

Chapter-I

The Problem

1.1: Introduction

Most of the poor live in Asia, Sub-Saharan Africa and Latin America. Millions of children and adults in the poor households all over the world die of hunger every year and about 1/4th of the world population do not have access to safe drinking water and more than 1/4th of world population are without sanitary waste disposal facilities. About half of the world people are caught in a vicious cycle of poverty (Stutz and de Souza, 1998).

The poor of the world are overwhelmingly the people of developing countries that have failed to keep up with the economic levels of the West since the beginning of the modern colonial period in the 16th century. There are vast differences among the developing countries. Physiological density is one way in which the developing world varies. In some countries a small amount of arable land with large number of population can create poverty. There are also huge differences in wealth within countries and among people.

Human development calls for the progress of human lives and well-being. It's thus very much related to living with substantial freedoms. Freedom is associated with the ability to avoid starvation and undernourishment or to escape premature mortality. Poverty limits human freedoms and deprives a person of dignity. Human Development 2000 (OUP, UNDP, 2000) discusses in detail rights empowering people in the fight against poverty. The report specifically mentions that expanding human capabilities and securing human rights can empower people to escape poverty. Development Reports on strategies for human development ,poverty eradication and pro-poor economic growth(in 1992,1993,1996 and 1997),as the Human Development Reports 2000 mentions, point to the following elements of policy that can reduce poverty and improve human rights. These are as follows. First, the

less-developed or the developing countries should accelerate the pro-poor growth process to give more benefits to the poor. Second, the budgets of the low income countries should be restructured and should give priority on basic social services, review the priorities and remove discrimination against the most deprived. Third, poor people should be given right to take part in the decision-making processes. This requires to integrate them in the political processes. Fourth, environmental resources should be protected. The natural environment and social networks are the resources poor people use for their survival. Women and children in poorer families collect fuel wood, fodder, forest wastes etc. for their daily necessities. Sixth, there should not be any social discrimination in any form against women, ethnic minorities, racial groups. Social reforms are essential to remove all sorts of discrimination. Sixth, it is of utmost importance to secure human rights in law and these legal obligations need to be reflected in developmental and other policies.

Every country has every right to adopt more pro-poor and pro-rights policies that can accelerate poverty alleviation and the realization of human rights. For this purpose in particular, many countries have adopted serious reforms of their economic policies especially since the eighties of the last century, although it is impossible to eliminate poverty completely. If poverty is fixed, as Professor Amartya Sen argues, (The Standard of Living, The Tanner Lectures Clave Hall, Cambridge, 1985) to average income, there are some people who are relatively poor. Mack and Lansley, in their book, **Poor Britain(1985)** mentioned the speech delivered by Dr. Rhodes Boyson, Minister of Social Security in the US Parliament regarding poverty line as, "Those on the poverty line in the United States earn more than 50 times the average income of someone in India. That is what relative poverty is all about Apparently, the more people earn, the more they believe, poverty exists, presumably so that they can be pleased about the fact that it is not themselves who are poor". Amartya Sen observes that the problem of defining poverty line can be

eliminated if the standard of living is seen in terms of functionings and capabilities . Professor Sen continues “Some capabilities , such as being well nourished, may have more or less similar demands on commodities (such as food and health services) irrespective of the arrange opulence of the community in which the person lives . Other capabilities, such as the once with which Adam Smith was particularly concerned have commodity demands that vary a good deal with average opulence. Regarding good standard of living Professor Sen in his book *The standard of Living* 1985, Cambridge University Press, Cambridge Lecture I, Concepts and Critiques, mentions, ‘To lead a life without shame, to be able to visit and entertain one’s friends, to keep track of what is going on and what others are talking about, and so on requires a more expensive bundle of goods and services in a society that is generally richer, and in which most people have, say, means of transport, affluent clothing, radios or television sets etc.’

