Chapter VII

SUMMARY AND CONCLUSION
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VII. SUMMARY

The marginalised sections of people with the characteristics of illiteracy, inadequate skill formation, large family size and high dependency ratio are in the grip of vicious circle of poverty. Factors like social stratification in terms of caste and slum living are additional inhibiting factors in India towards the economic and social upliftment of the low income groups.

Social Welfare in India takes the form of composite and integrated service for each needy group. The developmental role of social welfare aims at not only achieving higher level of living but also improving the capabilities of the marginalised sections so as to enable them to participate in the national economic development. This approach constitutes an important component of Human Resource Development, with a shift in the focus from the provision of ameliorative services to that of provision of preventive, curative, rehabilitative and rejuvenative services to the needy sections.

In the absence of adequate skill and income-yielding asset, it has become imperative to provide the above to the low income groups. This will improve their earning capacities and enable them to break the vicious circle of poverty. In the above background, government intervention is necessary for the provision of context specific social welfare programmes. On account of the existence of different levels of income
among the low income groups, the welfare intervention of the government needs to be evaluated further on the lines of Rawlsian theory of justice which emphasises the norm of provision of maximum benefit to the poorest in the society. Further, the economic status of the poor households need to be ascertained not only in terms of the level of income but also with reference to the levels of savings asset and debt.

In the above backdrop, certain objectives are framed in this study. The are:

- To examine the interrelationship between social variability and the pattern of utilisation of the asset and training schemes. Specifically, it is to analyse the scheme utilisation pattern by the beneficiaries in terms of number of hours per month across various types of families, community groups and living area.

- To make a comparative analysis of the impact of the asset and training schemes on the economic status of the beneficiaries. More particularly, it is to find out whether the schemes have any impact on income, saving, asset and debt of the beneficiary households in the slum and non-slum area.

- To examine whether the lowest among the low income groups are the beneficiaries of the schemes. More specifically, the objective is to analyse whether the targeting of the two schemes and their economic impact fit into the framework of the 'Rawlsian theory of Justice'.
To offer policy oriented suggestions if warranted, based upon the observations of this research study and from relevant macro perspective.

For the study purpose, the free distribution of Sewing Machine Scheme (Asset Scheme) and Free Tailoring Training Scheme (Training Scheme) operated through the District Social Welfare Department, Madras (Chennai) are considered. The stratified random sampling method is adopted for the selection of beneficiaries of the asset scheme. 135 beneficiaries from each environment (slum and non-slum environment) are randomly chosen. All the 70 beneficiaries from the slum and 38 beneficiaries from the non-slum environment are chosen with reference to the Training Scheme.

VII.2. SOCIAL VARIABILITY OF THE BENEFICIARIES' HOUSEHOLDS

The present study reveals that various social factors viz., slum and non-slum living, type of family (JF, NF, SMF, WHF) Caste groups and education do influence the utilisation pattern of the schemes. The number of beneficiaries of the asset and training schemes are 270 and 108 respectively. 50% of the asset scheme beneficiary are living in slums and the rest are in the non-slum area of both the schemes.

BC is the most dominant caste among the beneficiaries of both the schemes, i.e., 82% in the case of asset scheme and 41% with reference to training scheme. The percentage of the BC beneficiaries of asset scheme is much higher than the SC/ST, i.e., by 67% and 79% respectively. No beneficiary of MBC is found in the above context.
The BC beneficiaries of the training scheme are approximately 13% and 19% higher than SC/ST and MBC beneficiaries. One tenth of the total beneficiaries belong to OC

With regard to family type set across schemes, the beneficiaries of nuclear family constitute maximum percentage. It is 44% and 48% in the case of asset and training schemes respectively. The percentages of beneficiaries of joint family, woman headed family and single member family are 27%, 19% and 10% in a respective manner. The corresponding percentages of the training scheme are 28%, 13% and 11% respectively.

In terms of level of education, 13% and 1% of the sample beneficiaries of BC and SC/ST of asset scheme have passed 10th standard which is the highest educational qualification. All the beneficiaries of OC have passed 10th standard. In the case of the training scheme passing the 12th standard is the highest educational qualification. 4%, 14%, 4% and 8% of the sample beneficiaries belonging to SC/ST, BC, MBC and OC have passed 12th standard.

