FACTS against MYTHS

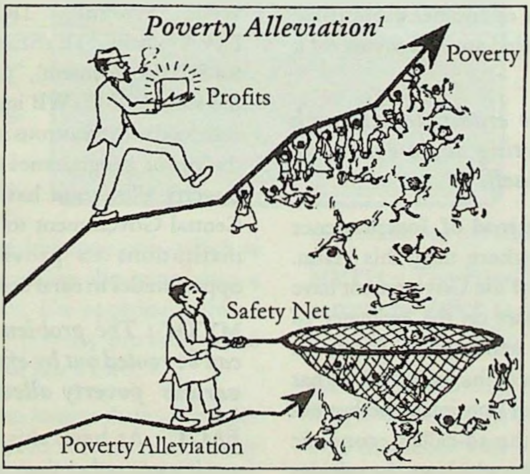
VIKAS ADHYAYAN KENDRA | Vol V # 6/99 | INFORMATION BULLETIN

The Development Alibi : The Poverty Line Myth- II

COMMENT

On gaining Independence one of the paramount tasks of the new government was tackling mass poverty. In the following decades, however,the aspiration was sidelined. When the Constitution of free India was framed the right of each Indian citizen to a secure livelihood and to human dignity as inalienable right was not included but relegated to the Directive Principles of State Policy. These Principles are a laudable albeit unattainable ideals at best; not binding, time-bound decisions. After Independence, however, the intensity and fervour with which the struggle for Independence had been waged began to fade.

By 1950 the ruling bloc began to realise that the rhetoric had to give way to responsible action in the realm of self-governance; that the issue of poverty would have to be the facade that the Constitution would maintain while the business of the government would have an agenda of its own. Poverty eradication, thus, became a separate and stand-alone item on the government agenda when it became evident that the economic development programme worked out in the Five Year Plans failed to address the issue as was required and would not be able to make an impact on the growing numbers of the poor. By this time Development had already gone astray and parted ways with the goal of emancipating the masses from poverty and misery a situation that has not changed in any significant manner for the better. From here on poverty eradication was set up as a separate agenda for which funds were separately allocated. But not surprisingly it was soon replaced by "poverty alleviation", reflecting the myth that poverty in India cannot be eradicated.



Poverty as a major social concern emerged during the colonial era and since then India has taken the lead in poverty studies. The debates on it, however, originated in the tradition of poverty measurement in 19th century Britain where moral divisions among the poor overlapped with the introduction of 'scientific' measurement. The tradition viewed the poor as incapable and irresponsible, and therefore accountable for their own plight; and also as passive but potentially dangerous if organised by external forces. Such conceptualization necessarily feed into and direct policy making, because even in our so-called modern society value judgments still determine to a large extent how policy is made. "If poverty studies argue that the poor are incapable and need to be lifted, raised or levitated above the poverty line, anti-poverty programmes become blunt instruments which aim to haul the poor to a given income. If poverty studies argue that the poor are dangerous, anti-poverty programmes become instruments of social control."[2]

Given its changed position on tackling mass poverty the Indian State has failed to have the political will to address the socio-economic disparities. It opted to pursue the soft alternative of just managing poverty rather than eradicating it whereby it has hoped to reconcile its fundamental goals of accumulation, legitimacy, and the maintenance of social and political harmony. "...Fundamentally, the Indian state is committed in doing as much as it can to resolve the poverty problem but without rocking the boat..."[3] It has since been concerned with merely reducing the human to the statistical level. Through the poverty line for instance. The formulation is the major focus of any approach to development and almost all analysis indeed continue to delineate the poor as a set of statistics, ignoring all but their number, income levels and nutritional intake, etc. The very precision of the criteria, however, belies the fact that the selection of a poverty line by distinguishing those who are declared to be poor from those who are not is thus essentially a political act[4]

Shifting the poverty line up or down by a few rupees has implications for the number of people included in each category and on their eligibility for certain kinds of public assistance.

The imaginary line is intended to separate those who fall below it — the absolutely poor — from the relatively poor who are measured in relation to the incomes of the rest of society (e.g. the lowest quintile). The latter also refers to the political relevance of income inequality in the economy and to income redistribution policies rather than direct interventions.[4] All such and other attempts to reduce the omnibus category of"poverty" to one or another quantifiable "indicator" needs to be clarified and the myths on it shattered.

