

POVERTY IN INDIA



Introduction.....

WHO ARE THE POOR?

In the village

Charch is a village located in the Shivpuri district of Madhya Pradesh. The village is comprised of about 500 families, majority of whom are Sahariya tribals. Whatever little land is irrigated in the village belongs to other powerful communities. Sahariyas make their living as agricultural labourers, and supplement their incomes by selling wood, making baskets, collecting mahua and tendu. The little land they have is unfit for cultivation. During the peak agricultural seasons when there is heavy demand for workers in the

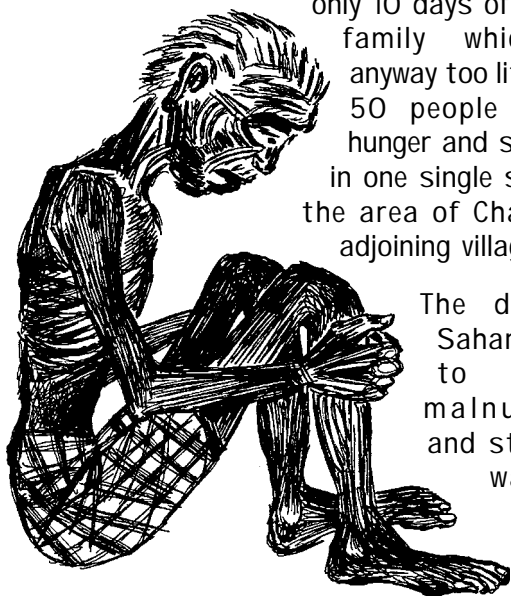


more fertile areas around Shivpuri, the Sahariyas migrate for work in large numbers. These periods of seasonal migration last from 15 days to more than a month, when most of the adult members of the tribe - both men and women - travel long distances in search of work. Only the very young and the old are left behind in the village with no one to look after them. Yet the Sahariya men and women must migrate as the earnings from seasonal migration are a crucial part of their annual income.

Despite such hardships never have the Sahariyas earned enough to meet the food needs of the entire family for the whole year. Health facilities are virtually invisible in the area. The nearest health facility worth the name is in Pohri, a long and expensive journey. The government school in the village discourages admission of the Sahariya children. Sahariyas would be among the poorest people in the country.

Most of the Sahariyas suffer from acute hunger and malnutrition. Because of this, children have distended bellies and blistered skins. Many have nasty deformities and illnesses - swollen chests, hunchbacks, bow legs. Deaths during and after child-birth is common among women. The extremely thin frames of the adult members is the result of hard work combined with very low levels of food-intake over a long-period of time. Such a situation of prolonged hunger would be described as 'chronic' hunger.

In the summer of 2002, chronic hunger in the region was worsened by a severe drought. Crops completely withered, and there was no work available in the fields. Other traditional sources of livelihood, such as the collection of mahua and tendu, were scarce. Government announced relief work which provided wage employment on construction sites. For the people of Charch the government relief programme didn't provide much support. It started too late and on an average provided only 10 days of work per family which was anyway too little. 40-50 people died of hunger and starvation in one single season in the area of Charch and adjoining villages.

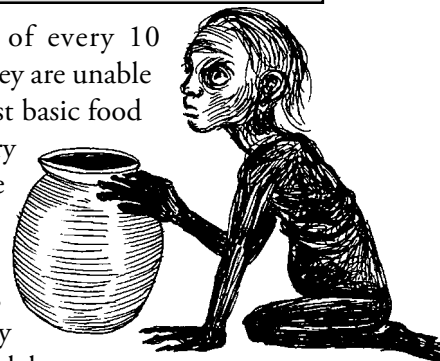


The death of Sahariyas due to hunger, malnutrition and starvation was both tragic

and shameful because the government had at the time large stores of foodgrains (60 million tonnes). Storing these foodgrains was proving to be a problem. The Food Corporation of India go-downs were overflowing. A lot of these foodgrains had become 2-5 years old and had started rotting.

- *How do we know that the Sahariyas face a situation of chronic hunger?*
- *Why is there chronic hunger among these people?*
- *What happened in 2002?*
- *What should the government have done to prevent starvation deaths? Debate the following options: (i) sold food to the Sahariyas; (ii) distributed food free; (iii) increased relief work.*

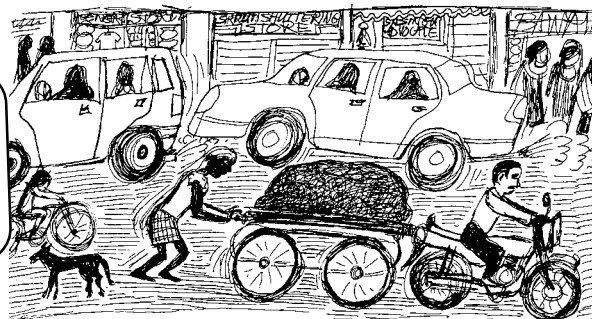
Even today, 3 out of every 10 Indians are poor. They are unable to meet even the most basic food requirements necessary for survival. If we include other basic needs such as health care, education, drinking water, many more Indians would be



poor. In the rural areas the largest number of poor are among the landless families who are dependent for their livelihood on work as agricultural labourer. However, some of the small farmers like Padammama are also very poor. Income from the small piece of land they possess is not enough. It is common to find such farmers caught in a debt trap, from where most often there is no escape. Most small farmers in the country have also to work as agricultural labourers. Hence they are forced to work on other farms.

