
UNIT 7 POVERTY IN SOUTH ASIA

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7.0 OBJECTIVES

After reading this unit, you should be able to:

- Discuss the meaning and nature of poverty;
- Highlight the poverty situation in South Asia;
- Discuss the different anti-poverty measures taken in India; and
- Bring out the problems and bottlenecks in the way of poverty eradication.

7.1 INTRODUCTION

The question of poverty in South Asia is generally linked with the gradual and steady exploitation of its economy by the colonial rule. Since independence, in most of the South Asian countries, the respective governments have attempted to fight poverty with systematic planning, Constitutional provisions, poverty alleviation programmes, infrastructure development and asset creation. Yet, the problem of poverty is far from over. In fact, it has become more conspicuous, blatant and harsh. Issues such as unprecedented population growth, lack of education facilities, and non-availability of jobs have compounded the problem. This unit will discuss the poverty condition in different Countries of South Asia. The concept, meaning and nature of poverty will be discussed. It will also throw light on problems and constraints that hamper poverty amelioration measures and the various steps that could be taken to arrest the problem. The rationale for including this Unit in the course is to get conversant with the poverty scenario in South Asia for being able to act for poverty alleviation through development/planning and integrated as well as collaborative action by national, regional, provincial, local governmental and non-governmental actors and agencies.

7.2 POVERTY: MEANING AND NATURE

Amartya Sen begins his celebrated essay entitled ‘Entitlement and Deprivation’ by observing that much about poverty is obvious enough. Yet, the vast academic literature and debate that exists on this theme suggests that the question of poverty in South Asia, which is one of poorest regions in the world, is rather controversial and hence not as obvious as it seems. The debates surrounding the concept of poverty are contentious and rather shrill, they range from disagreements over who are the poor, on what basis is poverty to be established and what is the relationship

of the poor with the rest of the society. Many economists have made a career out of debating these and similar issues. Poverty has been studied and evaluated from three broad approaches: the biological approach, the inequality approach, and the relative deprivation approach.

Seebom Rowntree has defined families as being in primary poverty if their total earnings are insufficient to obtain the minimum necessities for the maintenance of merely physical efficiency. Biological considerations related to the requirements of survival or work efficiency have been often used in defining the poverty line. Thus, from this perspective, starvation is the most telling aspect of poverty. While nutritional and food related information is a very important indicator of poverty, the fact is that cultural and climatic differences make any kind of uniform scale for measurement impossible. Having said this, Amartya Sen goes on to emphasise that while malnutrition captures only one aspect of poverty, it is a rather important aspect and he would not agree with the recent tendency to dismiss the whole approach.

Miller and Roby advocate the 'inequality approach', which does not find much favour with Amartya Sen for he believes that while the two are associated neither subsumes the other. Poverty, according to Sen, has to be studied as a concept in itself with dimensions of inequality. While appreciating the relative deprivation approach, Amartya Sen argues that this approach only supplements rather than supplants the analysis of poverty in terms of absolute dispossession. This very brief introduction to the conceptual definition of poverty already establishes clearly the very contentious nature of the subject.

Broadly, it is possible to identify four dimensions of poverty. The first of these is materialities, these are those 'things', the lack of which is perceived as poverty. These deficiencies could be of a non-material or of a material nature. Non-material deficiency is, for example, the inability to meet ones ends, being neglected or abandoned, etc. Material factors include discrimination, inequality, oppression and so on. These materialities acquire a particular meaning when the subject as an expression of poverty perceives it, and this perception is a personal and socio-cultural affair. Thus, the subject's own perception of his or her condition is the second dimension of poverty. The third dimension, which we need to be mindful of, is how others perceive the poor. The poor are generally looked upon with feelings ranging from embarrassment to contempt and even violence. All these dimensions, needless to specify, are determined by the space-time to which they belong.

Global poverty is an entirely new and modern construct. Thus, for the first time in history, entire nations and countries have come to be considered as poor, in comparison with those dominating the world economy. Parallel with this has been the emergence of a body of experts who have made a career out of theorising poverty and devising strategies to fight it. In all this, there is an underlying risk of uniform approaches and solutions, which often do not acknowledge the diverse socio-cultural specifics of the question of poverty. The predatory governments that control the levers of power worsen the condition of the poor in these countries.