MYTH : ***Poverty can be eradicated through reforms within the existing socio-economic structures of the country itself.***

FACT : 50 years down the road of Independence India is yet to arrive anywhere near this claim. Development programmes of the Government have failed to make a major impact on the incidence of poverty. Despite the living standards of numerous rural families having improved, the overall effect has been a failure. Poverty has not only increased but has since worsened owing to the so-called economic reforms of the 90s evidence to which are the suicides by farmers. (See Box above)

Farmer's Suicides[5]

Between December 1997 and March 1998 there have reports of 300 suicides by farmers in Andhra Pradesh alone (90 per cent of which are concentrated in the Telegana areas). The rest of the country, Karnataka, Maharastra and more specifically Punjab also reported similar large-scale desperate irreversible response by peasants both from backward and richer regions. Most of those who committed suicide were small and marginal farmers growing cotton, sunflower and groundnut. This has been made out to be a result of a 'natural crisis' of either less than normal rainfall or attack from pests which destroyed crops and leaving the poor farmers no choice but to take the tragic decision in the face of heavy indebtedness. But these deaths were a direct result of the policies followed by the government in the name of economic reforms.

The stand that poverty can be eradicated within the existing socio-economic system — the approaches to all-round development — compromises its efforts right from the very outset. Such traditional approach is nothing but an endeavour to play around with one concept after the other with the hope that the next will be successful. As is now well known, these hopes have been largely belied. Community development programmes, Cooperatives, SITRA (Supply of Improved Tool Kits), DWCRA (Development of Women & Children in Rural Areas), MWS (Million Wells Scheme), IRDP (Integrated Rural Development), TRYSEM (Training for Rural Youth for Self Employment), "Green Revolution", including the various IMF/WB imposed "strategies" have all collapsed with disastrous results in some cases. Recently, the major programmes for rural development and poverty alleviation has been re-structured by the Central Government to involve the Panchayati Raj institutions to providing more employment opportunities in rural areas.

MYTH : ***The problem of India's mass poverty can be rooted out by effectively implementing the various poverty alleviation programmes.***

FACT : At best, this is a strategy that merely ameliorates rather than eradicates mass poverty. Just consider the levels of production worldwide and patterns of over-consumption in various parts of the world, especially in the North, it is unacceptable that poverty 'alleviation' rather than 'eradication' is the predominant concern of Governments, NGOs including UN and other related agencies. Yet, since the late 1980s, "poverty alleviation" has become a "conditionality" of World Bank loan agreements. "Poverty alleviation" supports the objective of debt-servicing: "sustainable poverty reduction" and is predicated on slashing social-sector budgets and redirecting expenditure on a selective and token basis "in favour of the poor". These are meant to provide "a flexible mechanism" for "managing poverty" while at the same time dismantling the state's public finances. The poor are defined in this framework as "target groups". So-called "targeted programmes" earmarked "to help the poor" combined with "cost recovery" and the "privatization" of health and educational services are said to constitute "a more efficient" way of delivering social programmes.

In January 1979, a Task Force came up with a methodology for estimating the incidence of poverty that has been used by the Planning Commission ever since. That was the 'Task Force on Projection of Minimum Needs and Effective Consumption Demand'. It defined the poverty line as the per capita expenditure level at which the average calorie intake was 2,435 calories and 2,095 calories for a person in rural and urban areas respectively. It considered norms recommended by the Nutrition Expert Group of 1968. Using these, it estimate the average daily per capita requirements of people in urban and urban areas based on age, sex, and occupational structured of the population. For convenience, it rounded off the calories norms to 2,400 calories and 2,100 calories per person per day for rural and urban areas.

The Planning Commission uses survey conducted by the Government's National Sample Survey Organisation (NSSO) every five years on the consumption patterns of over 5000,000 households across the country. From these, that expenditure group is selected whose spending on food affords 2,400 calories and 2,100 calories a day for a rural and urban person respectively. So the per capita expenditure of this group becomes the 'line'. All groups whose spending is below this are below the poverty line.

In common parlance, to alleviate a condition is to ease it, to reduce it — like lessening pain, which is usually a symptom of something else rather than a fundamental condition. Or, like applying balm to relieve pain alleviation of poverty provides some relief to the beneficiaries but not a cure.

