection during the planning process is undertaken not by going from door – to – door but by sitting with groups of laborers, through meetings in hamlets. This helps to raise awareness of the deprived groups and also ensures that the processes are not controlled by a handful of powerful people. Based on the data collected a Gram (village) Register is prepared, which is a record of the socio-economic information of every family in the village. Reports on problems identified and project formulation are also prepared and placed before the local gram sansad (village assembly) and finalized for further action.

Some issues faced in GDGP are as follows:

- One major issue is of problem prioritization – whose development? Should it be development of household or of an area or locality? The well-off want to prioritize social assets and infrastructure in the locality while the vulnerable groups would like to have personal and household benefits.
- The other major issue is meeting diverse and large local demand: There is acute shortage of development funds and it is difficult to compress local demand. Most demand is for infrastructure, especially in agriculture. Those who are landless have a different focus.

Social security

Lack of social security and problems in old age

PPA interactions brought out several instances of exclusion of extremely poor households from the various social security schemes as the schemes are few and are monopolized by the powerful and the influential. Instances of denial of social security schemes to the deserving came to the fore in both urban and rural locations.

Case Study of an Elderly Person in Distress

Prem, aged 60, has to beg for food to make a living. He belongs to the Ghasia community and lives in Sarguja along with his wife. Although he has four children, all of them live separately. To survive, Prem collects used blouses, saris and other clothes from the better-off families in the village and sells them. He earns Rs8–12 a day. However, he is unable to sell anything on most days of a month, which compels him to beg to survive. He does not have a house to live, which aggravates his situation. He sleeps in front of any house of Ghasia community members. At an age when he aspired to have an easy life, Prem has no other option but to beg for survival.

Conclusion

It is indeed heartening to note that several new policies and programs have been initiated in the last few years that have tremendous potential to address the problem of poverty. Implementation of some of the programs (as in health care and employment guarantee) began only in 2005/06 and their impact is not captured in the assessments. Over years, there has been some movement out of poverty and average living conditions have improved. However, on the other hand poverty persists, and continues to be a significant phenomenon.

Macro Policies Need to Address the Priorities of the Poor

The poor do not talk about the macro-policies but it is clear that the macro environment provides the broad enabling framework in which poverty and deprivation can also be addressed. The issue of livelihood of the poor and of human development needs to be addressed not only at the micro level, but at the macro level by focusing on the development path of the state. From the point of view of secondary stakeholders, the major components that macro-strategy should address are: (a) broad-based agricultural growth and increased productivity; (b) environmental protection and regeneration, including development of common land resources, sustainable water management, regeneration of forests, etc.; and (c) development of the nonfarm sector, not in an isolated and scattered way, but by facilitating diversification of the economy. The macro policy needs to be supplemented by supportive sectoral policies, such as forest policy (linking forests with tribals), labor policy, water policy, land policy, agricultural policy, industrial policy, informal sector policy, etc.

Chapter 8

Moving Forward

Poverty, as the PPAs show, has multiple dimensions. It is seasonal and transitory in some forms of dynamic poverty and hard core and sustained in certain forms. This implies that policies should be varied and adaptable. It is also important to note that reduction in poverty in different dimensions do not go hand in hand. For example, reduction in income poverty does not automatically reduce human poverty. There could be trade off among the different types of poverty reduction. For example, income poverty reduction achieved through migration creates obstacles in promoting education and health. It is necessary therefore to understand the dynamics of poverty reduction well while designing a comprehensive strategy for poverty reduction.

PPAs in the seven states of India take on board the perceptions and suggestions of the poor – male and female, urban and rural participants, and triangulate these with the suggestions and feedback of policy makers as well as the analysis of existing programs and policies. This provides us with some broad insights which are worth sharing, though their applicability is not claimed to be universal. Nonetheless, it serves as a useful snapshot in understanding and prioritizing some fundamental issues from the point of view of the poor.

The PPAs provide insights into factors that have improved the lives of the poor people. These include their own efforts, and governmental, nongovernmental and community initiatives taken at various levels. They illustrate pathways that could be pursued to improve livelihoods and opportunities for income enhancement, improved access to infrastructure, improved access to social services, and enhanced governance, service

delivery and social security. Here again we pursue the issue based framework adopted in the earlier chapters viz.

- Pro poor Growth, enhancing incomes and promoting livelihoods
- Targeting
- Enabling environment through appropriate physical infrastructure investments
- Appropriate social infrastructure investments
- Governance and institutional framework.
- Social Security

Enhancing Incomes and Promoting Livelihoods

Agriculture and off farm livelihoods

Agriculture is the pre-dominant sector where a large part of the population is engaged. The main contribution to agricultural productivity comes from irrigation. Yet, a considerable part of agriculture is still rain fed and existing irrigation resources are limited in outreach. There are many areas in which multiple cropping can not be practiced due to lack of irrigation and uneven distribution of rainfall.

The management of land and water resources through community participation has the potential of increasing incomes, through increased productivity, leasing of land, and better wage employment. The following examples show the impact of a watershed management project and agrarian entrepreneurship.

The growth of nonfarm enterprises presents an important livelihood option for rural households. Traditional arts and crafts are especially important in this context since they support millions of poor households, who are steadily being pushed into poverty due to lack of technological change, lack of markets, inability to upgrade their skills, paucity of capital, and inadequate access to raw materials. Support from governmental and well as nongovernmental sources can easily lead to a turnaround.

