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Poverty in India : A Geo-Socio-Economic Analysis

Prabhati Shukla, Sagar, M.P.

Abstract

Obtaining statistical data from various sources, the impoverishment of India has been analysed with respect to the present context of geo-socio-economic behaviour of different states of the country. It is found that uncontrolled growth of population and regional disparities are adversely affecting poverty removal programme. Liberalization of economy has increased insecurities and vulnerability. Economic inequalities of Dalit$/Scheduled castes still prevail in every corner of the nation challenging their constitutional right. In such a situation it has been suggested that The magnitude and rate of change of inequalities is observed to be quite substantial very sharp contrasts are evident between the rural sectors of the slow growing states and the urban sectors of the fast growing states the progressive utilization theory (PROUT) propounded by Sarkar(1981) may be useful in order to eradicate poverty.

Introduction

In spite of various efforts at the level of Government of India, the poverty of the people is expanding day by day. None can deny that an uncontrolled growth of population creates many geo-socio-economic problems viz. poverty, injustice, insecurity, inequality, exploitation and corruption etc. This is the age of mutative force therefore the material wealth and energy are the ultimate targets of achievements in the society. We should not forget that this whole animate world is a large joint family in which nature has not assigned any property to any individual (Sarkar 1968). The individual ownership has been created by the opportunists guided by the selfish motives, so that the defects of this system may provide good opportunities and enable them to grow faster in a parasitic way. Women are not only unjustifiably deprived of their social rights, but also in the economic aspect they remain helpless. The dowry system is another glaring example of social injustice. It has two causes, the first being the economic and the second being the unbalanced numerical proportion of men to women. In such environment some sections of the society have enormous wealth where as the many others are hand to mouth. This situation is not only in India but in the whole world. Thus it is the time to think deeply to struggle with this problem. Present study aims at analyzing the geo-socio-economic factors responsible for poverty in India.

Collection of data and methodology

The data were collected from various sources viz. census reports, national sample survey, and international conference (2005) on inequality and differences. The data so obtained were compared and analyzed in the context of India and its states keeping geographic, social and economic aspects in mind.

Results and Discussion

1) Uncontrolled growth of population and regional disparities: Table 1 gives the population of the various states of India with the other countries of the world. One can easily observe that if the states like Uttarpradesh, Maharastra, Bihar, Andhra and Tamilnadu were sovereign countries they would have been among 20 largest countries of the world. It is clear that whatever happens in Uttarpradesh would affect 166.1 million people and consequently the other adjoining states.

Thus the accelerating population causes regional inequalities in education, employment, health, food and clothing (Shukla 1999, 2004). Therefore, unusual backwardness in any one state affects the lives of large masses of people and this cannot be ignored.

Table 1: Population of Countries and a few States from India (in 2001)

Country	Million People	Rank
China	1280.4	1
India	1032.7	2
United States	288.4	3
Indonesia	211.7	4
Brazil	174.5	5
Uttar Pradesh	*166.1*	*6th largest*
Pakistan	144.9	7
Russia	144.1	8
Bangladesh	135.7	9
Nigeria	132.8	10
Japan	127.2	11
Mexico	100.8	12
Maharashtra	*96.8*	*13th largest*
Bihar	*82.9*	*14th largest*
Germany	82.4	15
West Bengal	*80.2*	*16th largest*
Andhra Pradesh	*75.8*	*17th largest*
Egypt	66.4	18
Tamil Nadu	*62.1*	*19th largest*
United Kingdom	60.2	20
World	**6130.0**	

Source: World Development Indicators, 2004. & Census of India 2001

Now if we try to find the ways of poverty reduction at the regional level we find that the regional growth pattern may affect the prospects of poverty reduction and impoverishment. The trend rates of poverty reduction vary state by state, with Kerala having the highest rate of poverty reduction and Assam the lowest with Bihar close behind. Around 1960 Kerala had one of the highest poverty rates, along with Bihar. By the mid 1990s, Kerala's poverty rate had fallen to almost half that of Bihar. Poverty today is concentrated in a few states. The share of six states (Bihar, UP, MP, West Bengal, Orissa, and Assam) in the rural poor increased from 68.8 percent in 1993-1994 to 74 percent in 1999-2000. If growth is unevenly concentrated in some states, then we need to analyze if that distribution of growth patterns is most conducive for reducing poverty. Thus, the regional pattern of growth may affect the incidence of poverty reduction and is important. This follows that the initial conditions across states are relevant to the impact of economic growth on poverty. In a state with a high literacy, for example, there could be more scope for reducing poverty through nonagricultural growth. Thus, India's economic growth in the 1990s has not been occurring in the states where it would have the most impact on poverty at national level. If not for sectoral and geographic imbalance of growth, the national rate of growth would have generated a rate of poverty reduction that was *double* India's historical trend rate (Sinha 2005). The spatial pattern of development does not allow all states