Ultimately, this means that as long as there are people living in poverty and misery, action to alleviate poverty not only has a welcome place but has become a vibrant growth industry today! Moreover, in spite of failures in tackling poverty the government continues to launch anti-poverty programmes raising allocations year after year. The reason, obviously, is the government wants the money allocated for these programmes to be doled out to the intermediaries, the non-poor middlemen, one of the biggest sources of corruption the country. Why? "Because these middlemen have the muscle power to get politicians a few votes at the time of the elections..."

Evidently, poverty alleviation has an important political connotation. It is an important tool in which the ruling bloc try to deal with a potentially serious political situation. Large amounts of public money have traditionally been allocated to this sector because of its relevance in maintaining the political equilibrium without which the remaining activities of the state cannot be maintained. In this sense, the poverty alleviation programme is presented as an alibi for authentic development, and as such, is counter to the march of progress.

Finally, this strategy begs the question whether it is true the poor have always been with us and should they continue to be with us so that alleviating their condition can continue?

MYTH : *The Poverty Line measurement is the correct yardstick to know the nature and depth of poverty in India.*

FACT : On decoding, the poverty line yardstick means that, assuming a person belonging to a rural household of 5 members with a total monthly consumption which is less than Rs. 1,145 a month (individual: Rs.229) the person is below the poverty line. But even being slightly over that in no way solves the person's poverty. It nevertheless satisfies official criteria — and places the person above the 'line'.

In India the first attempt at defining a poverty line was in 1957 at the Indian Labour Conference. In 1962 a working group of eminent economists and social thinkers tried to draw up one after considering the recommendations of the Nutrition Advisory Committee of the ICMR (Indian Council of Medical Research) on a balanced diet. It however excluded items like expenditure on health and education from the 'national minimum' leaving these as the responsibility to the State, constitutionally bound to provide these to its citizens. Ever since, the State has been continuously failing to fulfill these responsibilities as in other similar obligations. Yet, the calorie norm and private consumer expenditure is steadfastly adhered to!

This measurement of poverty has however come in for sever criticism resulting in an expert committee being set up in 1989 by the Planning Commission to study this methodology. In 1993, the Committee submitted a report with several suggestions which, if adopted, the nur ɔer of people below the poverty line would increase sharply. For instance, there was a huge gap in the number of poor as estimated by the old methods and those used by the expert group. For 1987-88, the group's figure of those below the poverty line was 312 million, against the 237 million arrived at by the old methods. But the Planning Commission rejected the recommendations of the group. So the movement of huge numbers of people above or below the 'line' can often bear little relation to ground reality. It can happen simply owing to changes in methods of calculation. The expert group recognised the 'continued necessity and utility of poverty estimation'.[6] But it drew attention to several limitations of the existing approach. It noted that

- The poverty line provides the conceptual rationalisation for looking at the poor as a 'category' to be taken care of through targeted ameliorative programmes, ignoring structural inequalities and other factors which generate, sustain, and reproduce poverty;
- The poverty line, quantified as a number, is reductionist. It does not capture important aspects of poverty — ill-health, low educational achievements, geographical location, ineffective access to law, powerlessness in civil society, caste and/or gender-based disadvantages;
- The head-count ratio based on the poverty line 'does not capture the severity of poverty in terms of the poverty deficit (total shortfall from the poverty line) or additional the distribution of consumption expenditure among the poor;
- In a country of India's size and diversity, a poverty line based on aggregation at all-India level ignores state-specific variations in consumption patters and/or prices;
- The notion of 'absolute poverty' is inadequate because 'relative poverty' is also an equally important aspect of poverty and is, in fact, a determinant of absolute poverty at given level of national income. More generally, the concepts of inequality and poverty, although distinct, need to be constantly viewed together as closely associated concepts;
- It does not 'take into account items of social consumption such as basic education and health, drinking water supply, sanitation, environmental standards, etc., in terms of normative requirements or effective access'.