The basic message from PPAs is that livelihoods can be fostered provided there is a proper economic environment, the right kind of institutions exist which can support growth in livelihoods, and people have a personal stake in building their future.

Watershed Management

A watershed program was launched in Karmari village of Jagdalpur in 1997-98, under Rajiv Gandhi Watershed Mission. About 44 hectares of fallow land was taken up for cashew plantation on an experimental basis. This has since then spread to private lands as well and currently spans an area exceeding 250 hectares. The villagers of Karmari have started aspiring for a processing plant in their area for enhancing their returns.

Agrarian Entrepreneurship

Gagan is an enterprising individual who first took up work in a goldsmith's workshop. Initially he was making silver jewellery and gradually shifted to gold. He was one of the first persons in the village who planted tea in his homestead and encouraged others to do the same. Similarly, he has invested some of his money in the Sachi plantation and has earned about Rs60,000–70,000/- from it. In the village surveyed, factors behind prosperity include taking up of options like tea growing and plantation of Sachi trees. Sachi tree is a valuable asset which fetches Rs5,000–6,000/- within a span of 5 years. Households in the village have around 10 such trees.

Public-private Partnerships Where they Touch the Lives of People

Traditional arts and crafts sustain the livelihoods of millions of artisans. In West Bengal, artisanship is being promoted through private initiatives with support from the Government. In Bardhaman, an art and craft village center called Karuja was opened. To revive the traditional crafts of Bengal a few enthusiastic persons from Bardhaman initiated Karuja. The primary objective of Karuja is "to revive the timeless traditions of handicraft and culture and prove their relevance in a contemporary world". In 2001, the Zilla Parishad of Bardhaman started a joint venture with Karuja, strengthening the cause with funding and logistical support. The Karuja crafts village is located near Bardhaman where craft forms in Dokra (metalwork), terracotta, wood carving, shoal (pith work), straw work, Kantha stitch (traditional quilt art), leather work, jute based work, traditional musical instruments, among others are made by craftspersons and women from local village communities. Karuja does the raw material sourcing, marketing and promotion of Bardhaman art and craft products in different markets.

While Karuja itself plans to spruce up its marketing strategy through running news bulletins, launching journals and publishing coffee table books, such private-public initiatives certainly deserve encouragement at the local level.

Recognition of High Order Skills

Madan is about 55 years old. His prime occupation is in terracotta, which is his family business. He is doing this work for the last 35 years. He now trains about 25 students in the craft. He was helped by the Development Commissioner, Handicraft, to exhibit his craftwork in several cities like Mumbai, Chennai, and Kolkata. He was awarded a state level prize for his work in 1991 which included some cash prize, a certificate and a trophy. The Government's recognition of his art and support of the officials has been an important contributing factor in his improved economic status.

Participatory growth

There is no doubt with the common wisdom that the size of the cake has to grow if there has to be enhanced resources for poverty reduction. At the same time, the pattern of growth must create more opportunities for the poor to enhance their livelihoods at lower risks and costs.

- The poor should have opportunities to partake in the drivers of economic growth: The drivers of the macro growth process must be identified and the poor must be made part of the process through necessary skill training.

For instance, the information technology sector is one driver of growth. Dairy farmers in remote villages in Gujarat have benefited from proper computerized grading and prices for quality milk. PPAs have pointed to problems of people being stuck with dying and non-lucrative trades. Emphasis needs to be laid on developing an inclusive human resource policy with skill retraining for the poor. This would address a fundamental cause of poverty that of lack of opportunities, rather than merely support the poor. Such a measure is strongly mandated by PPAs, which have thrown up several instances of dying trades and irrelevance of the current skills mix of the poor.

For supporting skill-based nonfarm, off-farm activities, and other micro processing activities, the government could provide professional support (professional "change manager") to each village through a conscious process of decision making and a pro-poor mechanism, which can provide the requisite professional support. There is also need to focus on ways to provide professional support for different types of off-farm and nonfarm related activities and build up a pro-poor program for strengthening the

value-chain systems in products produced by the poor and in continuously upgrading these to benefit from horizontal and vertical linkages.

The overriding need for credit

Improvement in the access to credit was rated as a major priority need by the poor uniformly across all locations.

- The poor have expressed lack of accessibility of credit as a major hurdle to improving their livelihood prospects and engaging in work of their choice.

The credit from informal sources such as neighbors and chit-funds is insufficient to start an enterprise, and in the case of money-lenders, their terms are exploitative. Single women and the elderly find it difficult to access credit as their creditworthiness is considered low. Assured and accessible institutional credit facilities are much needed to revitalize the rural and urban economy and provide gainful employment to the entrepreneurial poor, rather than force them into wage labor.

Given the crippling effects of debt on the poor, and the unreasonable interest rates that prevail ranging up to 360% leading to bondage and indebtedness, the urgency of financial sector reforms and innovative financial instruments for the poor is of prime importance.

- Credit is an overriding requirement of the poor and innovative options for delivering credit to the poor in a high risk scenario are necessary.

Credit is a major requirement of the poor and innovative options for delivering credit to the poor in a high risk scenario are necessary. This may include dual interest rates because the higher risk related rates charged will by all means be lower than the rates at which the poor currently access finance. Likewise the period of repayment can bridge over drought cycles after a thorough analysis of the sectors like agriculture where the poor work and require credit. Group initiatives in micro finance have been broadly successful and need to be consolidated upon.