- *From what you have read earlier such as the chapter on 'Farmers and Labourers' or from what you see around can you describe the life of the following: (a) landless labourer; (b) a woman who is a small farmer and also a labourer.*

Though the majority of India's poor live in villages, poverty is not limited to the rural areas alone. Cities and towns have a large number of poor people.



In the towns and cities

Kalicharan came from his village and now lives in a basti in the city. He is a thelawala (cart-puller). His family lives in the village while he works in the city market. Kalicharan is 40 years old. He came to the city twenty years ago. He lives in a one room jhuggi which is shared by five other persons. They are all thelawalas working in the same market and they come from the same village. Kalicharan goes to the market around the time shops open and stays there till late evening. There is no certainty of how many trips he would get in a day. It can vary from two-three trips to ten in a day. Sometimes he transports goods from one shop to another and at times to houses in the city colonies. He pays ten rupees to the thela-owner everyday as rent for use of the thela. At times he earns 100 rupees and on some days he doesn't earn more than forty rupees. Besides his own needs he has to regularly send money for his family in the village.

During the day he eats from one of the thelas in the market selling roti and dal. Since he wants to save money he usually eats less than what would be adequate for the heavy manual work that he does. Towards the evening he is very tired. All the thelawalas who stay in jhuggi pool in money and take turns to cook the evening meal. They also look after each other when someone is ill and share the rent of the jhuggi. The drinking water that they get in the basti is often contaminated and that causes jaundice, typhoid. Illness, of course, is dreaded because it means that there is no earning



for those days besides the extra expenses on medicines and doctors. Whatever he earns Kalicharan tries to save half for his family at home. They have no land in the village. His wife works as an agricultural labourer, besides looking after the family. Living and working for twenty years in this manner, without adequate nutrition, has sapped his energy and he looks much older than his age.

There are thousands like him in the city. They work as thelawala who transport goods; pherawala- those who roam around sell goods from a thela or baskets; hamal-those who work as labourers in the city markets; construction labourers or odd jobs such as white-washing etc; washermen or dhobi; garbage pickers; as domestic servants; etc. The basti where he lives is like a small town within the city. Nearly half the population of the city lives in such bastis or even on the pavements. Their poverty is not only due to the very little income they earn which makes their living standards low. They suffer due to the lack of health care facilities, sanitation, clean drinking water, cramped and poorly ventilated housing, schools etc. A decent living condition has to include these facilities along with regular income to satisfy the basic needs

- How do we know that the Sahariyas face a situation of chronic hunger?
- What work does Kalicharan do in the city? Why is he not able to earn sufficient income
- How does Kalicharan's living condition affect his life? What do you think are the reasons why he does not shift his family to the city?
- Who are the poor people that we find in the urban areas?
- For any such colony that you know of, find out:
 - a) What kinds of houses do you find in this colony?
 - b) Where do they get water and how much?
 - c) What are the toilet arrangements in this colony?
 - d) What kind of work do they do? Do they have regular jobs?

How does the Indian government identify the poor?

Every person has a daily requirement of food which is specified in calories, i.e. energy units. Food items such as cereals, pulses, vegetables, milk, oil, sugar etc. together provide the needed calories to the body. The calorie needs vary depending on age, sex, type of work that the person does. The average calorie requirement is 2100 Kilo calorie for a person living in the urban area, and 2400 Kilo Calories for a person living in the rural area.

There are many families that do not earn enough income to buy sufficient amount of food that could provide the needed calories. Their income is less than what would be necessary to meet the food requirements of its members. In the year 2000, a family of five members living in the rural areas and earning less than Rs.1600-1700 per month would not be able to meet their food needs. A similar family in an urban area would need to earn a minimum of Rs.2200-2300 per month. Such families whose income is less than this minimum are counted as being 'Below the Poverty Line'. One must remember that this is the bare minimum and does not include other basic needs such as health care, shelter, clothes, sanitation, education, drinking water etc.