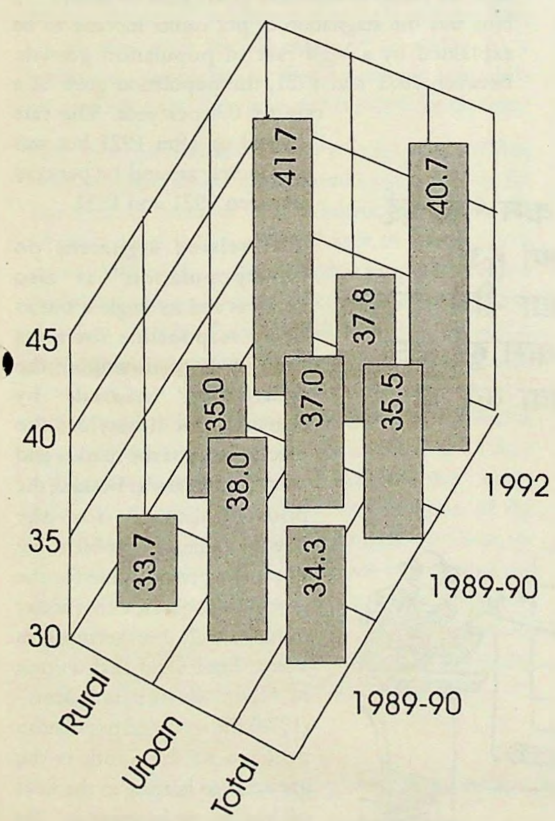
Specifically, the calorie consumption concept underestimates the poverty because it calculates only the consumption of food articles, neglecting other basic necessities of life. The concept is also seriously constradicted when it assumes that the contents of food remain the same throughout the country. As stated above, the staple diet itself changes from state to state as well as its prices. The above observations make for very disturbing conclusions, viz., that by merely re-defining the poverty line the proportion of the poor can be virtually reduced as if by one wave of the wand. Moreover, in the past, whenever the estimates of the NSSO contradicted the claims of the Planning Commission, it was the habit of the government spokesmen to dismiss this with the argument that the NSSO estimates were unreliable or that the methodologies of successive survey were not comparable.

In the mid-sixties the Planning Commission had come up with a brainwave — it established a new methodology to derive fantastic results, "...Noting that the estimate of aggregate consumption by the NSSO is significantly lower than those of the CSO,(Central Statistical Organisation) the Planning Commission decided to "blow up" the figures in such a way that the poverty ratio falls below 20 per cent. And thus *it would appear that India is no poorer than the USA...*"[1]

MYTH : *The number of poor living below the poverty line in India has come down to around 19%.*

FACT : This is an illustration of how, through the manipulation of figures, such a formulation is arrived at! It emanates from none other than the Government's statistical survey, the Economic Survey 1995-96. It informs that around 168.5 m. people had levels of food consumption that were less than the minimum required for sustenance. It is claimed that over the space of 7 years, 70 m. people were lifted out of poverty and that there were no "new" poor in spite of the population having risen from 795 m. to 889 m. between 1987-88 and 1993-94. But an expert group, appointed by the Planning Commission itself, using an alternative methodology, had estimated the incidence of poverty in 1987-88 at 38 per cent — much more than the Planning Commission's estimate of 30 per cent. In fact, using this alternative methodology, it will be noted that poverty has actually risen during the reform process as shown below.

Percentage below Poverty Line[1]



Source: EPW, June 3, 1995

This means that to arrive at this figure of 19 per cent, though not deliberately, the Planning Commission had adjusted the NSS data with the much higher income data of the CSO. But P. Shastri in the *Outlook* magazine (25-12-1996) citing the NCAER study showed that "The problem of using state domestic product data is that it includes productivity of machines too and is consequently much higher. It's not survey data. This is done on the plea that the poor tend to understate their consumption. That's wrong, only the rich do that. Secondly, the last Commission estimate came out of a much smaller sample of NSS (50th round) compared to the five-yearly samples of 1.5 lakh people. As a result, the disparity between the actual observed expenditure and state incomes is growing. And poverty is falling dramatically". The NCAER study shows how the figure for rural poverty as 39 percent in 1993-94 (poverty line equals Rs.2,944 per year), a little higher than the new estimates. It noted that poverty has increased in intensity — the Amartya Sen index for India is only 0.18. For instance, 16 per cent of the poor have a daily income of Rs.3 and another 18 per cent get Rs. 5.5.