Wage employment

In the current circumstances, wage employment was generally a favored option, provided there was access to it.

Wage employment was generally a favored option, provided there was access to it. The need for equal wages, community validation of lists to prevent contractors from importing and exploiting labor, random check of muster rolls and information displays on wages in panchayat offices were some suggestions from the poor.

- In respect of wage employment, it was suggested that benefits from wage employment programs must be paid in three parts: (i) cash, (ii) food basket and (iii) payments set aside for insurance, medical insurance and social security.

During PPAs, some suggestions of the poor for better impact on livelihoods included:

- Compelling need for second generation land reforms. All village-level land records must be made user-friendly (e.g., by digitization) and made available in a form that is easily understood.
- Provision of land development loans for the poorer families to work upon their lands.
- Assistance in getting consumption loans from banks and 1 year moratorium on interest and loan repayment for settling local trader loans.
- Easy pickup and drop points for farmers to bring their produce to the market.
- Greater access to grazing lands. The panchayats should be allowed to demarcate a piece of land for grazing, wherever available, and the location could be shifted from 1 year to another to allow for regeneration. Access could be based on the actual number of cattle heads owned with preference for the poorest with one or two cattle heads and lesser preference to the well-off with more than six cattle heads.
- Forest dependent BPL families need to be identified and be allowed to enter the forests with valid permits to collect only MFP from the forests.
- A vibrant agricultural sector is needed to sustain off farm and other value added processing activities. Besides the sector constitutes a major area of employment for the poor. This would require breakthroughs in agricultural technologies, especially in dry land conditions, expansion of irrigation, better and more sustainable land and water management practices, marketing

support and credit support. Many of the rural poor derive a significant proportion of their livelihood from livestock, fisheries and from small home gardens.

- Effective public-private-civil society partnerships may be able to help achieve better livelihoods for the poor and also help them to achieve a diversified portfolio.
- Private sector corporate social responsibility and civil society can help pilot model development approaches and initiatives in villages for poverty reduction.
- Various craft groups had suggestions that have been captured in earlier chapters
- Need for an inclusive informal sector policy
- Better information. The poor usually do not have much information on programs. They usually have no idea of how much money comes to the village or is spent by the village Panchayat. They also did not know that they were entitled to demand accounts of these program funds from the sarpanch.
- The poor need to be consulted on the selection and location of assets under the different wage employment programs.
- “Priority assets” need to be constructed for the poor under the wage employment programs.
- The quality and quantity of assets in areas where the poor reside needs to be increased. For example, the number of hand pumps, the length of road paving, streetlights, etc. were much less in areas resided by the poor than in other areas.

Supporting Women’s Productive Activities: There is a need to identify specific ways for women’s active involvement at the local level, helping in better management of the workload, increased efficiency, empowerment of women in terms of human, physical and financial resources and mainstreaming their choices in terms of development interventions. Provision of clean drinking water in the village, water harvesting and storage tanks; provision of dispensaries with health care and reproductive health services; women’s savings and credit groups; women’s training center in agriculture, animal husbandry, child care, sanitation, and other related topics could empower women in terms of productive engagement and need to be consolidated.

The suggestions from the poor and secondary stakeholders in this regard included:

- Register arable land in rural areas in the name of women or jointly (extraneous suggestion by local NGOs)
- Young educated girls from villages be selected as paramedics and as peer educators. This would enhance their involvement and outcomes in health and education.
- Given the role of SHGs in the empowerment of women, these need to be promoted.
- Given the multi tasking nature of women's work, drudgery reduction tools like maize de-seeder, bio gas etc. could be promoted to reduce the workload on women.

Targeting

Given the power equations at the field level targeting remains a major challenge.

Suggestions from the poor and secondary stakeholders:

- Target causes for poverty rather than individuals – create suitable opportunities relating to skill work which mainly the poor will avail.
- Empowerment through group dynamics to be able to raise collective strength
- Proper identification of beneficiaries and random check of lists (this has currently started heading in the desirable direction of smart cards and data base triangulation).

Enabling Environment through Appropriate Physical Infrastructure Investments

Common infrastructure has greatly benefited the poor. Since the poor live in far flung and peripheral areas, infrastructure like roads, electricity, water supply helps lower transport costs, improves access to markets, and offers better livelihood options.

The provision of a critical minimum size of infrastructure not only supports livelihood activities, it also has a significant impact on the quality of lives of the poor. For instance, proper location and arrangement for potable drinking water reduces time of women for water collection and incidence of water-borne diseases; easy access to roads, encourages better communication and trading; and effective irrigation systems help grow dry season crops.

Concerted efforts must be made for community consultations before the laying of village level infrastructure in order to enhance the utility.

- Development initiatives need to build a range of critical minimum infrastructure in selected villages, where there is a large proportion of poor and marginalized groups living.
- Concerted efforts must be made for community consultations before laying of village level infrastructure.

Provision of second generation amenities

There is already an emerging demand for second generation infrastructure in many locations. Investment in these is critical to keep up the pace of development in locations which have already reached a basic level.

- In many semi-urban and urban locations second generation demands for infrastructure are coming up such as high school in the vicinity, high school hostels, proper drainage system, sanitation standards, anti-pollution measures, concrete road, etc.
- Such areas can be targeted to build higher levels of infrastructure with some role for community contributions and user-fee system, wherever feasible.