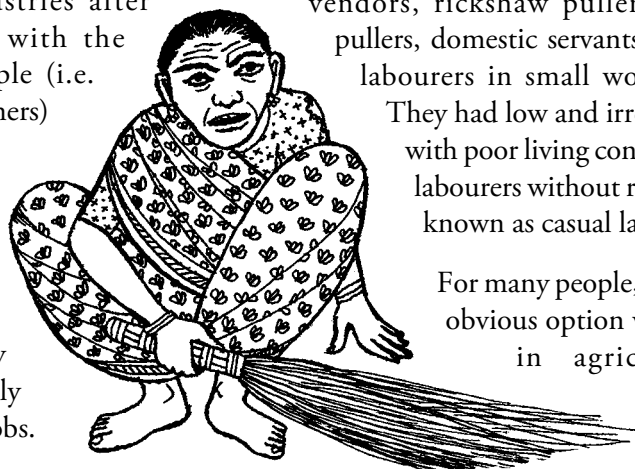
Question?

WHY DO PEOPLE REMAIN POOR?

Lack of Employment Opportunities

More than 60 percent of people in India depend upon agricultural activities for their livelihood. Most of them are small farmers and agricultural labourers. The growth of industries after independence was encouraged with the expectation that many such people (i.e. agricultural labourers and small farmers) would find work in these factories. A wide-range of industries developed under the government sector and the private sector.

Many people migrated to towns and cities looking for regular work. They sought employment in factories. Only a few could manage to get regular jobs.



Industries were able to employ only a small portion of the people who were looking for work. The rest of the people worked as construction workers, vendors, rickshaw pullers, hand-cart pullers, domestic servants, chowkidars, labourers in small workshops, etc. They had low and irregular income with poor living conditions. These labourers without regular jobs are known as casual labourers.

For many people, therefore, the obvious option was to stay on in agriculture and



somehow find work there or share whatever work was available. As a result, there were many more workers and farmers available than were actually necessary for farm work. People were employed only partially and would be unemployed for many days in a year.

With the spread of irrigation and Green Revolution there arose more opportunities of employment since more than one crop was sown on a piece of land during the year. Small farmers too could benefit wherever water was available. Members of the family could find more work. However this growth in agriculture was not sufficient to employ all those who were looking for work. Also with more machines being used such as harvester combines, tractors etc. there was less need for labourers.

The other opportunity for employment beyond agriculture but in the rural areas was in activities such as: motor winding and repairing, processing agriculture produce to make juices, pickles, running small business, tea-shops, cycle-shops, traditional crafts like pottery, manufacturing and repairing agricultural implements etc. These enterprises in the rural areas could reduce the pressures to go to urban areas in search of work. But the development in this sector has been slow.

Even today the number of people seeking work in the rural areas is very large. The total number of unemployed in the rural areas of the country is

around 3 crores. Many more are only partially employed, i.e. they don't get work through-out the year. For example, in a survey of landless labour households in Gokilapuram village of South Tamil Nadu, it was found that workers on an average got only 160 to 170 days of work in a year. For the rest of the year the workers fail to find employment. The number of days of agricultural work available for a small farmer in the tribal regions of Dewas in Madhya Pradesh is roughly 200 days. This includes 100 days of work on their own land during the Kharif crop, 60 days on others land in the winter season, and another 40 days of work, if the worker migrates to the more fertile regions during the sowing and harvesting time.

- After independence, which sector was expected to generate more opportunities for employment?
- Where did most people find work in the urban areas?
- Why did so many people have to still depend on agriculture? What happened as a result?
- Apart from farm work, what alternative employment is available in the rural area?
- How can we tell that a large number of people are not fully employed in the rural areas?

Lack of land, water, credit that can be used by rural people for their self-employment

As you have seen most people in the country work in agriculture as farmers and labourers. The majority of farms in the country, roughly 80%, are small farms. If they had more land and water people wouldn't have to look for other work. Similarly if landless people had some land they would not be entirely dependent on irregular work that they get.

How can landless people get land?

The land ceiling law established that no landowner must own land beyond a certain limit. This limit