This analysis points out that methodological differences *do* produce differences in the estimates but to state that the thesis is not intrinsic to just India is meaningless. The poor who notice people gulping half a dozen bottles of mineral water wish to know if s/he could buy one single bottle of 'Bisleri' with the whole of consumption expenditure equivalent to the poverty line? If s/he does, s/he will have to live on water only!

It is obvious that utter confusion typifies the issue of poverty estimates. To further illustrate this confusion the Indian Express (9-3-98) showed how the Congress government in 1998 announced that poverty had reduced by 11 per cent between 1987-1988 to 1993-94. But later when the United Front took over, the figures were revised to a mere 2.89 per cent fall. But to another study, carried out by the Indian Statistical Institute, showed that during the same period the actual fall was 6.26 per cent — more than what the UF said but less than what Congress claimed. The estimates were arrived at by using the same data?!

Evidently, despite laws and amendments and various poverty elimination and rural development schemes no significant impact has been made on poverty. The Government's entire programme on poverty alleviation has concentrated on juggling the poverty figures to prove that the percentage of Indian people living below the poverty line has been decreasing. This juggling itself shows the callousness of the government and its agencies, who measure poverty levels on the basis of whether people can get a minimum amount of calories. The poverty line is already fixed at a low level of consumption. It is estimated that about 1,800 kcal are spent just in maintaining the human body[1] and engage in light physical activity. For heavy physical labour, the requirements can be high as 3,200 kcal.

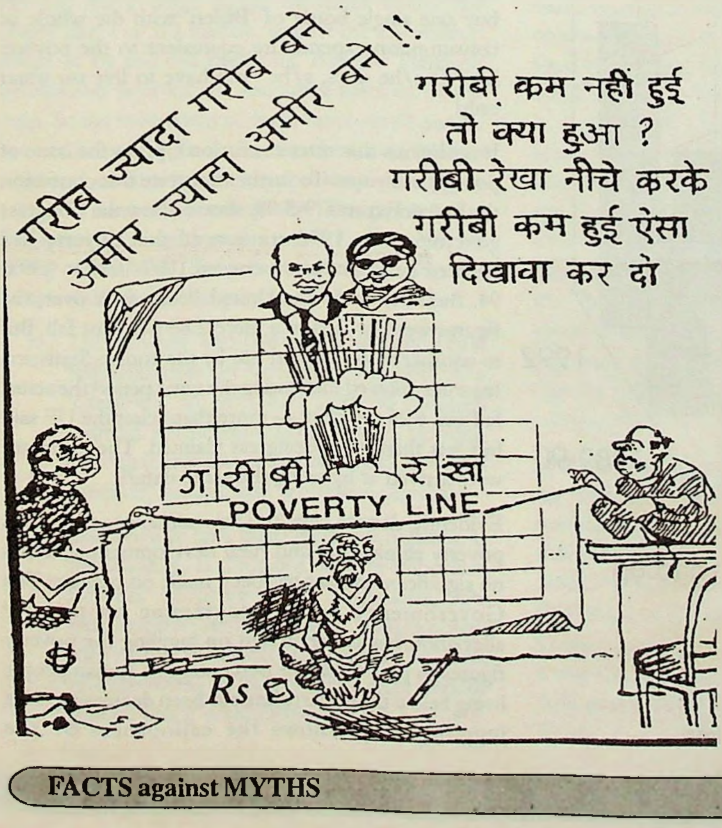
Poverty estimates thus, hide the fact that humans cannot survive only by consuming a certain number of minimum calories of food. To ensure against malnutrition there is need for nourishment provided by pulses, vegetables, milk and meat. There is need for potable water, sanitation, proper accommodation and a clean, healthy, peaceful and stable environment conducive to a decent mode of existence.

MYTH : *Overpopulation is also the underlying cause of poverty in India resulting in ecological destruction as well as being an impediment to the reduction of the absolute number of poor. Further, the density of population per acre of land is far too great to be conducive to productivity.*

FACT : First and foremost as stated above, throughout the colonial period, most Indians lived in poverty and on the verge of starvation. In the second half of the 19th century, the poverty of the people found expression in a series of famines which ravaged all parts of the country and carried away nearly 30 million people. To illustrate: the Bengal Famine of 1769-70 it was manufactured by the British, by buying up all the rice and refusing to sell it again except at exorbitant prices. The following excerpts from the NCERT publication, *India Struggle For Independence*, (pg. 16) on the effects of this famine cite the British Report of the Indian Famine Commissions (1880) appointed by the colonial government itself:

"The loss of the country in material wealth cannot be calculated; the loss of life is believed to have been greater than has occurred in any subsequent or historical famine. In the north of Purneah the European supervisors believed that half the ryots were dead; the Resident of Behar calculated the famine mortality at 200,000 in May, the Resident of Murshidabad in June estimated that by that time three-eight of the population of the province had died; in July 500 died daily in that town... The estimate made by the Council in November 1772... was that one-third of the population had died, and this, as Mr. Hunter remarks implies the death of about 10 millions, as the whole population of Bengal in those days can hardly be estimated at less than 30 million...".

Nor was the stagnation in per capita income to be explained by a high rate of population growth. Between 1871 and 1921, the population grew at a rate of 0.4 per year. The rate picked up after 1921 but was still merely around 1.4 per cent between 1921 and 1951.

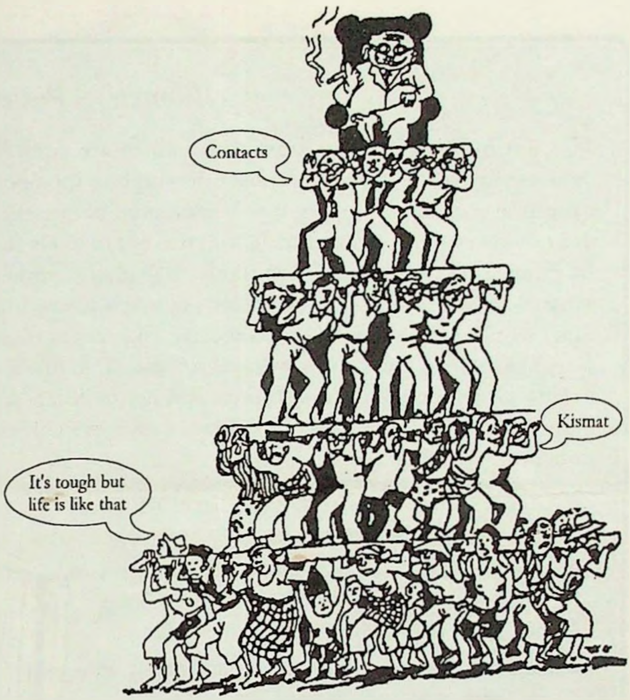


The related argument on "overpopulation" is also baseless and to single it out as being responsible for mass poverty is to downplay the destruction caused by consumerist lifestyles, the mechanisms of the market and so-called free trade. Besides, the poor accused for the "overpopulation" problem, are not mainly responsible for the greenhouse gases, either today or historically. Furthermore, as Pierre Pradevand had written in "The Malthusian Man" (1974) the so-called population problem of the South is the greatest red herring in the field of human development. *"By stressing population in such an* *isolated, simplistic manner, neo-Malthusian thinking might have lost the world twenty precious years in solving...poverty. If twenty years ago, India had undertaken massive structural changes, a real land reform programme, and distributed services and resources more equally among its people instead of tying to persuade illiterate women to adopt the rhythm method by bribing them with coloured beads, it would probably not now be sterilizing people at the rate of 63,000 in two weeks... Nor would it have to admit that millions of its people are worse off than they were fifteen years ago... At the root of Indian population problem is not `copulation' but an alliance of national and Western vested interests which is opposed to radical change".*

MYTH : *The ideal prescription against poverty is a higher rates of economic growth.*

FACT : But if the process of market oriented economic growth is itself the source of depriving increasing numbers of people of their means of livelihood, then how will this kind of growth cure the diseases of poverty? As a wellknown saying has it : If the boatman himself is rocking the boat, then who will save it from disaster?

Given that the number of those who are being uplifted through government programmes every year is far less than the number of new additions to the stock of poor, what is the solution? Is it to allocate even more funds for poverty alleviation programmes or is to do something about the fact that economic growth deprives people of their livelihood? The second is obviously more promising, for if the economy could grow without displacing and driving millions into poverty, then where is the need for poverty alleviation programmes? To pursue the crumbs that come their way and save themselves by falling into this "safety net", or to work towards the reorientation of the economy to ensure prosperity of each — these are the two alternatives facing the poor and prospective poor of this country. The first alternative can satisfy at most a small minority of the poor. The second alternative will therefore inevitably prevail one day. How soon? That is the all important question.