Appropriate Social Infrastructure Investments

Need for technical knowledge for work flexibility

The development process has thrown up demands for a new set of labor skills. The PPAs found several rigidities in occupational patterns. Retraining and adaptation of the poor to a new set of skills is the most valued education they look to.

Consolidation and accreditation of existing skills in high demand areas like carpentry, plumbing, masonry etc is also essential to enable better returns to labor.

Education

The issue of “cost of education” is an important issue in the minds of poor people, in terms of their perception of the benefits that they think they can get from the education, and the opportunity cost of starting work with their parents in traditional occupations. This came across clearly across all locations and more strongly in relatively prosperous states like Gujarat. This factor also weighs heavily against girls who have to look after younger siblings and tend to house work.

One important reason why the poor do not send their children to school is that they do not find education useful! Though there is a feeling that “education may help in earning money, they do not see any evidence around them. In fact, their children can for instance polish diamond, work on farms, migrate outside for work and earn money without education. They can also work in small factories without any literacy and earn wages. The poor therefore prefer to keep children home for (a) animal grazing, (b) hired wage work, or (c) for taking care of young siblings.

- PPAs clearly reflected the reality that unless education is packaged with skill training of a superior quality that would greatly benefit the poor of the next generation, education may not be a strong selling proposition among the poor. The duration of the investment in education and uncertainty of returns is a major impediment.
- With changing conditions the poor believe that a sound knowledge of English and Computers is required.
- Training in emerging service sector areas is important according to secondary stakeholders.

Educating Children the Hard Way

Ram Das is a 70 year old man who earned his livelihood through fishing in Jorhat. Initially, the income was insufficient to run his family. However, he was determined to provide good education to his children and worked hard toward realizing it. Several times he did fishing throughout the night and sold the produce in the daytime. Due to his efforts all his children are well-established. Today, the daughter works as a lecturer in a college, the sons are working as a teacher, junior engineer and lecturer respectively. The economic status of the family has improved tremendously..

Educated youth till the 10th grade grow up expecting handsome rewards for the higher education which are sadly not available. Neither are they able to go back to manual work nor are they able to settle in better paid options due to the standard “education”. The poor need strong motivation to pursue education at their family level as many a time it requires large sacrifices. Rarely the facilitators came across an instance like the one below.

Health care

The state of the health care system demands urgent reforms. Huge investments have already been made in the public health care system, but its utilization is suboptimal. There are many reasons for this, which range from inadequate funds for medicines, infrastructure and diagnostics; lopsided personnel structure; poor services by doctors and para-medical staff; lack of responsiveness to health needs of the community, and need for better management.

- Improving the quality of the public health care system and bringing it under the supervision of the local community is one way out. Decentralization of hospital management after placing the management under community control may also serve to increase efficiency.
- A thorny issue is that of involving the private sector in in-patient and out-patient care. The private health care system is quite diverse, ranging from traditional healers, quacks, chemists, and registered medical practitioners (RMPs) to qualified medical practitioners (allopathic, Homeopathic, and Ayurvedic). The range of private health institutions is also quite large.
- Public-private partnerships are also an emerging option. There are some models in which public and private partnerships have emerged (as in Pulse Polio and in reproductive health care) and it would be worth while to build synergy between the sectors.
- Adequacy of doctors, drugs, emergency services, diagnostic facilities, women doctors and redefined incentivized service norms are also necessary.
- Preventive efforts should be emphasized in terms of provision of drinking water and sanitation, cleanliness and nutrition.

Urban slum development

Eviction has been stated to be an important criterion contributing toward ill-being. It also has been ranked high in problem prioritization in urban areas along with sanitation. There is an urgent need for a stable slum dweller policy, to free them from the clutches of local lords who expropriate money from them and capitalize on their vulnerability. There should be planned areas for slum clusters and a regular census of new entrants, issue of smart cards, and monitoring by local community organizations.

Adequate provision of basic infrastructure such as roads, drinking water supply, toilets, drainage, sewerage systems, electricity, and other basic amenities have to be made and excessive congestion in sites providing homes to the urban poor has to be reduced. Such infrastructure impacts greatly on the lives of the poor.

- Individual toilets for instance are the number one priority among poor women.
- Along with the provision of infrastructure, its maintenance and affordability to the poor have also to be taken into account.

Strengthening the public distribution system

PDS is a program which is welcomed by the poor in all areas. However, the PDS entails enormous costs at the macro level and its benefits vary regionally. These issues require to be addressed.

However, the efficiency of the program can be enhanced quite significantly by addressing issues relating to the supply chain, introducing greater flexibility in the lifting of grain, addressing problems of retailers and improving their returns, introducing better supervision, supply of good quality grain, flexibility in purchase, and improved coverage of the poor.

Community management or supervision models in terms of implementing the PDS have also shown encouraging results.

Anganwadis

In many states, anganwadis are able to provide supplementary nutrition to a large number of children and expectant mothers. But in some areas, anganwadis cannot cope with the numbers of children. Among the problems that need to be addressed are issues of remuneration to anganwadi workers to cover their direct and indirect costs, problems of excessive workload and paperwork, ceiling on children that they can handle, poor location of balwadis, and issues in handling of ration due to lack of effective supervision and accountability mechanisms.

Responses of Service Providers

Several senior government officials consulted during PPAs, including district collectors and CEOs of Zilla and Janpad panchayats emphasized upon the need for greater awareness about government programs and schemes, capacity building of gram panchayat functionaries, filling up of vacant positions in the frontline government agencies to enable better monitoring of development interventions and approaches like micro-planning.