Beyond the statistics and the theories, what the poor need is not the production of economic resources or services, which ultimately benefit others or the generations to come. Rather what they need is the recovery of their actual capacity to tap their own locally available resources, which is very different from what conventional economics would describe as resources.

An examination of the causes of poverty suggests the crucial role of certain factors: person-made or manufactured capital, ecological capital, and human capital, cultural and social capital. The relative roles of these components of capital vary from one region to another. Though these causes are special, international transmission of influences such as terms of trade, global financial lending also adversely affects the poverty conditions. Properly designed policies aimed at helping the poor to accumulate productive assets like schooling, health and nutrition form important bases for the attainment of higher economic growth. The causes and ramifications of poverty could be examined from a number of perspectives namely sociological and institutional. We will discuss it in subsequent sections.

7.3 POVERTY SITUATION IN SOUTH ASIA

The first report of the Brandt Commission identified two geographical belts of absolute poverty. One of these belts runs north-south across the continent of Africa and includes all Sub-Saharan countries, and the other beginning with the two Yemens and Afghanistan, Pakistan, India, Bangladesh, Burma and Kampuchea, Vietnam, Laos and Indonesia. There are many features that are common to this area. To begin with, more than one half of the population of these countries lives in absolute poverty (Details about this are mentioned in Unit No. 8). The bulk of these poor are farmers and landless workers. A large proportion suffers from malnutrition, and don't have access to basic hygiene and sanitation and of course drinking water. Literacy rates are very low and urban poverty is widespread. Besides all this is the problem of unemployment.

Poverty in South Asia is much more than a statistical detail; it is an emotional issue and clearly a political issue. Politics in these societies is largely determined by the response to the question of poverty. The political spectrum in these societies has groups that make the poor and the issue of poverty their main focus, as well as groups that address the big middle classes in these societies and would rather wish away the poor. But the sheer numbers involved and the instability that such a complete neglect would generate force even the most conservative of political forces to make obligatory noises about the poor and poverty alleviation. Trends in poverty, especially rural poverty, indicate worsening features in South Asia. The effects of poverty and a deteriorating environment combined have led to serious multiplier effects and externalities. Colonialism is a part of the shared experience of South Asia and from Dadabhai Naoroji onwards, political economists have established the linkages between British rule and poverty. Most of these societies at independence shared a dream of propelling their backward and miserable population into a future characterised by plenty and prosperity, growth and abundance. The model for these societies was clearly the western model.

India at one time fabled for its riches is today among the poorest nations in the world. What makes this poverty even more distressing is that the poor live their degrading lives around islands of opulence and wealth. The reality of such extreme differences, in the context of an electoral democracy, compels the Indian state to address the question of poverty continuously. In fact, eradication of poverty has been the overarching objective of Indian economic development and we will in this unit, look at a long series of such efforts. But the reality that we are faced with is the failure of the anti-poverty programmes. In terms of absolute numbers, there has been roughly more than a doubling of the numbers of the poor in India in the 1990s decade when compared with the 1950s.

Of course, to do anything at all about poverty requires a method of evaluating and measuring poverty. Even the method of measuring poverty is controversial and the most common method of determining the poverty line is not without its critics. It has been demonstrated that the various statistical tools that are employed to evaluate poverty are not value neutral as is commonly supposed. Actually, it is intimately linked to a particular view of the poor and at a larger level to a particular political outlook, in which the poor are nothing more than passive targets with no say in the formulation of the policies that affect them. Poverty is thus perceived as an aberration that would destabilise the civilised democratic claims of these societies.

The norm that is officially recognised in India for identifying poverty is what an expert committee set up by the Government of India in 1962 described as 'minimum level of consumer expenditure'. The figure then agreed upon was Rs. 20 per head per month. It was clear that the norm suggested was rather low and hardly sufficient to meet the expenses of essential consumption covering perhaps only food. It was assumed that the state would provide health care and educational facilities. Thus, it does seem reasonable to say that what was being identified was not poverty but *abject* poverty.

The Congress party even before independence talked about the need for poverty eradication. This commitment was later formalised through the Constitution. The Directive Principles of State Policy enjoin the Indian state to ensure the pursuit of such policies that lead to the guarantee of an adequate standard of living for all. Even before independence, there were broadly two strategies of economic growth and development that were being advocated; one might be described as the Gandhian way and other the 'socialist' or the Nehruvian alternative. The former had very few takers, and it was Nehru's vision of an industrialised and technologically advanced India that had far more supporters. In the latter framework, the state would have a major role to play in the development of the economy and would be partnered by the private sector in the mixed economy set up. The first three Five Year Plan documents saw sustained high rates of growth as the principal means to alleviate all the manifestations of poverty like illiteracy, unemployment and so on. But the growth rate remained around 3%, the infamous Hindu rate of growth and the redistributive policies failed even before they took off. Thus, the belief that growth would percolate downwards was belied.