Average size of the family of beneficiaries of asset and training schemes is 4.7 and 4 respectively. As the beneficiaries are the only earning members with reference to both the schemes the dependency ratio is 1:2 rest of the family members.

In the context of the asset scheme, the average hours of work of all caste groups across living area are 50. When compared with the total average (50 hours), SC/ST, BC and OC sample beneficiaries have put in more hours of work by 10% and 4% and Less
by 10% respectively. In the context of the training scheme, the average hours of work of all caste groups across living area are 49. There is not much difference in terms of hours of work among the beneficiaries of various castes across slum and non-slum area.

Further, the sustainability of the sewing machine schemes, in the background of the emergence of the ready-made garment is examined. It is noted that only with skill updation and initial investment, it is possible for the beneficiaries of the asset and training schemes to establish themselves in their profession.

The pattern of utilisation of the schemes in terms of hours of work per month is more or less the same among the different caste groups and family type set. However, the beneficiaries of the Training Scheme receive higher wages per hour of tailoring work when compared with their counterparts under the Asset Scheme on account of better tailoring skill. Slum living is not conducive for the expansion of tailoring activities. The market for different grades of tailoring services determines the pattern of utilisation of the schemes by the beneficiaries. These are all the relevant aspects of social variability of the beneficiary households with reference to the availing of the Asset & Training Scheme.

VII.3. ECONOMIC VARIABILITY OF THE BENEFICIARIES' HOUSEHOLDS

During the pre-utilisation period, around 60% and 75% of the beneficiaries of the Asset Scheme across the environment belong to the lowest income slab, i.e., Rs.0-250. Prior to the utilisation of the schemes, 65% of the beneficiaries of the training scheme in
the slum and 35% in the non-slum environment belong to Rs. 0-250 income slab. The highest income slab across schemes is Rs 500-750 and the savings of this income group beneficiaries are very little i.e., 3% of average monthly income. There is the absence of any accumulation of household capital. They have, across schemes, environment and income groups, per capita debt which is equal to 20% to 25% of their average monthly income.

During the post-utilisation period, all the beneficiaries have graduated to the higher income groups. The lowest income slab across environment in the case of the Asset Scheme is Rs. 250 - 500. With regard to the Asset Scheme only 2% to 3% across environment belongs to the highest income slab of Rs. 1000 - 1250. The lowest income slab for the beneficiaries of the Training Scheme is Rs. 500 - 750. 10% of the beneficiaries in the slums and 35% in the non-slum environment belong to the highest income slab of Rs. 1250 - 1500. 4% to 8% of the average monthly income constitutes the level of saving for the beneficiaries of the Asset Scheme. The corresponding percentages are 4% to 11% for the beneficiaries of the Training Scheme. The beneficiaries have accumulated assets to the extent of 5% to 20% of average monthly income in the context of the asset scheme and 9% to 22% in the context of the training scheme. The beneficiaries of the Training Scheme have debt whose valuable which is estimated as 24% to 36% of their average monthly income, whereas, the beneficiaries of the Asset Scheme have debt to the extent of 30% of their average monthly income. The level of indebtedness is the highest among highest income groups.
Those beneficiaries who belong to the higher income bracket among the low income groups have moved to the highest income bracket across schemes during the post-utilisation period. The Rawlsian Theory of Justice holds good to the extent that the beneficiaries of the lowest income groups of pre-utilisation period across schemes have moved into mostly the next higher income brackets.

VII.4. DETERMINANTS OF THE ECONOMIC STATUS OF THE BENEFICIARY HOUSEHOLDS

To evaluate the impact of the schemes on economic status of beneficiaries in terms of increase in income, savings, movable assets and decrease in debt, a multiple regression framework is adopted. A step-wise regression model analyses the extent to which a set of factors viz. living area, caste, type of family, type of beneficiary and average size of the family influences the economic status of the beneficiaries in the post-utilisation period. Among the caste variables in the income gain model of asset scheme, BC and OC seem to be positive and negative determinants respectively. With reference to the family type variable, WHF is the most disadvantaged in the above context. Increase in age (AG) and total hours of work (THW) favourably influence income gain. In the context of training scheme, non-slum area and increase in tailoring hours of work (THW) contribute to income gain. On the other hand, increase in age (AG) does not add to income gain. Age (AG), and MBC favourably influence savings in the asset and training schemes respectively. On the other hand, increase in total hours of work (THW)
and joint family (JF) do not contribute to savings in the asset and training scheme respectively.