Many elected representatives of gram panchayats consulted during PPAs lamented their limited powers and high dependence on officials of Janpad panchayats.

Fair-price shop dealers brought to the fore the problems relating to non-provision of surplus stocks to make up for shortfalls in supply of goods and large number of villages serviced by them.

Anganwadi workers lamented irregularities in payment of salaries and reimbursables, and irregular visits of auxiliary nursing staff.

Forest officials consulted during PPAs aspired for greater cooperation from forest-dependent communities in their efforts to conserve forest resources.

Governance and Institutional Framework

There are a plethora of poverty reduction initiatives which target poor people or areas with extremely poor resource endowments, and have a large potential in transforming the lives of poor people. The PPAs show many instances when enabling conditions have been right and impact has been considerable.

There are also many factors which impinge on the performance of these interventions. These include

- (a) the functioning of local institutions which are responsible for many functions including the identification of the potential poor beneficiaries; planning and supervision;
- (b) the mobilization of the poor and their self-organization, including in SHGs;
- (c) the role of facilitating organizations, including government, community based organizations, private players; and
- (d) the design of the interventions which includes the extent to which they can flexibly deal with the varying contexts of poverty.

Strengthening governance institutions

The system of governance at all levels and almost in all spheres has to be improved and has to provide room for the needs, aspirations and voices of the poor, far more effectively than has been the case so far.

Improving local governance

The formal systems of local self-governance (rural and urban local bodies) have been bestowed with considerable powers, functions and responsibilities and form one set of institutions which impact on the lives of the poor, both indirectly and directly. Although the functioning of these institutions varies considerably between and within states, much more needs to be done to ensure that local governance institutions function effectively in carrying out their pro-poor responsibilities.

Views of the poor on what needs to be done to strengthen decentralized decision-making are diverse. During the PPAs, people opined that:

- Communities should be allowed to make their own plans for development
- Funds to be allocated based on these plans (micro-plans) and not tied to something that may not be required in the particular ward.
- An important suggestion (secondary stakeholders) was that the local bodies should be encouraged to raise their own financial resources which will give them more freedom in its spending per the local requirements.
- Panchayat elections should not be party based or party supported and should be solely on the merits of individual contenders.
- Panchayat functionaries need to be trained for developmental, administrative and financial roles. Leadership training, with inputs on aspects like handling of accounts, gender sensitization, scope of various schemes, etc. should be especially provided to women sarpanches and to elected representatives belonging to socially deprived groups.
- An important weakness of the panchayats – even in states where devolution has made significant headway - appears to be lack of capacity in planning, monitoring and evaluating projects. This capacity needs to be built up using both governmental and nongovernmental resources.

- Before the panchayats call for another Gram Sabha, the second rule of quorum (adjournment and second meeting) needs to be modified to say that at least 60% of the voters need to be present. This will help in identifying only such issues that are a priority for the people and will not allow the panchayats to pursue their own ends.
- Issue based meetings to be held and not all themes should be mixed together.
- Meetings should be held at times and places that are convenient to the population. Simple rules of business should be enunciated and followed. For instance, the date, time and venue of all panchayat meetings must be determined and communicated in advance, and concerned functionaries must be held accountable for non-holding of meetings.
- Any scheme endorsed by the Panchayat needs to be operationalized within a month and not the minimum of one year that it takes.
- The accountability of both elected and nonelected (bureaucratic) functionaries must be increased through checks and balances.
- Systems of social audit need to be promoted, making it mandatory for panchayats to account for expenditure incurred and to justify the selection of beneficiaries under various schemes and programs. Visual forms of depiction of schemes and accounts can be used.

The PPAs show that a Government-people partnership can help ensure that democratic norms are observed, transparency is maintained, and functionaries work effectively and are accountable. The example given below shows how with small but clear changes, the access of people to the panchayat functionaries can be increased on a regular basis. The net result is that panchayat functionaries can function more effectively and with greater transparency.

Establishment of Village Secretariats

Establishment of village secretariats in gram panchayat buildings has improved accessibility to panchayat functionaries in some villages. This has also created a significant opportunity for people to access relevant information relating to government schemes and interventions. The panchayats and village secretariats are required to operate out of their village-based offices and update records relating to all government works in the panchayat.

Enhancing service delivery

Rather than rely on administrative reports which are filed away, holding of review meetings in remote locations by senior officers can lead to quicker redress of problems. Such community based reviews (Jan sunwais) by community based organizations also result in better understanding and addressing of the problems of the poor.

Holding of Review Meetings by Senior Officers in Remote Villages

The poor were highly appreciative of the initiatives of district administrations to conduct periodic review meetings to monitor the performance of government schemes and programs in remote villages. These meetings carried out in the presence of representatives of various line departments and service providers have been very useful. Such has been the impact of this initiative, that poor villagers even borrow money to travel to the location of meeting whenever these are being held in locations accessible from their village.

The poor were highly appreciative of the initiatives of district administrations to conduct periodic review meetings to monitor the performance of government schemes and programs in remote villages.

In many locations alternate forms of governance and community empowerment have led to enhanced impacts on access to services.

- SHGs have been entrusted with a wide range of development functions including group farming, water management, and management of public distribution system outlets with good results.
- Similarly, better results have been observed when panchayats and cooperatives have taken the responsibility of managing the public distribution system outlets.