Soon the premier planning agencies recognised that the planning process would have to focus on ensuring a minimum standard of living. Today, it is commonly accepted that a much wider concept than GDP has to be used to evaluate the well being and perhaps quality of life encompassing nutritional status, life expectancy and literacy would provide that better framework. Dandekar and Rath in the 1970s did a very significant work in the field of poverty studies. They suggested that the poverty line be determined on the basis of the minimum income required for nutritional diet and other essentials and provided statistical details of how many people fell below this line.

7.4 MAJOR ANTI-POVERTY EFFORTS IN INDIA

By the 1970s, development economists, who are the most influential in this area, argued that overall growth while necessary would not by itself be able to take care of the needs of the poor. Therefore, programmes for 'direct attack' on poverty came to be accepted as desirable. The 1960s had been a particularly turbulent period for India, apart from political instability, the passing off of Nehru, and wars, was the downturn in the economy. Disparities seemed to grow, so did unemployment and, of course, poverty. All this coincided with a struggle

for power within the Congress party. Radical slogans and populist policies were in plenty but it did not mean much to the poor. Needless to say that "Garibi Hatao" is the most well known of these slogans which merit repetition.

Many a special poverty alleviation schemes were launched, for instance, the Drought Prone Area Programme, Command Area Development Programme, Small Farmer Development Agency, etc. This area of development approach was followed by target group oriented approach and programmes such as Integrated Rural Development Programme, National Rural Employment Programme, Training for Rural Youth in Self-Employment, etc., were implemented. Such schemes soon received widespread acceptance across the political spectrum. Needless to add that the motivations were not so high minded as the slogans, personal gains, possibilities for patronage dispensation and other similar reasons made these highly attractive to the political parties. This interventionist strategy was bound to fail for it sought to alleviate poverty without changing the basic structure. Apart from all this is the tragic fact of some of the participants in these programmes getting caught in the debt trap as a consequence of their inability to repay the loans that finance these schemes.

In India, we are faced with the question of mass poverty and why it continues despite so many efforts to eradicate it. After independence, there have been a few large-scale structural changes in the land and property relations. The capitalist foundations that the British had established continued unchanged. Thus, we could say that after independence India has followed a capitalist path of development albeit one in which the state had a major role to play in moderating the capitalist propensities and if possible to provide some socialist appearances.

From the 1980s, however, the development strategy entered into a new phase that seemed to favour the more affluent sections of the population. This appeared to be a consequence of a view that the economy would not grow further unless the better off sections were permitted and encouraged to consume more. In this process undoubtedly the market becomes the natural ally of the rich.

By the beginning of the 1990s, the state in these societies was completely out of the picture and this meant a re-articulation of the issue of poverty. The poor in keeping with libertarian theories are seen as failed citizens who have been pampered by the state this far and now need to assert their citizenship by taking charge of their lives. The favoured response is to see poverty as a consequence of low economic growth and the theme that is harped on is increased economic growth. Poverty is no longer seen as a consequence of unequal social arrangements, but rather as a consequence of failed growth strategies. Production is the mantra and distribution is not a matter of concern of state policy any longer. The poor in South Asia are further burdened by the fact that state has rolled itself out of many key areas like transport and education, not to mention health. This worsens the already precarious life chances of the poor.

Rajni Kothari, one of most distinguished political scientists of India, interprets consequences of recent economic and development strategies as the consolidation of two Indias. One is that of the rich middle classes that are well fed and well clothed and the other India is that of the despised and hated, which is the India of the poor. The compassion and the guilt that seemed to characterise the earlier relationship between these two classes in virtually absent and Kothari senses revulsion in the minds of the rich towards the poor. This is reflective of a shift in the whole approach towards the question of poverty.

Well-known economist, T. N. Srinivasan, contends that our concern with poverty alleviation has mostly remained at the rhetorical level. The policies and public expenditure that have been explicitly poor-oriented or have been justified on their poverty allocation impacts have been modest in scale and very ineffective and costly in their execution.