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'Poverty' being a multi-dimensional concept refers to the dearth of access to a set of minimum needs for living such as food, housing, clothing, education and health facilities and many other related basic needs. Of these basic requirements the most important aspect is the food requirement. Food is in fact has the highest priority to every human being. Most of the developing countries in the world like Sub-Saharan Africa, Latin America and Asia have been suffering from food insecurity. Asian nations are in fact in constant fight against poverty. We present below in table 1.1 the human poverty of some Asian nations such as Sri Lanka, China, India, Pakistan and Bangladesh.

Table-1.1: Human Poverty in Some Developing Countries

Country	HDI rural	Human Poverty Index (HPI-1) 1998		Share of Income or Consumption			Population below income poverty line (%)	
		Rank	Value	Poorest 20% (1987-98)	Richest 20% 1987-98	Richest 20% to poorest 20% 1987-98	\$ 1a day (1993)	National Poverty line 1987-1997
Sri Lanka	84	35	20.3	8.0	42.8	5.4	6.6	35.3
China	99	30	19.0	5.9	46.6	7.9		6.0
India	128	58	34.6	8.1	46.1	5.7	44.2	35.0
Pakistan	135	68	40.1	9.5	41.1	4.3	31.0	34.0
Bangladesh	146	70	43.6	8.7	942.8	4.9	29.1	35.6

Source: Human Development Report 2000, UNDP, OUP 2000.

Table-1.1 shows that India's human poverty index rank was 58 and the value was 34.6 in 1998. Sri Lanka's position was relatively better in 1998. Its HDI rank was 35 and value was 20.3. China's rank and value were 30 and 90.0 respectively. Pakistan and Bangladesh's position was bad. Pakistan's rank and value were 68 and 40.1. The position of Bangladesh was very bad. Its HDI rank was 70 and the value was 43.6.

Government of India, since its independence, has been trying to alleviate mass poverty with the help of a number of anti-poverty programmes especially since

the adoption of Five-Year Plans. Just after our independence, we found that for about 60 per cent of our total mass remained under abject poverty. The mass poverty has severely affected the Indian economy. The greater stress on alleviating poverty was undertaken especially since 1980-81 when our Sixth Five-Year Plan was in operation. During the Sixth Plan, the Planning Commission tried to evolve a poverty management technique as well as identifying the really poor as a target group. Accordingly, a number of programmes such as IRDP, MNP, NREP etc. were undertaken. The objective of adopting several anti-poverty measures apart from reducing poverty, is to narrow down economic inequality.

In India, especially since our independence, we have clearly noticed two diverse sections of people: One section enjoys the benefit of modern civilisation, while other section possesses nothing excepting its labour power for survival. Very often we frequently put a question. The question is: Whether the difference between the haves and the have-nots over time has been reduced or widening? Since the beginning of our first plan efforts have been made to deliver the fruits of development to every member in the society. But it has become a sorry state of affairs. It is the fact that the gap between the rich and the poor has been widened. The basic reasons for such an event are two-fold, i.e., the right to private property and the law of inheritance. Being a mixed economy India allows a person to hold private property, i.e., everyone has the right to hold land, factories and all factors of production. The possession of property by a section of people increased economic inequality among different people. The law of inheritance is, in fact, gives rise to income inequality. According to this law the son of a labour becomes ultimately a labour and the son of a landlord becomes

the landlord in course of time.

Twin problem, that is, the problem of poverty and unemployment has affected our economy very badly. Under such an impasse, India, had adopted new economic policy with the hope of reducing poverty and unemployment and increasing the standard of living by providing employment to them. As a part of new economic policy trade liberalisation was done in 1991 as a powerful tool in fostering economic development and reducing poverty. The supporters of free trade argue that unrestricted trade lowers the cost of bare minimum necessities like food and clothing, discourages corruption and allows democracy to develop. All these, according to them, lead to a better quality of life.