Table 2: Disparity in Performance among the Best and the Worst Performing States

No.	Indicator	Best Performer	Worst Performer
1.	Human Development Index1991 (value)	Kerala (0.59)	Bihar (0.31)
2.	Human Poverty Index 1991 (% of households)	Kerala (20)	Bihar (52)
	Indicators for all population		
3.	Income poverty 1999-00 (% of population)	Jammu & Kashmir (4)	Orissa (47)
4.	Total literacy 2001 (% of population)	Kerala (91)	Bihar (48)
5.	Ever enrolment rate, 6-14 years 1994 (%)	Kerala (99)	Bihar (59)
6.	Infant Mortality Rate (per 1000 births)	Kerala (16)	Uttar Pradesh (87)
7.	Kutcha housing 1994 (% households)	Haryana (14)	Orissa (77)
8.	Households with a toilet 1994 (%)	North East region (68)	Orissa (3)
9.	Households with electricity1994 (%)	Himachal Pradesh (88)	Bihar (9)
	Gender sensitive indicators		
10.	Gender Disparity Index (value)	Kerala (0.83)	Bihar (0.47)
11.	Female life expectancy 1993-97 (years)	Kerala (75.9)	Madhya Pradesh (55.5)
	(Female literacy 2001 (% of population)	Kerala (88)	Bihar (34)
13.	Sex ratio, 6 yrs+ (females per 1000 males)	Kerala (1071)	Sikkim (858)
14.	Infant mortality, girls 1998 (per 1000 births)	Kerala (13)	Madhya Pradesh (97)
15.	Anemia among women 1994 (%)	Kerala (23)	Assam (70)
16.	Dropout among girls, primary1994 (%)	Kerala (-5)	Rajasthan (63)

Source: Census reports 2001, The Union Territories and Delhi and Goa have been excluded from this analysis.

to benefit from the impact of economic growth on poverty; this in turn reduces the potential positive impact of economic growth on poverty measures. Thus, "A more pro-poor geographic pattern of growth in India's non-agricultural economy would have required higher growth rates in states such as Bihar, Madhya Pradesh, Orissa, and Uttar Pradesh. Similarly, the regional pattern of agricultural growth has *not* been pro-poor. The states with higher growth rate in agricultural yields were not the key states with higher share of India's poverty". Basically, the poorer states in India show a lower reduction in poverty and lower growth rates. In India, one's well-being is heavily shaped by where one resides. Growth has been concentrated in Gujarat, Maharashtra, Rajasthan, West Bengal, Tamil Nadu, and Karnataka Each of these states recorded a growth of 6 percent and more. Interestingly, a high growth state like Punjab recorded low growth in the 1990s. Regional variation across 16 states as shown by the coefficient of variation, increased from 18% in the 1980s to 27 percent in the 1990s. The coefficient of variation in per capita gross state domestic product increased from 25 percent in the 1980s to 43 percent in the 1990s. The most troubling aspect of regional inequalities is that multiple inequalities are superimposed upon each other; that is, regional inequalities are superimposed on gender and caste deprivations. A man in Bihar not only earns the least among all other states but in his household his wife is likely to be the most deprived among women, their children the most malnourished. In 1991 for instance, 94% of males in Kerala were literate, while literacy rates were still below 10% (even as low as 2 or 3% in some districts) among scheduled caste woman in Bihar or Rajasthan. These disparities in well being across states are enormous even

if we remove Kerala from the comparison. Himachal Pradesh has very high literacy rates by now. Yet, economic growth and prosperity do not necessarily predict the opposite, especially for gender equality; in affluent Punjab and Haryana, the sex ratio is one of the lowest in the world. While economic growth is no guarantee of positive externalities in other dimensions, low income parts of the country coincide with acute inequalities in almost every other dimension. The table 2 gives the differences in the performance of the states.