Any discussion on poverty in South Asia is, of course, an investigation not into individual poverty but into mass poverty and thus, is a social phenomenon that is being studied. A close examination of the issue of poverty will demonstrate that poverty is far from being an economic problem alone; it is in our context a social and demographic problem. Group poverty makes the issue of poverty even more charged and political. Adivasis, and backward castes and Dalits, religious minorities and of course women are the worst affected of the large population that these countries have. In fact, there are far more Indians among the world's poor than there are citizens of any other country. The international division of wealth adds yet another dimension to the discussion of poverty in South Asia, for ultimately poverty here is related to the international economic order.

The poor in South Asia thus carry a double entrapment of social and economic backwardness. It would be interesting to enumerate some of the important correlates of poverty in India. If one is poor in India, one is more likely to live in rural areas, more likely to be a Dalit, more likely to be malnourished and sick and more likely to be poorly educated and low in skilled and more likely to be in Bihar, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh. The similar situation is in other South Asian countries as well. Also the inequalities in education and health, mortality and morbidity between males and females particularly children, are higher among the poor than between the non-poor.

The World Bank country study on India published recently acknowledges that poverty in India remains a serious concern. In the early nineties, every third person in India lived in conditions of absolute poverty. This is rather distressing when we discover that it means that India has 50% more poor than all of sub-Saharan Africa. In the social sectors India is way below many countries and even below some African countries.

7.5 POVERTY IN OTHER COUNTRIES OF SOUTH ASIA

Moving beyond India to look at some of the countries in the neighbourhood would demonstrate to us how closely knit the histories, cultures and economies of these countries are. "Rural Poverty in South Asia" by Bardhan and Srinivasan has today become a classic in this field. Mohiuddin Alamgir and Sadiq Ahmed begin their account of poverty in Bangladesh with the statement of the rather unfortunate fact that Bangladesh is one of the poorest countries in the world. The bulk of the poor in Bangladesh lives in rural areas and relies primarily upon agriculture.

A high rate of population growth continues despite efforts to curb it. Increasing poverty combined with a number of other factors make fertility-raising forces stronger than fertility depressing forces. Semi-feudal production relations make large family sizes a desirable option and population growth combined with inheritance laws, increase fragmentation of landholdings. This obviously has an adverse impact on productivity. In Bangladesh, urban poverty is an extension of rural poverty. The lot of the urban poor with nothing to fall back upon is indeed very distressing. Urban unemployment and a drastic fall in real wages have worked to the detriment of the urban poor.

In the early years after independence, Bangladesh was a part of Pakistan and they began the innings with attempts at planned development. However, the distribution of income and poverty issues continued to be neglected in spite of the deterioration of the living conditions of the poor. By the 1970s, political disturbances occupied centre stage and soon Bangladesh emerged as an independent country. The new leadership promised the beginning of a new future for the poor. "Socialism" was the mantra that they chanted. Major steps were taken towards nationalisation of banking, insurance and industrial units. Some tentative attempts were made at land reforms. Most of these policies targeted the urban areas and were attempted without any major changes in the institutional set up.

Hossain Zillur Rahman points out that notwithstanding more than two decades of poverty alleviation programmes, widespread and acute rural poverty remains the single most important problem facing Bangladesh. Rahman argues that solutions to poverty are not a matter of good intentions only, In Bangladesh; poverty alleviation programmes suffer largely because of inadequate attention being paid to the problems of implementation.

Poverty is not only about deprivation but also about vulnerability and the Bangladeshi women are particularly vulnerable, and this is perhaps the central dimension of the experience of poverty as far as they are concerned. As an aspect of poverty in Bangladesh, vulnerability means personal insecurity, crisis-proneness and coping capacities.

In occupational terms, the poor are concentrated among the labour households; of these hardcore poverty is more among the agricultural households than among the non-agricultural labour households. The bulk of the poor in Bangladesh are without any formal schooling. And of course women, as observed before, suffer the consequences of poverty much more than the men.

Pakistan, the other significant country in the South Asian region, is also a country that is combating the problem of poverty, however, the kind of widespread urban poverty that we encounter in India or Bangladesh is not to be seen in Pakistan. Shahid Javed Burki, on the basis of various secondary evidences, suggests that Pakistan no longer shares the social and economic characteristics of the poor countries of South Asia. Pakistan's growing connection with the Middle East is one of the most important reasons for the improvement of the poverty situation in the country. The advent of green revolution played a very significant role in reducing absolute poverty in Pakistan. However, lack of literacy, especially female literacy is a problem that Pakistan shares in common with the countries in this region.