Among the beneficiary type, it is widow who is most advantaged in the context of movable asset with reference to asset scheme. The increase in family size negatively influences the acquiring of movable assets in the context of the training scheme. Among the caste-set, OC has incurred more debt in the context of the asset scheme. Increase in family size and WHF are associated with increase in debt in the context of the training scheme.

To interpret the factors contributing to economic status, the significant determinants are identified at 5% and 1% levels. All the explanatory variables have very low correlations with one another. Hence, they are operatively independent. The selection of the beneficiaries of both the schemes is analysed in the Rawlsian framework. It is noted that the poorest constitute a sizeable proportion of the beneficiaries selected by the District Social Welfare Department, Madras (Chennai). When further analysed in the Rawlsian framework, it is established that the impact on the beneficiaries of the lowest income group is positive as all of them have moved to the higher income bracket in the post-utilisation period. The efforts needed by various income groups of the beneficiaries to reach the highest income slab are calculated by means of income mobility matrix.

VII.5. CONCLUSION

The eligibility criterion of the Sewing Machine Schemes may be revised from the time to time as the beneficiaries are found to possess no immovable asset. The size of
the family may also be taken into account when targeting the low income group in the context of welfare intervention. The slum environment proves to be an income depressing factor in the context of expansion of marketable tailoring activities with reference to location, space and infrastructure. Hence, the welfare intervention, in addition to the free distribution of Sewing Machine should establish forward linkages in terms of finance for rental accommodation to carry out tailoring activities by the beneficiaries in the non-slum environment.

As some of the beneficiaries of the late 80's are found to have sold their machines or rented them out on account of their inadequate tailoring skill, it is suggested that imparting tailoring skill to the beneficiaries of the Asset Scheme is imperative. It is also suggested that more publicity should be given for the welfare schemes applicable to low income groups. This responsibility of awareness creation can be entrusted to non-governmental organisations.

The women headed family is the most disadvantaged with reference to income and debt as per the empirical results. The sewing machine schemes should be redesigned in such a manner as to increase the coverage of woman headed families by taking into account their context specific disadvantages.

VII.6. POLICY-ORIENTED SUGGESTIONS FROM A MACRO PERSPECTIVE

In this context, it is appropriate to recollect that asset poverty and opportunity poverty are the two important constituents of low income in developing countries like
India. The former can be eradicated through legislative and legal measures. The later is closely connected with the state of technology and skill formation. This implies that any poverty alleviation or social welfare scheme would be based upon the strategy of helping the poor through knowledge and skill empowerment. For example, the Sewing Machine Schemes can be designed in such a manner as to have arrangement for further training of the beneficiaries in the readymade garment units.

In this context, one is reminded of the message of Tawney (1913) who laid principal stress on the position of groups and classes and their economic situation in the economic development of any nation. Skill upgradation increases the value of their labour and thus the power of labour to demand fair wages is augmented. Moreover, promotional measures such as seminars and exhibitions in major towns would make the awareness and demand broad based. All these would enhance the opportunity for the vertical mobility in the context of the Sewing Machine beneficiaries.

The needs of the working population for knowledge, skills and occupational competence depend on the stage of economic development of a region (Meier 1984: PP 207-217). As our economy gets integrated with the rest of the world, it is essential that the labour force acquires the latest skill and technological competence in order to survive the global competition. Global markets coupled with infrastructure development offer unprecedented opportunities even for a small scale producer of goods and services. According to Herman Muegge (1997), skill formation alone can meet the social challenges of a growing population and disparities in the competitive societies including
widespread poverty in rural and urban areas. Thus, technical capabilities have emerged as a new determinant of international competitiveness in the place of traditional one of price competition. Given this background, the government intervention can take the form of boosting economy - wide competitiveness Moreover, Jean Dreze and Amartya Sen (1995) have established the relevance of the interventionist public policy to skill updatation and capability development.