A related issue is of urbanization. The pace of urbanization in India has been quite slow (Table3). Overall, the growth rate of the urban population has slowed from the record level of 3.8% per annum in the 1970s to 3.1% in the 1980s and 2.7% in the 1990s (Oxford Policy Management 2004). India's urbanization profile is similar to Myanmar. This means that (i) rural-urban disparities are increasing; (ii) that inequalities between the English educated middle and upper class people that benefit from the knowledge and service economy and the agrarian landless and small farmers, scheduled caste, and unskilled people are likely to become even worse than if growth had been accompanied by rapid urbanization. (iii) the poor tend to be more constrained in their access to markets and infrastructure than the non-poor. Since the extent of urbanization in an area reflects the level of marketization and the presence of infrastructure, "one would expect that the poor would be able to benefit more from non-farm growth when they live in a more urbanized area"(Choudhari 2005). Thus inequality is going to adversely affect poverty reduction because the rate of urbanization is very slow in India.

Table 3: Urban Population as a percentage of Total Population 1980 -2002

China	20.38
India	23.28
Vietnam	19.25
Thailand	17.20
Sri Lanka	22.23
Philippines	37.60
Pakistan	28.34
Nepal	7.13
Myanmar	24.29
Malaysia	42.59
Indonesia	22.43
Bangladesh	15.26

Source: World Development Indicators, 2004.

2) Liberalization, Rising Insecurities, and Vulnerability

Apart from the impact of globalization on income and income distribution, we also need to assess the impact of liberalization on people's wellbeing, sense of security and emerging vulnerabilities. Massive changes in the role of public sector, shifts toward a technologically sophisticated service economy, informalization of the labor force, all create greater instabilities and insecurities in people's lives in the shorter and the medium term. If mechanisms for retraining, re-skilling, and adjustment are lacking then this insecurity can become a permanent feature of a working home's life as the workers go from one job to the next in search for stability. Furthermore, increased dependence upon the informal sector for employment has the direct affect of increasing the economic insecurity of those dependent upon it: Workers in the organized sector enjoy better wages and salaries, job security, reasonably decent working conditions and social protection against such risks as sickness, injury,

disability and death arising out of hazards and accidents at work, separations and old age. Those in the unorganized sector generally have no protection against these risks, have low earnings, often lower than the modest statutory minimum wages and have no regularity, leave aside security of jobs.

Insecurities have risen even in the organized formal sector. This is directly evident in the employment data of the organized sector itself. Within the organized sector, an increasing number of jobs are approximating the character of those in the unorganized sector as a result of the increasing labor market flexibility in the wake of globalization. A comprehensive survey of about 1300 firms, scattered over 10 states and nine important organized manufacturing industry groups (consisting of both public and private sectors), undertaken by the Institute for Human Development (sponsored by the Ministry of Statistics, Government of India), shows that between 1991 and 1998 although the total employment increased by over 2%, most of the increase was accounted for by temporary, casual, contract, and other flexible categories of workers. An indirect implication of rising intra-urban, rural-urban and inter-state inequalities is that impoverishment, and economic insecurities afflict some sections, social groups, and regions more than others. Moreover, while we have ways of capturing poverty and other indicators, we are unable to find measures to captures rising insecurities and vulnerabilities at the national or aggregate level. It's only localized histories and particular crucial events that yield some insight into these declines in the well being and insecurities of some populations.

A few illustrative cases highlight rising insecurities in India. In 2003, attacks on Hindi-speaking people and Biharis broke out in several parts of Assam. These clashes soon spread to parts of the Northeast which has experienced very low growth rates and decline in public sector employment). The immediate context for the sudden violence was recruitment by the railways for Northeastern railways for Class III and Class IV (lower level, unskilled) jobs. On November 9, 2003 some candidates from Bihar who had traveled to Guwahati for the written tests conducted by the Railway Recruitment Board for recruitment to class III and class IV jobs in Northeast Frontier Railway (NFR) were prevented from taking the tests by some local youth. Some youth from Tripura who too had travelled to Guwahati for the same purpose received similar treatment. With over two million "educated unemployed" (the number of unemployed in the live registers of employment exchanges in Assam, as on December 31, 2001, was a little under 15 lakhs), and with the State having little capacity for employment generation on its own, the youth of the State depend heavily on agencies from outside the State to provide employment. With little inflow of private sector investment, only the State and Central governments, and structures like the Indian Railways and other public sector undertakings, are seen as providers of jobs. Howsoever huge the problem of unemployment and howsoever meager their contribution in alleviating the problem is in the totality of things. In the present instance there were over six lakh applicants, more than half of them from outside the region, for 2,720 posts. The victims of these so-called Assamese-Bihari clashes are almost

entirely the so-called Biharis, more correctly Hindi-speaking people from many parts of India, including, perhaps predominantly, Bihar, whose ancestors had settled down in the State or the region generations ago. The backlash began in Guwahati but spread soon to areas in Upper Assam, with the major toll being in Tinsukia district. Two weeks after the first outbreak, the officially admitted death roll was 56. The victims, who included women and children, were hacked to death, as in the case of a whole family in Tinsukia, or stabbed or shot. The violence was not confined to "remote" areas; hundreds of houses, homesteads and settlements in Guwahati, including in the capital complex Dispur and the Guwahati University campus, were burnt. Livestock too was destroyed.