Poverty has not been eliminated in Pakistan; however, the incidence of poverty is not as severe as is generally seen all over South Asia. However, Burki warns that the circumstances that have made this possible are not irreversible, and that the situation could deteriorate rapidly and quite remarkably because of persistent high rate of human fertility. Political stability is yet another factor to be accounted for while discussing the question of poverty in Pakistan, for economic growth has a direct linkage with the extent of stability. Given Pakistan's not too happy record in the recent past a reversal in its economic profile neither should nor surprise us.

Among developing countries, Sri Lanka is often cited as an exception. In addition to both growth and equity, Sri Lanka's record pertaining to all the physical quality of life indices has been consistently superior to that of others in

South Asia. Sri Lanka has a long history of public spending on education, health and food subsidies. This trend continues and is quite an exception. Sri Lanka's per capita income is nothing much to write home about, however, its ability to achieve basic needs is truly remarkable. And this is clearly so because governments in Sri Lanka do not hesitate from spending huge amounts over a long period of time on social welfare.

7.6 PROBLEMS AND CONSTRAINTS

The shared history of colonialism is the backdrop for any discussion on poverty in the South Asian region. While most countries in this region acknowledge the need to combat poverty, very few seem to have the political commitment to do so. In most of these countries, there is a nexus between those in power and exploitative structures, be it economic or social. Instability is yet another inhibiting factor, as also the often-turbulent transition from one government to another. At independence, these countries were committed to the idea of planned socialist development under the state's aegis. As mentioned earlier, the inability to overthrow the existing power structures inhibited any possibility of change. Very soon the state and its efforts itself came to be discredited, and the state's role in the economy came to be decried. The incarnation was of privatisation and liberalisation and this is what most countries in this region are experimenting with. Information technology and expansion of the service sector are seen as the possible way out. Once again there is no talk of changing the basic structures of society. Meanwhile, the gap between the rich and the poor in these nations is growing and this is indeed very worrying.

Globalisation has in all its former incarnations as well helped certain classes and been to the detriment of most others. The story continues, the middle classes in South Asia welcome the new avatar (reincarnation) of globalisation for it brings for them all the goodies that make life in the west so desirable, however for the bulk of the populations in these countries, it is poverty continuing under a new ideological framework.

But is it only despair that we sense? Well far from it, there are a million mutinies that characterise daily life in South Asia, against the degrading and dehumanising poverty that characterises life for millions here. Organised efforts from political parties that occupy the margins of the political space and robust NGOs who are dedicated to the cause of the empowerment of the poor give us reason to feel hopeful. There is a substantial section of the public opinion that sees poverty as a failure of the promise of citizenship that was made at the time of independence and sees it as an absence of rights despite all the elaborating listing of rights in the Constitutions of these countries. The collapse of the Welfare State would hopefully not result in the callous indifference towards the poor that sections of the South Asian elite seem to advocate. On the other hand what we do hope for is a renewed struggle for dignity and rights, to convert the dreams of the champions of the anti-colonial struggles into reality.

7.7 ACTIVITY

1. Enlist the different anti-poverty programmes in India since 1970s.
2. Try to find out whether there is any NGO in your vicinity that is engaged in anti-poverty work. Discuss its activities.
3. Do you feel poverty could be alleviated through development planning in your country? Discuss with examples.

7.8 CONCLUSION

Because poverty has remained a national problem of all the countries in South Asia, critics tend to view the crusade against poverty as a failure. Such a viewpoint is somewhat surplise. Poverty is a complex social problem. It has not been eliminated but the anti-poverty measures cannot be termed as failure. Poverty continues to exist because the factors causing poverty continue to grow along with the efforts to eradicate poverty. Some problems are met with while new crop up with the changing political and socio-economic conditions.

It is clear that despite the various efforts at the national and grass roots level, poverty situation remains to be grim albeit not always for the reasons that are generally projected. This unit has discussed the different viewpoints on the concept and condition of poverty. It has highlighted the poverty situation in South Asia, especially India and has discussed the problems and constraints in achieving the goals of poverty eradication.

7.9 REFERENCE AND FURTHER READINGS

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