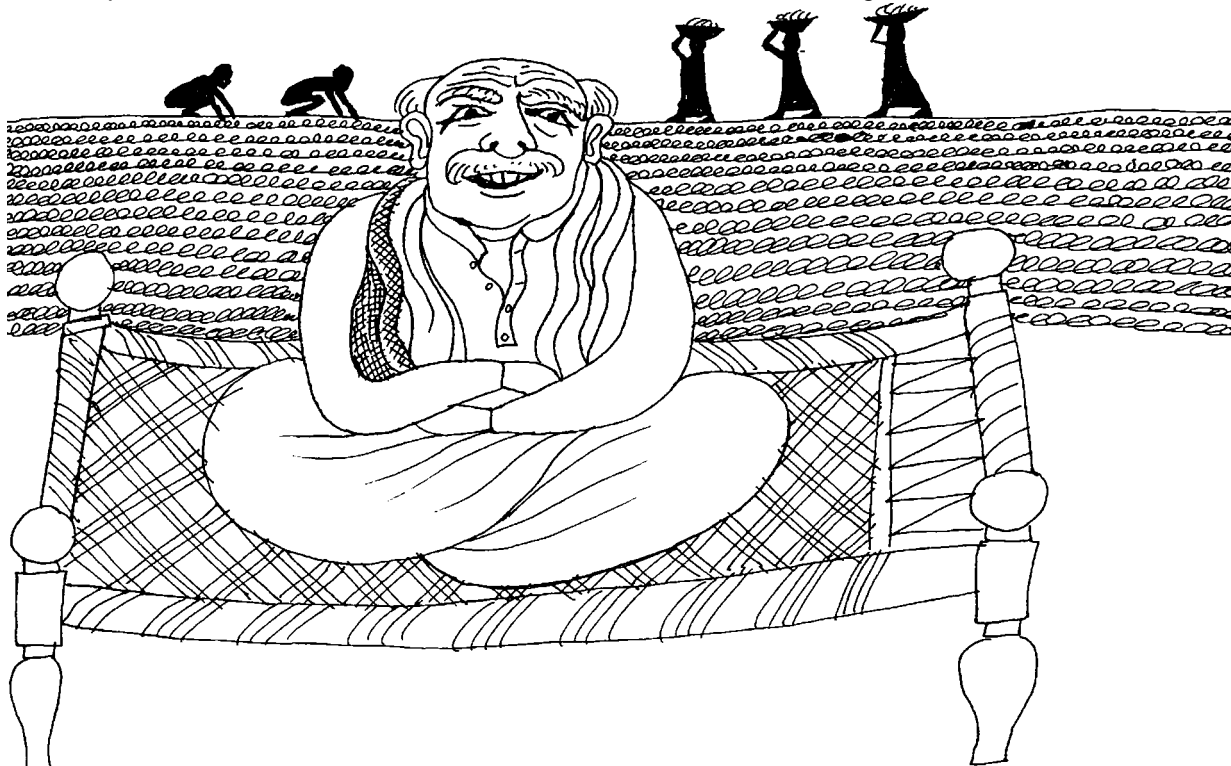
differed from state to state and on whether the land was dry or irrigated. The surplus land thus obtained by the government was to be distributed among the landless. This law made the big landlords unhappy, who then looked for ways to escape this law. Many of them were successful in saving their land from passing on to the government. Thus the government was able to obtain little land from the big landlords.

Here's an account from 'A Report on Land Reforms in Madhya Pradesh' published in 1994.

Sankara is a village in Durg District of Madhya Pradesh (now Chattisgarh). A case of land-ceiling was brought up in the year 1974-5 against the biggest landowner in the village. The land was shown as being owned by various members of the family though it was being managed by one person. This brought down the land declared surplus to 90 acres. Before the surplus land could be distributed, the

landowner obtained a stay order from the High Court. The case has gone on for 20 years and no land has been distributed to the landless. The 90 acres of surplus land is shown in the records as being held by the government whereas in reality it is in possession of the landlord.

At a few places where good quality land was given to adivasis and harijans, the zamindars and the big landlords resisted such transfers, sometimes using violent means.



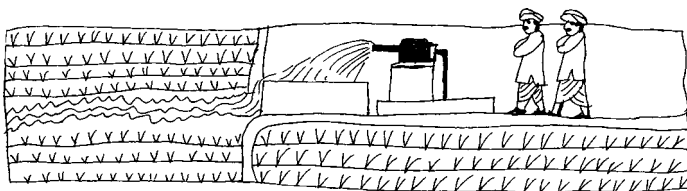
So far in the whole of India, 70 lakh acres of agricultural land has been declared as surplus by governments of which about 53 lakh hectares have been distributed to about 55 lakh landless families. The average area distributed per landless family is only about 1 acre. The total land redistributed is only about 2% of the total agricultural land of the country. This means that land redistribution programme has not been successful in the country.

- What were the problems in distributing land among the landless?
- If a landless labourer gets some land and becomes the owner how does this affect their living standard?

Land is not the only requirement to practice agriculture. Small farmers also need **water, loans** etc, which they are often unable to get.

Ralegoan Siddi, a village in Parner taluka of Pune District, was like any other village in this region. There were crop failures because of water, drinking water wasn't often available for people and their cattle, there was lack of employment and people were forced to migrate in search of work. All this began to change because of a water-shed programme and the unique understanding among people on water sharing.

The main plan was to use the increase in ground water by constructing seven community wells. The new understanding was not to go in for individual wells. Co-operative societies were formed which would distribute water equally to all the farmers in each area. A patkari or waterman was responsible for this distribution turn by turn and records were kept. Another understanding was that no farmer would cultivate sugar-cane which consumes far too much water.