In such a situation of drastic but localized economic decline and lack of private sector development, the slogan of "Jobs for the boys" resonated all across the Northeastern states. Similar vignettes of rising insecurities abound in many other parts of the country.

There are evidences of localized impoverishment in the poor districts of Orissa due to the destruction of the local environmental base and the dismal failure of state-sponsored programs in the 1990s. The decline of the textile industry in Gujarat and Mumbai has led to massive insecurities among the population in these industries creating the potential for deep social unrest. A case study of Ahmedabad, once known as the 'Manchester of India,' illustrates how the rise in economic securities can create a fertile ground for social and political instabilities. In 1985 and after 2001 Ahmedabad was affected by communal riots. 80 percent of workers in the city of Ahmedabad were employed by the textile industry in the 1960s and the 1970s. Yet, by the late 1970s manufacturing employment started to decline in the Textile industry. Simultaneously, there was an increase of manufacturing in the small scale units in the chemical and engineering industries. These changes directly affected the working conditions of workers making them more insecure and unstable. Some of the displaced workers were absorbed in the illegal economy of alcohol, drugs, silver, and gun smuggling. Thus, the decline of the textile industry and in formalization of its workers is directly related to the communal riots of 1985-1986 and the riots in Mumbai in 1992-1993. Similarly, numerous cases of substantial disruption and rising vulnerabilities in people's lives are evident: deep recession in the power loom sector in Tamil Nadu, a crisis in the edible oil industry after the slashing of import tariffs, collapse in coffee prices and farmer suicides in Kerala, bankruptcy among the cotton farmers and farmers in Andhra Pradesh leading to an increase in farmers suicides, the displacement of traditional fishing by commercial shrimp farmers in Kerala and Orissa. A related issue is of transitional costs as people move out of their traditional and more stable livelihoods into more unstable and informal occupations. In many poor regions of India, further decline has been avoided mainly through seasonal migration. Migration imposes social costs and increases social and political insecurities. In 2003-2004, many riots in India were against the immigrants. In formalization of the labor force also increases insecurities. It may mean longer working hours, higher insecurity, lower status and worse working conditions.

(3) Economic Inequalities of Dalits/ Scheduled Castes

India's caste system is structured and defined by principles of graded inequality; as such, it was bound to produce economic disparities across caste groups. The most deprived are the untouchables or Scheduled Castes, now known as Dalits (literally, the oppressed or the exploited). In addition, insofar as it a rigid system discouraging mobility across social boundaries and occupation groups, this tends to reproduce persistent and systematic economic and social inequalities. According to the 1991 census, the literacy rate of SCs was 37 percent as compared to all-India literacy rate of 52. About three-fourths of all SC's live in rural areas, where the main sources of income are either wage labor in agriculture, or non-farm employment. In 1987-1988 only 18.9 percent of SC households were self-employed in agriculture, referring to those who had access to some land or assets, whereas among the non-SC the share was more than twice as high: 43.3 percent; this ratio had not changed much by 1994-1995. Overall, only 29.8 percent of SC households are self-employed in either farm or non-farm employment, while 57.1 of non-SC households were self-employed.

In the urban areas, disparity in access to capital was as pervasive with only 28 percent of SC self employed; by 1993-1994 it had actually *declined* by 4 percent points to 24 percent. Thus, unequal access to land or capital markets continues to affect Dalits. In 1999, scheduled castes, in comparison to other social groups—Scheduled Tribes, Muslims, Christians, and general caste groups owned the least land. Only 47 percent of scheduled castes owned some land while the corresponding figures for other groups were: 69 percent for tribals/adivasis; 65 percent for non- SC castes; and 57 percent for Muslims. In addition, the average size of landholdings owned by a Dalit was very small, ranging from 40 acres to 2.8 hectares. Table 4 shows that SCs are higher in proportion in the landless, marginal and small farmer categories.