The new policy regime which opened the Indian economy radically pushed forward in favour of a more open and market oriented economy. Major changes that took place during the new economic policy were scrapping of the industrial licensing regime, reduction in the number of areas reserved for the public sector, amendment of the monopolies and the restrictive trade practices out, open up of the privatization programme, reduction in tariff rates and change over to market determined exchange rates. Thus the major items that have benefited the countries and opening up of world trade, advancement of means of communications, internationalization of financial markets, growing importance of multinational corporations', migration of population and free modility of labour, capital, goods, data and knowledge.

Globalization has helped escalating the trade and investment and due to this poverty has much reduced globally. This has at the same time increased income inequality within countries and between countries. Supporters of globalization believe that poverty can be reduced through the process of globalization. There may be other factors such as good national policies, role of sound institutions, and domestic political stability that may help in

the reduction of poverty.

1.2: Statement of the Problem

Poverty is a social evil in which a section of the community fails to achieve even its bare minimum necessities. Mass poverty is closely associated with the developing countries where a large section of the total population is being deprived of food, nutrition, education and other minimum needs. The US government defined the poverty line to be the minimum adequate standard of living. The poverty is thus related to 'minimum needs' which refers to the lack of access to a set of minimum needs for living.

Our analysis of poverty in the Indian context can be segregated into two parts: The first part is a description of the state of poverty for a period of 40 years since 1951 and the second part covers the state of affairs during the reformed regime (from 1991-2001). The core of our analysis will begin with the compilation, tabulation and analysis of data collected from the field survey. The problem that this study has investigated is that it evaluates the poverty alleviating programmes in the grassroots economy of Dakshin Dinajpur and to find out any shortcomings of implementing various government programmes, if any, and finally to build a model in which no member of the village economy is in a state of poverty and every member is in a position of enjoying the benefits of new technology.

1.3: Hypotheses tested

This study has sought to test the following hypotheses in the course of our investigation. The first hypothesis we want to test is that poverty has declined

over time. This may be due to the fact that in last forty years or so, a number of anti-poverty programmes have been adopted for the removal of poverty. This hypothesis is tested with the help of secondary as well as primary data. The validity of this hypothesis depends on the data to be collected in an unbiased manner. The second hypothesis is that the benefits of anti-poverty measures have not reached to all the poor equiproportionally. This may be due to the fact that due to politicisation the benefits are not distributed equally among the poor irrespective of their political parties. The result of such a test purely depends on the grassroots data we will be collecting from the grassroots level.

The third hypothesis that we want to test is that globalisation has harmed the poor. The results again will be data based and independent of likes and dislikes of the investigator. The conditions of success of various anti-poverty programmes will also be looked into. Fourth hypothesis is that the non-governmental organisations play a vital part in alleviating poverty. In the course of our study we will particularly look into the role of NGOs in improving the conditions of the poor. The result here again is data based.

1.4: Research Design, Sample Size and Data Collection

Poverty, as we all know, is related with population and unemployment. Poverty, at root, is the absence of human freedom and development, in one hand and on the other hand, is the fruit of human freedom. Our study will be concentrated in a backward district of North Bengal, viz., Dakshin Dinajpur. Since it is not possible to cover the whole district by a single research scholar we have just taken four village panchayats(GPs)- two are in Balurghat subdivision and two are in Gangarampur subdivision. The two village panchayats in Balurghat