Speedier disposal of court cases

During the PPAs, several cases of disputes leading to protracted court cases came to light, which were thought to be particularly disadvantageous to the poor. Greater sensitization of judicial systems is urgently required to guard against avoidable expenditure in prolonged litigation.

Engaging Community-based Organizations and SHGs with Management of Key Services like PDS

This SHG was set up in July 2003 under a tribal development program supported by the International Fund for Agriculture and Development (IFAD). The group - rated as an efficient SHG in the region by the Zilla Panchayat - has been undertaking a wide range of development activities including collective farming, rainwater harvesting, and construction of field channels. It was also entrusted with management of PDS in Khardana panchayat in Jashpur. Similarly, in places where PDS is managed by local panchayats and community based groups, it has become much more convenient for the local villagers to lift their quotas on time.

At the same time, alternative dispute resolution mechanisms exist and have been acknowledged by the poor. These include family courts, Nyaya panchayats, and traditional panchayats. These need to be assessed and streamlined.

Law and order

The maintenance of law and order is a critical responsibility of the State. The law and order machinery is the first port of call if there is an infringement of legal rights. The PPAs show the police as an institution with which the poor interact with considerable apprehension and rate quite poorly. The institution is still guided by archaic rules and concepts, which have not kept pace with the transformation of Indian democracy. Thus police reforms and sensitization of the police force to deal with complaints involving the poor need urgent priority.

Conflict and poverty

Some of the areas covered by the PPAs are embroiled in conflict. In some cases, the issues at stake are the denial of basic rights to sections of the poor, who are identified by their ethnic identity or religion. The conflict also disrupts processes of development and introduces new forms of insecurity. A critical task of governance is to bring peace and stability in the lives of the poor.

Responsive institutions

The responsiveness of the institutions of governance to problems faced by the poor can have a salutary effect in terms of raising the credibility of these institutions and in helping find solutions through suitable interventions. In the PPAs, weekly meetings by officials in far-flung localities in some of the States, where they listen to the problems of the poor and try to find on-the spot solutions have been extremely well regarded by the poor. On the other hand, there are also cases, where the officials have disregarded individual and collective petitions and legitimate decisions taken by constitutional bodies such as groups of village panchayats, leading to erosion of confidence and unrest. It should be possible to systematically generalize the responsive models of administration, and to extend this model not only to the administration but to all public institutions with which the poor interact.

Empowerment

Empowerment has resulted, among others, from collective mobilization of the poor around political, social and economic goals. It has led to greater self-dignity and conscious efforts by the poor to overcome constraints and pursue certain objectives. It has also put pressure on the institutions of governance to respond to the demands emanating from below.

SHGs and Collective Action Against Social Exploitation (Crusade against alcoholism and domestic violence)

Alcoholism is a rampant problem especially amongst the male population in many villages. The male members of the household do not contribute their earning toward household expenditure. In addition, they forcefully snatch their wife's earnings when they run short of money for drinking. Women have also been victims of severe domestic violence. The women members in E village became united after the formation of a SHG and started a movement against alcoholism and domestic violence. Now they immediately rush to households where there is domestic violence or men are drunk. They adopt multiple on-the-spot approaches to solve the problem such as punishing drunkards; going and reporting to the local police station about domestic violence and drinking; storming local government offices; blocking normal work of panchayats, block office, and the collector's office; and demanding their intervention to close liquor shops adjacent to their village.

In the PPAs, such mobilization is seen to occur in diverse ways. In many areas, women's SHGs have been able to forge a collective platform to question social practices and to demand public goods. They have also promoted efficient service delivery.

Consolidation and promotion of such initiatives for mobilization will significantly benefit the poor.

Support private initiatives: The economies of the poor are embedded in a web of market transactions, the scope of which has rapidly increased. Private initiatives have also now increased in scope, extending from markets to provision of technologies, extension services and information.

The basic issue is how the poor, who are small players, can take advantage of growing domestic and global markets, without substantially increasing their risks and vulnerability. This involves innovative role of their own associations, of the State, and of various types of safety nets.

The nongovernmental sector is also increasingly playing an important role in supporting institution building, strengthening capacity, social empowerment, and facilitating the livelihoods of poor people. However, their coverage is relatively limited and uneven.

Given the strengths and weaknesses of various sectors, there is a need to synergizing the strengths of the various actors to enable the poor to overcome poverty.

Social Security, Social Protection and Core Labor Standards

The living and working conditions of the poor – which carry large risks, imply that the poor need formal social security mechanisms, which can provide a cushion in times of illness, untimely death and accidents, and retirement.

- Due to social acceptance by certain segments, social dominance, lack of wage earning and credit alternatives, practices such as forced labor and child work do not get identified easily. The victims of these practices are often in a vicious cycle of lack of livelihood options and debt which traps them in their existing condition. Exclusive surveys could perhaps be commissioned to specifically identify people engaged under such exploitative conditions. Special support should be provided on a priority basis to people subjected to such conditions. Community-based credit systems (e.g., SHGs/grain banks/seed banks/fodder banks, etc.) need to be promoted and supported at a wide scale involving people who are not credit-worthy.