Lack of access to land, rural assets, and capital and high dependence on wage labour is likely to result in low income and consumption and higher incidence of poverty among SCs as compared to the non-SCs both in rural and urban areas. Table 5 shows that the per capita consumption of expenditure of SCs in rural areas was only Rs. 133 in 1987-1988 compared to Rs. 169 for the Non-SCs. Similarly, in urban areas,

Table 4: Size Distribution of Ownership Holding

	Scheduled Castes		Others	
	1982	1992	1982	1992
Landless	12.61	13.34	10.18	9.85
Marginal	72.41	72.91	52.2	53.95
Small	8.4	7.85	16.09	13.58
Semi-medium	4.52	3.86	12.05	10.08
Medium	1.8	1.83	7.66	11.48
Large	0.26	0.21	1.82	1.06
Total	100	100	100	100

Source: NSS (1982,1992) Landholding Survey, Delhi: CSO.

SC's consumed about Rs. 185 while non-SC's consumed Rs. 256 per person. Low levels of consumption expenditure make it easier for SCs to fall below the poverty line.

Table 5: Monthly Per Capita Consumption Expenditure by Social Group

	Rural	Urban
1983-84		
Scheduled Caste	87	128
Others	112	165
1987-88		
Scheduled Caste	133	185
Others	169	256

Table 6 shows castes maps on to regional disparities. 87 percent of SC households in Orissa are made of fragile materials (kutcha), while only 27 percent of SC households are kutcha. In backward states like Orissa, Bihar, and Uttar Pradesh, SC are the most backward. In Uttar Pradesh, among the Chamars, a SC community, 99 percent of the households have no toilet facility, compared with 90 percent among Brahmans; 89 percent of Chamar households have no electricity compared with 64 percent among Brahmans; 73 percent live in kutcha houses compared with 47 percent among Brahmins. Bihar, seems to be the poorest of Indian states and access to basic necessities for the Dalits as unequal: in the rural areas, 99 percent of the Chamar households have no toilet facility compared to 73 percent among the Rajputs and 75 percent of the Brahmans. These differentials persist for a variety of social and economic indicators. In terms of literacy, for example, 53 percent of the Chamar households have no adult literate member in the family; it was 40 percent for Yadavs (OBCs) and 9 percent among Brahmins.

Above data show that the socio-economic inequality of SC versus other communities is larger, their economic deprivations have persisted over time and the general process of economic development has not reduced the extent of inequality between Dalits and non-Dalits.

Conclusion and Suggestions

In spite of various efforts of the government of India the poverty seems to increase at a faster speed. Uncontrolled growth of population and regional disparities are adversely affecting poverty removal programme. Liberalization of economy has increased insecurities and vulnerability. Economic inequalities of Dalits/Scheduled castes still prevail in every corner of the country challenging their constitutional

Table 6: Disparity in Performance of SC and ST among the Best and the Worst Performing States Indicators for Scheduled Castes and Tribes

1.	Kutcha housing 1994 (%)	Haryana (24)	Orissa (87)
2.	Households with a toilet 1994 (%)	North East region (67)	Orissa (0.7)
3.	Households with electricity 1994 (%)	Himachal Pradesh (84)	Bihar (4)
4.	Overall literacy 1994 (% of population)	Kerala (78)	Bihar (28)
5.	Ever enrolment rate, 6-14 years 1994	Kerala (97)	Bihar (45)

Source: A. Shariff (1999), India Human Development Report, Oxford University Press, New Delhi. The Union Territories and Delhi and Goa have been excluded from this analysis.

right.Thus, while formal political equality is well established, income inequality is compounded by social and status dimensions. Interestingly, democratic theory and practice within India over the last fifty years have politicized different communities at different moments leading to mobilization of perceptions and resources in favour or against certain groups. This means that genuine egalitarian movements invite backlash from the privileged sections of society.

The magnitude and rate of change of inequalities is quite substantial as very sharp contrasts are evident between the rural sectors of the slow growing states and the urban sectors of the fast growing states. In such a situation the Progressive Utilization Theory (PROUT) propounded by Sarkar (1981) may be useful. This theory envisages guaranteeing the minimum requirements to the people and excess to be distributed rationally according to one's qualification, effort and contribution to the society. It is suggested that the vast resources of food below the sea, ground, in the air and water be seriously extracted. When millions are starving in the country the vast resources should not be wasted in building war materials. The best utilization of the human capacity is not confined to the production of goods, but in the overall progress of human society. Therefore care must be taken that there is no wastage of manpower due to unemployment or misutilisation as machine power is fast replacing manpower.

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Dr. Prabhati Shukla
Lecturer in Geography,
Department of General and
Applied Geography
Dr. H.S. Gour Central University
(M.P.)