WHY DO THE RICH STAY RICH & THE POOR STAY POOR?

Source : Richard Holloway & David Watson (eds), Changing Focus-Involving the Rural Poor in Development Planning (Oxford & IBH Publishing : N. Delhi, 1989

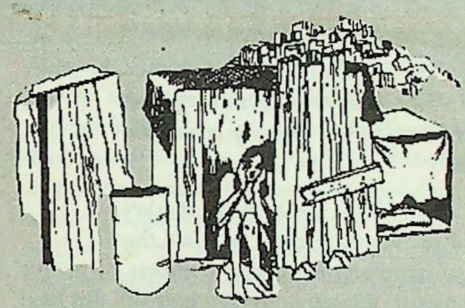
References

1. The Review of Contemporary News & Views, Nos.2, 3 & 5, New Delhi, 1998.
2. Beck, T. The Experience of Poverty, I. T. Publications, London, 1994.
3. Tremblay, R.C. Growth with Justice: Understanding Poverty, in The India Handbook, ed. C.S. LaRue, Fitzroy Dearborn Publishers, Chicago, 1997.
4. Friedmann, J. Rethinking Poverty: Empowerment and Citizen Rights, UNESCO, Blackwell Publishers, Oxford, 1996.
5. Alternative Economic Survey, 1991-98, Rainbow Publishers, Oxford, 1996.
6. Sainath, P. Everybody Loves A Good Drought, Penguin Books, New Delhi, 1996.
7. Poverty Issues, Integral Liberation, # 4, Bangalore, 1997.
8. Poverty in World Politics: Whose Global Era? Millennium, #3, London School of Economics, London, 1996.
9. Ranadive, K., The Political Economy of Poverty, Orient Longman, Bombay, 1990.
10. Krishnakumar, A. Exploding a Myth, Frontline, February 11, Madras, 1994.

(See past issues of this publication for a critique on "Economic Growth").

Women & Poverty

Two out of three women around the world are poor. Women are not only much more likely than men to be poor, but are most often among the poorest of the poor. Millions of women are caught in a cycle of poverty that begins even before they are born. Babies born to women who did not get enough to eat during pregnancy are likely to be small at birth and to develop slowly. In poor families girls are less likely than their brothers to get enough to eat, causing their growth to be further stunted. Girls are often given little or no education, so as women they must work at unskilled jobs and receive less wages than men (even if they do the same kind of work). At home, their daily work is unpaid. Exhaustion, poor nutrition and lack of good care during pregnancy place the women and her children at risk for poor health. Poverty forces her to live under conditions that can cause many physical and mental helath problems. For example, poor women often :



- live in bad housing, with little or no sanitation or clean water.
- do not have enough good food, and must spend precious time and energy looking for food they can afford.
- are forced to accept dangerous work, or to work very long hours.
- cannot use medical care, even if it is free, because they cannot afford time off work or away from their families.
- are so busy struggling to survive that they have little time or energy to take care of their own needs, to plan for a better future, or to learn new skills.
- are blamed for their poverty and made to feel less important than those with more money.

Poverty often forces women into relationships in which they must depend on men for survival. If a woman depends on a man for her-or her children's–support, she may have to do things to keep him happy that are dangerous to her health. For example, she may allow him to be violent or to have unsafe sex because she fears losing his economic support.

Source : Where Women Have No Doctor, 1997.

***Facts Against Myths** is a monthly bulletin of factual information on a number of development myths and fallacies, etc, including information against alien development models, paradigms and false concepts on caste, creed and gender.*

Produced and Published by :
Vikas Adhyayan Kendra
D-1 Shivdham, 62 Link Road,
Malad West, Mumbai 400 064, **INDIA**

☎ : 882 2850 & 889 8662 **Fax :** 889 8941
Email : vak@bom3.vsnl.net.in

Design & Layout : Kartiki Desai

Printed by : **Omega Offset,** 2/3, Emerald Corner, Maratha Colony, Tilakwadi, Belgaum 590 006.

PRINTED MATTER

BOOK - POST

S62 The Secretary
Community Health Cell
No.367 Srinivasa Nilaya
Jakkasandra, I Main, I Block
Koramangala, Bangalore 560 034