

Review

by Gernot Saalman

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India Chronic Poverty Report: Towards Solutions and New Compacts in a Dynamic Context.

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As is well known, India is full of contradictions. On the one hand she imagines herself to be an economic superpower, on the other she is home to millions and millions of poverty ridden people. This book offers the latest empirical data on this problem, gives a profound discussion on its background and in the last chapter points out to some simple but basic solutions to the problem of poverty.

The introductory *chapter 1* points to the main problems of measurement of poverty, asks the intriguing question why growth is not inclusive, hints to the dynamics of poverty and questions different policies of poverty reduction. *Chapter 2* is concerned in more detail with the definition and measurement of poverty in India. At first sight it looks as if poverty declined by 15% during the last 30 years. But, that is only because the poverty line is set very low (356/538 Rs per month in rural or urban areas). If we question those sums on the basis of minimum daily calorie intake, they have to be doubled (p. 18), so that there are up to 600 millions of poor people in India instead of 300 millions. (Other calculations provide similar or even higher numbers.) Immediately, the dimension of the problem becomes visible. High rates of economic growth do not in itself lead to a reduction of poverty. Instead, a better and fair distribution of such growth and its outcomes has to be implemented politically. Nevertheless, there still is a debate going on how to measure poverty and the chapter provides an excellent overview on this.

Chapter 3 considers the dynamics of poverty – the persistence of, entry into and escape from poverty. Different studies show that only one third of the total population never was poor, whereas another third is chronically poor (p. 40f.). Chronic poverty is a particular problem because those affected often pass it on to their children. Therefore, it comes as no surprise that mainly marginalised groups are troubled by it: SCs, STs, the disabled but, also Muslims, women, and people of old age. Most often members of these groups do not own land and have a poor education, which points to major strategies to escape from poverty: improved use of land and development of skills (p. 49f.). The chapter closes with a very useful overview of drivers, maintainers and interrupters of chronic poverty (p. 55).

Chapter 4 inquires into the effects of economic liberalisation on poverty. First of all, poverty did not go down at the same pace as growth rates went up. Across India 42% of children are still underweight and in the seven poorest states near or over 40% of the population is poor. These states are all in the Hindi-belt and tribal-belt, i.e. most caste-ridden, which hints to the fact that poverty is an effect of power relations. Besides the geographical and social dimensions of poverty there is a gender dimension (women are more affected than men) and an occupational dimension too, as in most cases its agricultural labourers, small farmers or artisans, and casual workers who are chronically poor. Therefore, we may speak of a deficit of development and power, that in many cases is accompanied by a governance deficit: poor households have to pay a bribe to access one of the many public services (p. 68). This state of affairs led to a significant decline

in legitimacy of elected politicians who are said to give preference to the interests of big entrepreneurs, and led to formation of political protest and increasingly even a violent one.

Chapter 5 more closely investigates the implementation of major development interventions and the results concerning poverty reduction. Despite an impressive number of programmes that either target entry into, escape from poverty or try to improve the living conditions, large numbers still live in poverty. What are the main reasons for this failure? The authors look at the Integrated Child Development Scheme, the Public Distribution System, the Mahatma Gandhi National Rural Employment Guarantee Act, and the National Rural Health Mission. In all these cases it is not so much the idea and design of the programmes but the implementation that makes them ineffective. Often there are not enough resources, they are not top priority on the political agenda, and they are not closely monitored. Again, a major weakness lies in the accurate identification of poor households. In contrast, some local initiatives are very successful because they are based on strong values like equity, putting the poorest first, fairness, transparency, gender balance and fighting corruption (p. 102). The secret of their success is participation of the whole community.

Consequently the next *chapter 6* focuses on the rights-based approach. With the introduction of rights that can be claimed poor people no longer depend on the benevolence of other groups and politicians but, may point to their duty to act. To enable this, rights have to be specific and contestable. Stipulated by the Supreme Court the governments in the course of the last 10 years granted rights of information, employment, education, and food, as well as forest land to tribal communities. Here, again, the same problems of implementation take hold (p. 124f.). If there are conflicting interests, neglection, unawareness of rights, and shortage of money hardly any alleviance is to be seen. Another solution could be to look for alternative growth (*chapter 7*). Under the existing economic regime there is a growing disjuncture between growth and poverty reduction (cf. table 3, p. 136). The key factor seems to be that not enough employment has been generated in rural as well as in urban areas. The major task then is to create additional demand for productive labour (p. 148). Sustainable production for the domestic market may be one solution and the employment guarantee scheme could be helpful in this.

Chapter 8 at the end of the book states again the key messages, sums up the analysis, and gives some policy recommendations. One important of these is to universalise access to programmes in the poorest states to “minimise exclusion errors and reduce administrative burdens in districts that already have significant governance deficits” (p. 163). To make the programmes more effective they have to be much more unified, institutionalised and focused.

All in all the report gives an extensive overview of the topic, provides some excellent discussion and invites for some new thoughts. It is a good read not only for people interested in India but, for everybody concerned with the problem of (chronic) poverty elsewhere in the world.