- Specific interventions are needed for migrant laborers. Specific interventions could include identification of urban areas attracting large number of migrants, and providing basic services like drinking water, primary education and primary health care facilities in a concentrated way.
- Additional interventions are needed for seasonally migrant labor who are among the most vulnerable sections and who often lack entitlements both in their areas of origin and in the areas to which they migrate.
- The need for social security and social insurance was greatly felt by the poor. PPA interactions brought out several instances of exclusion of extremely poor households from the various social security schemes as the schemes are few and are monopolized by the powerful and the influential.
- There is urgency for an Informal sector policy to address the legitimacy of informal sector workers and provide access to organization and credit. If well organized, hawking could be regulated and some of the money which goes at present to unauthorized elements could be diverted to the Municipality, thus making the informal sector contribute to the economy. This will prevent harassment of the poor and enhance state revenues.

Problems of the Aged Poor

There is a high proportion of elderly lacking family support due to migration and other factors. These old people have to fend for themselves, take up cattle grazing for others, or even resort to begging. In some cases, they have been deserted on account of their being considered a burden on younger people. Although the coverage of the schemes of old age pensions (OAP) and Annapurna were limited, they were considered very important by the few beneficiaries.

In view of the delays in processing of applications and sanctioning of social security benefits, standards of time need to be specified for each stage of processing, exceeding which could be deemed as an act of inefficiency of the concerned processing authority.

Several states have pioneered social security schemes.

Old Age Pension – Not the Time to Wait

While the coverage of schemes like Annapurna Yojana and other social security benefits (old age pension and widow pension) was found to be too limited, these schemes were rated to be extremely important and life-saving by the elderly people consulted during the PPAs. The few people who benefited under these schemes were by and large found to be from the lowest well-being category defined by the poor in the PPA sites. However, the process of formalizing one's claim for receiving such support and the process of sanctioning the same is often too time-consuming, costly and cumbersome for the poor (see case study below). In some sites poor elderly women recalled several instances wherein the payments of pension were not timely, and the secretary had occasionally used his discretion to pay the pension amount in equivalent terms in kind. Increasing the magnitude of the benefits and bringing more and more destitute people under the folds of these schemes were two of the commonest aspirations of the elderly people.

Activity	Cost & time
A Application submitted in panchayat; 10 months after death of her pensioner husband. Asked by secretary a week later to lodge report of husband's death in the police station	1 week
B Report lodged in the police station	Rs100/- bribe & 1 day
C Documents submitted in the panchayat	1 week later
D Application & documents forwarded by panchayat to the Janpad panchayat, 10 days later	Rs50/- (bribe) 10 days
E Visit to the Janpad panchayat a month later, along with secretary, to put her thumb impression on pension form	Rs150/- (cost of form) Rs50/- (transportation)
F Documents forwarded to Zilla panchayat	1 month
G Successive enquiries in the village panchayat about status of the case - only to be told, "sanction not received yet from Zilla Panchayat!"	

Innovative Approaches to Social Security

There are few social security schemes for workers in the informal sector. West Bengal (GoWB) introduced a Provident Fund for Agricultural Laborers (PROFLAL) scheme in 1998. The eligible subscribers to the scheme have to deposit Rs10/- per month and GoWB contributes an equal amount until such time the subscribers attain the age of 50 years, when the accumulated amount along with interest is paid to the latter. During the field study, it was assessed that the coverage and awareness of the scheme varied between the study districts but found favor overall.

Reducing Sporadic Poverty

Minimizing adverse impacts of drought, flood and natural disasters

Natural Disasters increase the vulnerability of poor people and their occurrence pushes people deeper into poverty. Hence strategies are needed to reduce their impact, to help poor people cope with disasters once they occur, and to regenerate livelihoods as quickly as possible. For drought prone and flood prone villages, supportive strategies for irrigated paddy, dry season crops, agro forestry, horticulture, livestock and poultry, NTFP and cash crops are important not only as coping strategies but also for poverty reduction. In areas where land erosion is a major problem, the affected communities have asked for a more robust system of tackling land erosion and related problems such as loss of livelihood and displacement.

Assurance of an alternate livelihood, credit facilities, schemes to improve land productivity and develop horticulture, plantation of minor forest and access to land documents are some of the demands voiced by the resettled communities.

Strengthening Safeguards against adverse impact of large projects and Sudden Closures

The PPA has brought to the fore several instances of exclusion of the poor from basic services on account of displacement from their natural base caused by large projects. The whole policy framework within which displacements are carried out and rehabilitation measures are administered needs to be reviewed.

During interactions with the poor affected by large projects, the following necessities emerged very strongly:

- Occupancy of any part of village land, be it agricultural land or habitation area, should be directly negotiated in gram sabha meetings and the compensation arrangements must also be ratified by the gram sabha.
- Displacements should be undertaken only after payment of full compensation to the affected poor, and certainly not until all legal disputes are resolved.
- Rehabilitation sites must ensure availability of all basic services and amenities in fully functional state, and availability of viable livelihood opportunities to offset the losses of displacement.
- Compensatory livelihood options should not carry gender-biases (e.g., extend opportunities only to able-bodied males).

PPAs- building social capital

Social mobilization of the poor and acquiring social capital appear to be a key route through which the poor can capitalize on building their own resources and on maximizing the pro-poor impact of development programs. How can the social capital with the poor be promoted? How can the poor be empowered so that their networks help them in securing benefits of different kinds? Consultations with the poor suggest the following:

- **Attacking Dependency:** As long as the poor are dependent on the rich or the elite, and exploited by them, the poor will not be empowered. It is important for the poor to therefore get organized in a way that their organization plugs the sources of their exploitation and enables them to stand on their own.
- **Specialized Associations:** Another social capital or organization form, which has helped the poor, is organization around natural resources. Pani Panchayat (for water), Joint Forest Management or Watershed development societies have empowered the poor by giving them work and assets on the one hand and collective strength on the other hand.
- **Caste:** Interactions with the poor suggest that the caste system serves as a “protective” social capital, providing security and a community feeling to the poor. It gives them an identity and a sense of belonging. The system provides a wider support group

among the poor, than the family, and it provides a social life in which all members can participate. They enjoy a place of respect in their own respective castes. In certain cases, castes provide social security (if they can afford), provide help in social functions and support in family crisis. This points to a need for alternate systems of social security and social capital to facilitate social changes.