Later on this village also received water from an irrigation project. The results soon began to show. Farmers were employed on their own fields and on others. There was much more work and income available. Basic needs of small farmers were met though landless families did not benefit as much. People did not migrate out. There was no drinking water problem even during a drought year.

- How does availability of water make a difference to a small farmer?
- How would a water-shed programme help in making more water available?
- What would have happened if community wells had not been constructed but individual farmers could dig their wells?
- What effect did this new programme and understanding have on the village?
- Why did the landless not benefit as much as others?

Just as water is important for farming, loans must be available to buy fertilizers, pesticides, seeds, etc. Farmers should be able to get these loans at the right time and at cheap interest rates.

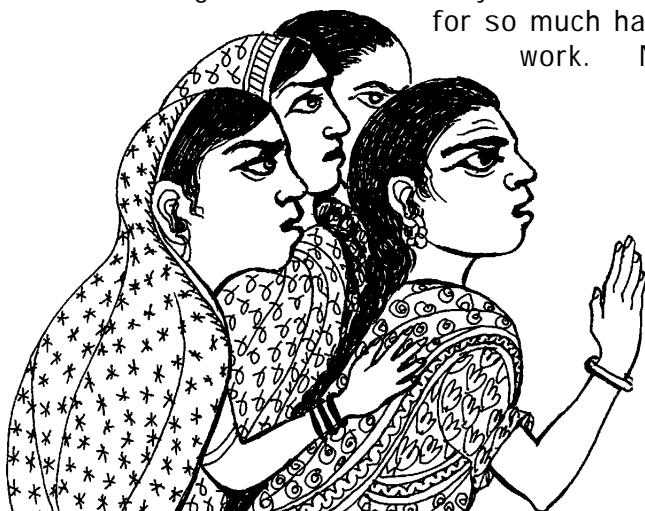
- Why are loans very important for small farmers?
- Padammama, the small farmer from Andhra Pradesh, had taken a loan from _____ and _____.
- What are the various ways in which a farmer can get loans? Discuss.
- Given a choice from whom would the farmers prefer to take loans?
- Most of the loans given by the village co-operative society are to large and medium farmers. Why? Discuss.

The poor are being cheated, ill-treated and denied their rights

Another important reason why people remain poor is because they are cheated, ill-treated and denied what is rightfully theirs.

Here is an account of what happened in Dahi village in Dhar District of Madhya Pradesh.

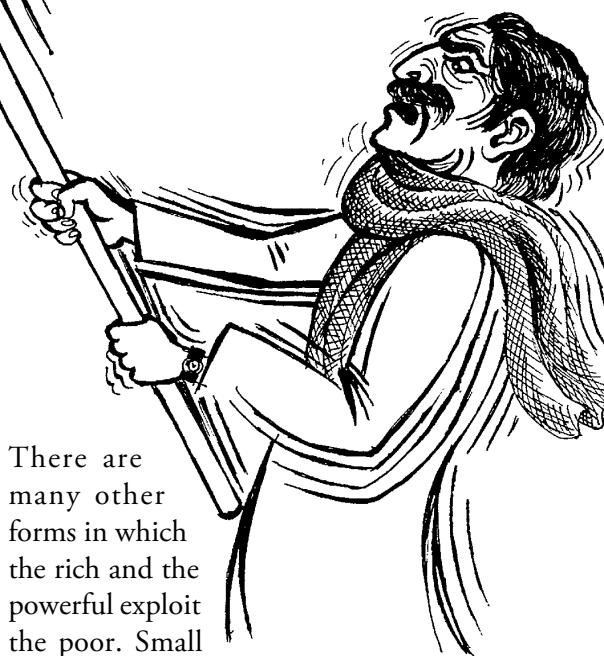
Dalit women of Dahi village were neglected in the projects of the panchayat. Even when they were employed, they got less than the minimum wage. They were paid Rs. 35 when ideally they should get Rs. 52. The money was too little for so much hard work. No



one dared to protest for fear that they would be refused further work. In the village, dalit families are among the poorest.

In the summer of 2002, a group of four young Dalit women refused to accept the low wages paid by the panchayat. This made the panchayat unhappy and one woman was beaten up by the sarpanch. The four Dalit women, with the help of a local social worker, reported the matter to the police and a local newspaper. After an enquiry, the district Collector ordered that the panchayat pay the women not less than the minimum wage.

- Why did the Panchayat pay the Dalit women less than the minimum wage?
- Why was the Panchayat able to exploit the Dalit women of Dahi village?
- How did the four women protest against their exploitation?
- Find out with the help of your teacher the collectorate rate i.e. the government rate for *mazdoori*. Compare this with what a worker (such as construction worker, helper) actually gets. Why is there a difference?