subdivision are Patiram Gram Panchayat and Chakbhrigu Gram Panchayat. The sample GPs under Balurghat subdivision are Chalkvrigu and Patiram. From Chalkvrigu GP we have selected and surveyed five villages for detailed study and the respective selected number of households are 50,40,50,75 and 27. Two villages have been purposively selected from Patiram GP and the households chosen from each village are 100 and 54 respectively. The sample gram Panchayats of Gangarampur subdivision is Sukdevpur Gram Panchayat and Uday gram Panchayat. The selection of sample village panchayats is purely purposive. The villages thus selected under Sukdevpur GP are Katabari from where we have selected randomly 48 households. The second village we selected following the same technique is Daspur and from this village 73 households have been chosen. The third village is Sukdevpur and from it we have selected 100 households. Thus, from Sukdevpur GP the total number of households are 221. The second GP under Gangarampur subdivision is Uday GP in which four villages have been selected for detailed investigation. The villages are Ausha, Pulinda, Panchagram and Hajichak and the households finally chosen are 56,100,21 and 21 respectively. Total households under Chalkvrigu GP are 242 and from Patiram GP the number of households is 154. In all, the total households under Balurghat subdivision are 396. Thus, total households are 815 in the district of Dakshin Dinajpur.

1.5: Methods followed and techniques used

We have chosen Dakshin Dinajpur district for the purpose of surveying the farm families. Two subdivisions, as we just mentioned above, in which two GPs from each subdivision have been selected. In selecting the sample households we collected the BPL list from

the respective block development offices. From such lists we have randomly select the sample households. We have collected data from each household asking questions that were framed in the questionnaire schedules. After tabulation, we have used simple statistical techniques such as average, variance, standard deviation, etc. to test the hypotheses. We will again compare our results with the official results.

1.6: The Measurement of Poverty

Longevity, educational attainment and standard of living are the three indicators in measuring the human development index (HDI). Longevity is measured by life expectancy at birth and educational attainment is measured by the combination of the adult literacy rate (2/3rd weight) and the combined gross primary, secondary and tertiary enrolment ration (1/3 weight) Standard of living as measured by GDP per capita (PPP US \$).

Fixed minimum and maximum values

Life expectancy at birth: 25 years and 85 years and 85 years

Adult literacy rate (age 15 and above): 0% and 100%

Combined gross enrolment ration: 0% and 100%

GDP per capita (PPP US\$): \$ 100 and \$ 40,000 (PPP US \$)

HDI index is calculated as follows.

$$\text{Index} = \frac{\text{Actual value} - \text{minimum value}}{\text{Maximum value} - \text{minimum value}}$$

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is the food requirement. Food is in fact has the highest priority to every human being.

The concept of 'minimum need' is very important in the context of 'poverty line'. This issue of minimum needs came up first in the Indian Labour Conference in 1957. A working group set up by the Planning Commission advocated the national minimum consumer expenditure at Rs.20 per capita per month at 1960-61 prices to provide a minimum calorie intake. This does not include expenses on health and education which is to be provided by the State. The expert group suggested Rs.25 per capita per month for the urban area. Dandekar and Rath(1971) recommended a per capita daily intake of 2,250 calories as poverty line for rural and urban areas. On the basis of the NSS data on consumer expenditure, they showed that Rs.14.20 at 1960-61 price index would be sufficient to meet the above requirement of calorie intake in rural areas and for the urban areas it was Rs.22.60. Later on, Dandekar and Rath revised the rates at Rs.15.00 and Rs.22.50, respectively.

The Planning Commission, in 1977, defined poverty line as the mid-point of the monthly per capita expenditure having a daily calorie intake of 2400 per person in rural areas and 2100 in urban areas (fixed by applying the weighting diagram, worked out within the framework of category-specific calory norms recommended by the Nutrition Expert Group (NEG, 1968). Poverty Cut-Off Line used by the Planning Commission was also used during the sixth plan to measure the poverty line recommended by the Task Force. Based on this, a number of anti-poverty programmes were initiated.

1.7: Tentative Chapters

The tentative breakup of the study will be as under:

Chapter- I: The Problem

Chapter-II: The Review of Literature

Chapter-III Poverty-Alleviating Programmes in India

Chapter-IV: Poverty Analysis in India

Chapter-V: Poverty Scenario in West Bengal

Chapter-VI: Our Village Level Study: Findings

Chapter -VII: A Comparison of Our results with Official Results

Chapter-VIII: Conclusions and Policy Recommendations