Contextualisation of the role of the banking system in the development process is inevitable. Macro economic compulsions warrant that there should be an employment explosion if a significant dent on poverty is to be made in the next decade or so. A whole range of micro-business is the area where one has to look for immediate gains in employment. Informal chit funds function as the only indigenous credit organisation offering advantage superior to alternative forms of finance (Tushar Shaw, 96) Yet, on account of its growth outside the ambit of law in the informal sector, it means high risk for the small borrowers. Hence, the Social Welfare authorities should take steps to make this micro-finance available to the Sewing machine beneficiaries for skill updatation and initial investment in tailoring-infrastructure. This would go a long way in increasing the income of the Sewing Machine beneficiaries who belong to the low income group.

Throughout the world the incidence of female headed households is on the increase (Sawhill and Ross). It is also established that world wide the largest poverty groups are the women headed households. The widows or the deserted women who are the heads of families, being poor, illiterate and immobile have to trade-off between
earnings, safety, kinship and neighbours. They also face problems in getting subsidies, grant, bank loan, admission/job for their wards. Moreover, they could seek employment or do petty trade only in the informal sector which offers no legal protection or economic security. In the urban areas, poor women are generally employed in the informal sectors like handicrafts, tailoring and construction work (Tripathy, 1996). Moreover, women’s economic activities in the informal sector require a lower capital investment than that of the men (World Bank Annual Report, 1989: 19). All these drive home the point that the social welfare schemes should be so planned as to utilize the skills of beneficiaries, especially such of those who belong to women headed families. For example, the sewing machine beneficiaries can be encouraged to switch over to some petty trade during lean seasons.

In the International conference on the problems of the urban poor, jointly organised by the Asia Society, New York and the Centre for Information and Development Studies, Jakarta (International Conference 96), the need for making life more livable for the urban poor who contribute significantly to a city’s economy has been reiterated. It has also been made clear that empowerment of poor women as done by Ela Bhatt of Self Employed Women’s Association, Ahmedabad would prove to be a vital pre-requisite for the future of the Asian Cities. This recommendation is very relevant in the context of social welfare schemes applicable to poor women headed families.
Devasahayam, (1996), consultant on the Urban Planning and Development, opines that present cities neither have the managerial skill nor the resources to bring about any meaningful improvement in the appalling living conditions of the Urban Poor. This implies that the local bodies in the cities may not have the adequate resource base to extend social security measures to the low income groups in the informal sector. In this context, a suggestion is made with reference to the category of poor tailors which includes most of the sewing machine beneficiaries. A small sum can be collected from tailoring units who employ them and a matching contribution can be made by the local authorities. This fund can be utilised at the time of emergency and social security can be extended to them. Thus, a beginning can be made to provide formal relief to the tailors in the informal sector.

A very significant development in the context of the utilisation of social welfare schemes like "the sewing machine scheme" by the low income group in the slums in the city of Madras is the establishment of Madras slum people's organisation. Its president (John Devavaram, 96) brings to limelight the various problems encountered by the poor, who have lived for generations on slum lands and who have been relocated elsewhere to build the tenements; consequently they are not utilising many of the welfare schemes applicable to them. Those who take up further research in the above context, can take the help of the slum people's organisations in order to analyse whether the social welfare schemes are accessible to the targeted population and to examine the effectiveness of the welfare schemes, i.e., to find out how well a scheme is achieving its stated objectives, targets or other intended effects.
Help of industries and craftsmen can be sought after to train the low income groups. The educational institutions and community halls may be made the venues of such training centres during lean seasons. This would ensure the advantages of easy access, proximity and flexi hours to the low income groups in the neighbourhood in the context of imparting vocational skills.

On the basis of field survey observations and analyses of relevant macro perspectives, it is suggested that a holistic approach should be deployed. For this, a data base of the low income groups should be created taking into account the living environment, community background, dependency ratio, Skill and level of education, economic status, cultural moorings and social obligations and the special problems associated with women headed families.

Given the above data base, a package of welfare schemes can be designed and delivered through a single window system. While designing the welfare schemes besides fixing the eligibility criteria and targets in terms of number of beneficiaries, mention must be made about the desired qualitative changes. Moreover a built-in feedback mechanism has to be ensured. This would facilitate in designing right type of welfare schemes.
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