There are many other forms in which the rich and the powerful exploit the poor. Small farmers often take land on lease from large farmers to cultivate. They do this as tenants and often the arrangement is to share both the costs and the produce. The small farmer has to pay half the produce of the land to the owner of the land as rent. This is much more than what is allowed by law. These arrangements are all oral and the tenants are regularly changed because they can claim right over the land if they have been cultivating it regularly.

“...landowners have been shifting the plots and evicting the tenants in order to prevent them from acquiring occupancy and ownership rights”

From 'A report on Land Reforms in M.P.' 1994

Poverty among the most vulnerable groups in India in 2000

Group	Proportion of poor out of every 100 persons falling in the group
Agricultural labourers (Rural)	47 %
Casual labourers (Urban)	50 %
Scheduled Castes	43 %
Scheduled Tribes	51 %
All groups	28 % ?

The above table shows four groups that have the highest percentages of poor in India. Imagine 51 out of 100 persons belonging to scheduled tribes are below the poverty line, i.e., they cannot even

meet their basic food needs. Similarly, the rural agricultural labourers, urban casual labourers, scheduled castes face very high levels of poverty.

- In rural areas what percentage of people are poor among agriculture labourers? Why are landless labourers more likely to be poor than farmers with land?
- Would a person with a regular job in the factory be called a casual labourer? What are the types of casual labour workers seen in urban areas? Why are they more likely to be poor than those with regular jobs?
- In your opinion what could be the reasons for poverty to be very high among schedule tribes? Discuss.

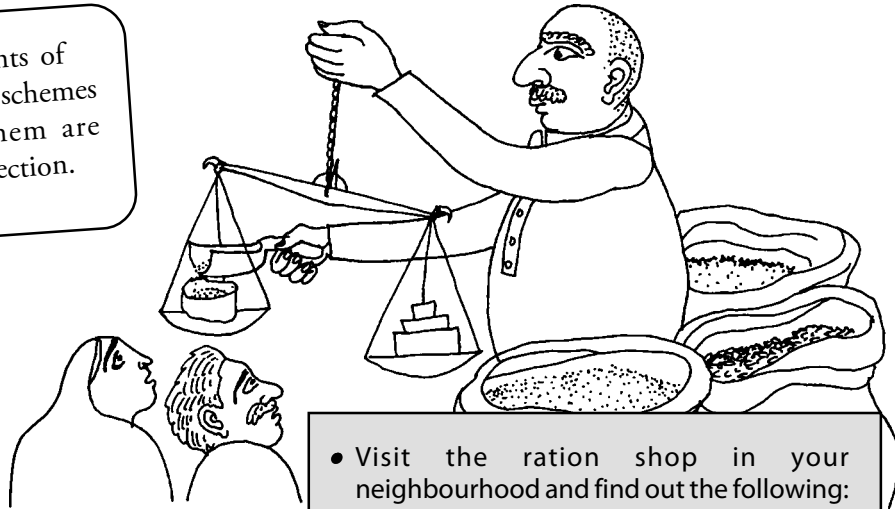


In the above section we have examined why the poor remain so and what are some of the things that need to be done so that their condition improves. To recall, answer the following questions:

- How can work opportunities expand to help the poor?
- What facilities do small farmers require so that they can use their land in a better manner?
- How can the landless get land?
- How can the rights of poor people be protected?

Besides these overall points of action we also require special schemes for the poor. Some of them are discussed in the following section.

SPECIAL SCHEMES FOR THE POOR



Foodgrain distribution through ration shops

One of the ways in which the government tries to ensure that food reaches the really needy and poor people is to sell grains through the ration shops. Ration shops are now present in most localities, villages, towns and cities, totalling up to 4.6 lakhs ration shops all over India. Ration shops also called *fair price shops* keep stocks of foodgrains and other essential items like sugar, kerosene oil for cooking, and these items are sold at a cheap price to the people. Any family with a ration card can buy a maximum fixed amount of these items (for example, 35 kg of grain, 5 litres of kerosene, 5 kg of sugar etc.) every month from the nearby ration shop.

There are three kinds of ration cards: a) Antyodaya cards for the poorest of the poor; b) BPL cards for those families below poverty line; and c) APL cards for all others. The monthly grain allotments to all these categories are fixed. The prices of grains are the lowest for Antyodaya cardholders, somewhat higher for BPL cardholders, and much higher for the APL cardholders. For example, price of wheat is Rs. 2/kg for Antyodaya, Rs.4.15/kg for BPL, and Rs.6.10/kg for APL families.

The system of ration shops distributing foodgrains and other essential items is known as the public distribution system (PDS).

- Visit the ration shop in your neighbourhood and find out the following:

1. When does the ration shop open?
2. What are the items sold at the ration shop?
3. Compare the prices of rice and sugar from the ration shop (for families below poverty line) with the prices at any other grocery store. [Important: Ask for the ordinary variety rates at the grocery shop]

- Find out from your own family or any other:

1. What have they recently bought from the ration shop?
2. Are they able to get the items that they desire regularly?
3. Are there any problems that they face?