- **SHGs:** One important organization that has empowered the poor is the SHG. The poor are able to face crises without getting exploited as SHGs allow them to borrow money at reasonable terms (as compared to the terms of private moneylenders). Food banks also serve the goal of food security. SHGs have served as a great source of alternate governance in managing public distribution system outlets and services for the poor.

Self-help Groups, the Organized Social Capital

SHGs are emerging as a dominant route for developing women's capacity in many villages. Participatory assessments on the strengths and limitations of such SHGs suggest that through SHGs, many women have come together with a feeling of like-minded camaraderie and social bonding. Good leadership as a factor has also emerged in many SHGs and has paved the way for organized group work, group perseverance and getting institutional support. SHGs have encouraged thrift, entrepreneurship and skill building among the women members and have provided opportunities for productive investment. Women SHG members have taken up social issues such as an anti-alcohol campaign. SHGs have also provided a ready platform for convergence of development activities such as health schemes, capacity building activities, cooking midday meals, sanitation, taking polio drops, family welfare schemes, etc.

Men's SHGs as well as mixed SHGs have been coming up in different areas. Groups have taken up service contracts. Some have set up poultry farms, while a few have even ventured into sophisticated manufacturing of items such as cement pillars, detergents and batteries. Such initiatives need to be encouraged and sustained.

However many SHGs still need to reach the stage of group-initiated development activities without outside support. Ways of institutional linking and integration of SHGs with Panchayat bodies also need to be evolved.

PPAs - addressing social roots of deprivation and gender deprivation

As the PPAs attest, the social roots of deprivation (both on the lines of caste and gender) run deep and constrain opportunities available to socially deprived groups. A multi-pronged initiative is needed to address this deprivation, which should take into account the fact that social deprivation may become culturally embedded even in the victims of deprivation, making their mainstreaming even more difficult.

- Policy to strengthen socio-economic empowerment of marginalized and socially excluded groups through appropriate investment, training and opportunities needs to be planned in a participatory and creative manner.
- There should be a large scale gender-sensitization campaign which should target public functionaries in the first instance. Existing groups of women (e.g., SHGs / mahila mandals, etc.) need to be sensitized to act against instances of gender discrimination faced by women.
- The implementation of existing laws on violence against women, domestic violence, sex-selective abortions, and foeticides should be closely monitored.

Addressing Expenditure patterns

The expenditure patterns of the poor need to be reviewed and options provided for better expenditure management.

Awareness to minimize expenditure on alcohol and social occasions needs to be facilitated through counseling and punitive measures against social evils. Better nutrition awareness and use of local resources needs to be encouraged.

Micro finance initiatives have helped enhance savings and contingency measures. Insurance and social security schemes targeted at the poor may help re-appropriate some of their income towards productive future use.

Chapter 9

Epilogue

Where Do We Go From Here?

Poverty continues to persist. Economic, social, structural, institutional, cultural, and several other rigidities exist and prevent sections of the poor from entering the development circle. New entrants keep joining the ranks of the poor due to natural and developmental disasters and processes. Many also move out of poverty. This includes those who are in and out of poverty in cycles. There is hope for each of the poor.

The very positive outcome of the PPAs, which are based on a feedback from the poor, is that they endorse some of the current directions in policy and approaches to poverty reduction. The PPAs show that fresh opportunities have been created and the poor have availed themselves of these, thus pulling themselves out of the mire of poverty. This is very encouraging.

The PPAs also point to consolidating some priorities which will go a long way in carrying the mission forward:

- Provision of Credit and financial sector reforms to promote inclusiveness which has been identified as a major priority by the poor
- Skill formation and training in sectors that are emerging drivers of growth based on the impoverishment of those in dying conventional trades and low paid manual employment.
- Proper identification of the poor
- Focus on enhancing on farm productivity and off farm opportunities
- High priority to drinking water and sanitation

- Strengthening local institutions, with stress on participation and accountability,
- Fostering better expenditure patterns among the poor to ensure that the demand side dynamics of poverty is also taken care of along with the supply side.

More can clearly be done by keeping the poor at the center stage of the development process by harnessing their potential and facilitating and supporting their development (through governmental and nongovernmental, public and private initiatives) to close existing gaps and to create a proper enabling environment to eliminate poverty and deprivation. We are grateful to all the poor and other stakeholders who have shared their experiences through the participatory poverty assessments. We hope that the directions of development will throw up opportunities for accelerated movement out of poverty.

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ADB aims to improve the welfare of the people in the Asia and Pacific region, particularly the nearly 1.9 billion who live on less than \$2 a day. Despite many success stories, the region remains home to two thirds of the world's poor. ADB is a multilateral development finance institution owned by 67 members, 48 from the region and 19 from other parts of the globe. ADB's vision is a region free of poverty. Its mission is to help its developing member countries reduce poverty and improve their quality of life.

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