- Why are ration shops necessary?

In many parts of India, the working of the PDS has not been satisfactory. As a result the poor have to depend on markets rather than the ration shops for their food needs. In Madhya Pradesh, only 5% of wheat and rice consumption of the poor are met through ration shops. In Uttar Pradesh and Bihar the percentage is still lower. In the Southern states of Kerala, Karnataka and Tamil Nadu, however, the performance of PDS has been reported to be much better.

It is common to find ration shop dealers selling grain to other traders at a higher price instead of

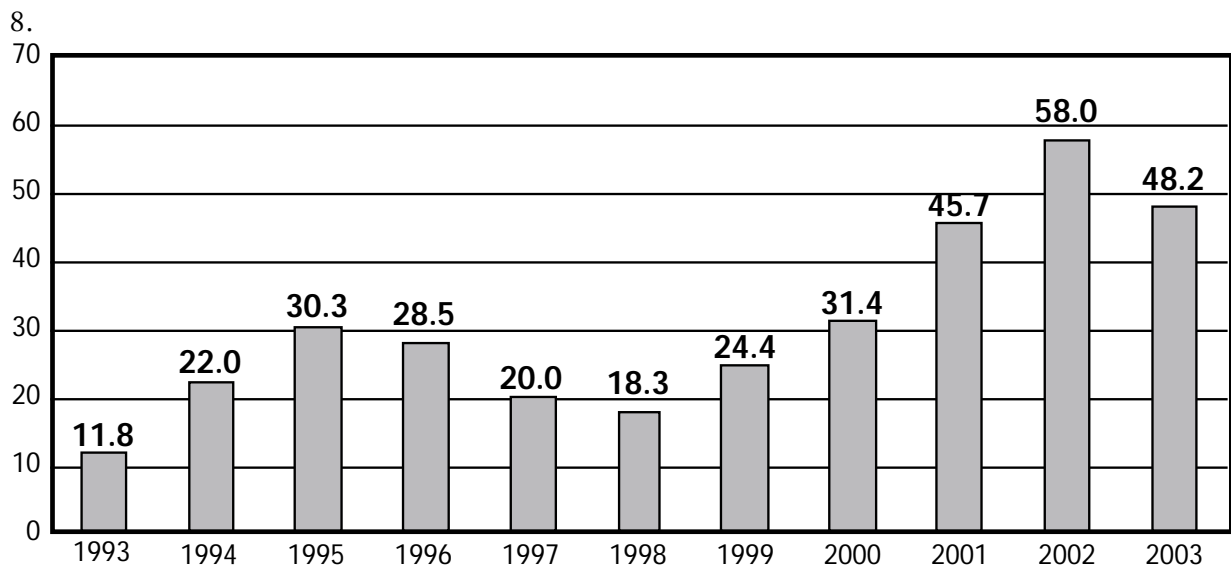
selling it through the ration shops at a cheaper price. The ration shop dealer shows in his register that he has sold the full amount while people only get half the amount. The foodgrains sold are usually of poor quality. At several places, even though the law says that the ration shops have to be open on all days of the week, this rule is not followed. Government officials do not protest since they get a share from the profit that the ration shop agent makes.

In the recent years, there is another factor that has led to the decline of the PDS. Earlier, every family – both poor and non-poor - had a ration card with a fixed quota of items such as rice, wheat, sugar, kerosene, etc. These were sold at the same low price to every family. The three types of cards and the range of prices that you see today did not exist. As a result a larger number of families could buy grains from the ration shops subject to a fixed quota. These included many low income families whose incomes were only marginally higher than the BPL families. Since they could buy grains at cheap prices from the ration shops, they could use the money thus saved for various other things.

For example, they could buy more pulses, vegetables or milk. Or they could spend on school fees or medicines or save money for building a small house.

Now, with the new PDS policy of three different prices, any family who is above the poverty line, i.e. earns more than Rs 1600-1700 per month in rural areas, gets little discount at the ration shop. Low income families who might be earning Rs 1800 per month have to buy grain at the higher APL price. This price is almost as high as the price in the market. There is no use of buying from the ration shop, they complain! Thus ration shops regularly have unsold stocks left.

For the government this has proved to be a big problem. As ration shops are unable to sell, there has been a massive stockpile of foodgrains with the Food Corporation of India (FCI). FCI godowns are overflowing with grains, with some rotting away and some being eaten by rats. The graph below shows the rising stocks of foodgrains in the recent years. The accumulation of foodgrains started soon after the new PDS policy of three different prices was introduced in 1997-



Stock of Foodgrains with the Indian Government (in millions of tonnes)

- In which year was the foodgrain stock with the government the maximum? Colour the segment of the graph where you see stocks accumulating.

- Why were the FCI godowns overflowing with foodgrains?
- Who were the people who were harmed by the new PDS policy? How?

In order to get rid of some of the foodgrain stocks, the government exported 212 lakh tonnes of foodgrains at BPL prices in 2002 and 2003. This led to massive protests. The protestors demanding that when there is so much poverty in the country, it is a big mistake to export grains. The quantity of foodgrains exported was sufficient to give 35-40 kg grain to every poor person in the country.

People have put two types of suggestions before the government for immediate action so that food reaches the really poor and the needy in the country:

- (a) Broaden the system of PDS so that all families can buy foodgrains at a cheap price, and improve the functioning of the ration shops;
- (b) Use the foodgrain stock with the government to run rural employment programmes. We shall read more about this in the next section.

- What did the government do to bring down the foodgrain stocks? Do you consider it a right step?
- What could the government have done instead? Discuss.
- What are the problems in the way the ration shops function?

Rural Wage-Employment Programme

On September 20, 2004 hundreds of people all-over India signed a petition and sent it to the Prime Minister of India. They wanted that the government should immediately promise to provide employment in the rural areas through *rural wage employment programme to any adult member who demands unskilled manual work*. The petition made demands for a law to enforce this, which should be called the Employment Guarantee Act. The suicides of farmers and the starvation deaths had alarmed these hundreds of people. They argued that employment was essential for the food security of the people.



Employment Guarantee means:

“Every adult in the rural areas of India shall have a right to guaranteed employment for doing unskilled manual work at the minimum wage, and to receive the wages for this work within ten days.”

- Discuss with your teacher:
- UPDATE**
- What is the process by which this can become a law?
 - When it becomes a law what will the government have to do to make sure that those who want to be employed can find work?
 - What can people do to ensure that this law is followed?

Rural wage employment programmes by the government have been a feature of rural India since the . 1970s. They were first introduced in Maharashtra under the name Employment Guarantee Scheme (EGS) after the severe drought in 1972-73. The aim of these programmes is to provide employment to poor families especially landless labourers, dalits and adivasis in the rural

areas. Work is provided on a variety of government projects such as building roads, digging ponds, land conservation work (like land bunding, planting trees, building canals, drainage systems) and minor irrigation projects. The government needs to choose these projects carefully to see that through the employment, assets that can be used by the poor are created.

Sampoorna Grameen Rozgar Yojana (SGRY) is one such rural wage employment programme running currently. The Panchayats at the village, block and district levels get funds from the government to plan and implement projects like the ones mentioned above. Every worker in these projects must be paid the minimum wage, partly in foodgrains and partly in cash. A minimum of 5 kilograms of foodgrain has to be given to a worker for a single days work and the rest of the wage is to be paid in cash. The payment in foodgrains is important to ensure that the worker and his family meet their basic food requirements. It also helps reduce the stock of foodgrains with the government.

- What is a minimum wage? Find out.
- What are the projects run under SGRY? What kind of projects should be undertaken for your region. Discuss
- How are the workers paid? Why is part payment made in food grains?
- People sometimes refuse to take payment in foodgrains? What could be the reasons for this? Discuss.
- In some places it was found that workers are not paid immediately. Sometimes even a month goes by before the workers are paid. How will this affect the programme?
- What could be done to prevent irregularities from happening?

The Rural Wage Employment programmes over the years have provided employment for lakhs of people. This is particularly so in the dry regions, and at the time of drought when work is no longer available in the fields and people earn their livelihood from these programmes. It is necessary remove the shortcomings in the programme and also to carry on these programmes at a more extensive level. The proposed National Employment Guarantee Act (NEGA) to be introduced in the parliament soon seeks to ensure 100 days of employment to all the needy persons in rural areas at minimum wages. The Act will be implemented on a pilot basis in 100 poorest districts of the country. The total cost of such a programme, which mainly involves human labour, is estimated to be only 2% of the national income.

Exercises

1. Why is it necessary to carry out employment programmes on an extensive scale?
2. Is it right to spend money on these programmes? Where will the government get money for this?
3. What are the activities that such a programme should contain?

Most of us fail to ask why our countries are underdeveloped, when we go abroad for financial aid and technical experts. The reason for underdevelopment is precisely that our raw materials and our great markets were exploited by the foreigner to his own advantage. Our products were taken away for the price of the cheap labour needed to take them out of the earth, and we paid the highest prices for the finished goods. In a word, the developed countries with very few exceptions are developed precisely because they made profit both ways from us; we were never paid the actual value of the things taken away. It is our resources that have helped in the development of the great industrialised nations of the world; yet we have to go to the same nations as suppliants, not as people demanding return of what is rightfully our own.

-DD Kosambi

