CHAPTER 2
DYNAMICS OF POVERTY: THEORETICAL AND CONCEPTUAL FRAMEWORK

This chapter begins with the broader interpretation of theory, concepts and approaches pertaining to poverty and social exclusion. A systematic study has been done to highlight the major theories of poverty such as the culture of poverty, vicious circle of poverty, neo-Marxist dependency theory, theories on sociology of economic life, poverty dynamics and finally chronic poverty and social mobility from an interdisciplinary perspective.

2.1 Introduction
Since the nineteenth century when rigorous studies of poverty began, researchers have tried to establish a fixed yardstick against which to measure poverty. Ideally, such a yardstick would be applicable to all societies. Poverty has traditionally been defined in income or expenditure terms and can be viewed in relative or absolute terms. Absolute Poverty uses a poverty line to separate the poor from the non-poor. Absolute poverty is often known as subsistence poverty since it is based on assessments of minimum subsistence requirements. It is usually measured by pricing the basic necessities of life, drawing a poverty line in terms of this price, and defining as poor those whose income falls below the figure. A measure of relative poverty defines "poverty" as being below some relative poverty threshold. Relative Poverty is not based on an absolute cutoff point, but is determined on the basis of the bottom x percent of the population. This could be a moving social minimum (usually more concept of distribution than of deprivation). One of the earliest and most famous studies of poverty was conducted by Seabohm Rowntree. Using a concept of subsistence poverty; he conducted a survey in 1899. He drew a poverty line in terms of a minimum weekly sum of money which was 'necessary to enable families to secure the necessaries of a healthy life'. A broad definition has been employed Drewnowski and Scoot in their 'Level of living Index'. They have analyzed the' Level of Living' taking the various components like nutrition, measured by indicator or factors such as intake of calories and protein per head, shelter by degree of overcrowding; structural facilities, health aspects measured by proportion of deaths at young ages; proportion of population with access to adequate medical care etc. The index represents an attempt to produce an operational definitional of social development. Level of Living is defined as the level of satisfaction of the needs of the population assured by the flow of

goods and services enjoyed in a unit of time. They recognized that any method of weighting is one dependent upon value judgments.\textsuperscript{32}

Researchers, social scientists and policy makers while attempting to ascertain different levels and causes of poverty, describe and conceptualize poverty in terms such as vulnerability, deprivation, isolation, powerlessness etc. As noted by Robert Chamber a single poverty line that divides the population into the 'poor' and the 'non-poor' is often inaccurate because it simplifies and standardizes what is complex and varied (Chambers 1995).\textsuperscript{33} According to Beck (1984)\textsuperscript{34} the policies that are formulated to alleviate poverty will be more relevant to the manipulation of statistics than to the needs of people. It is very essential to place considerable value on qualitative aspects such as independence, security, self-respect, identity, close and non exploitative relationships and legal and political rights (Wratten 1995 and Chamber 1995). As Chambers has described, there are many more aspects of deprivation other than income poverty including vulnerability, powerlessness, isolation and humiliation. It is sometimes argued that the poor create distinctive patterns of behavior and belief, notably a fatalistic acceptance of being poor and inability to themselves out of poverty. This condition is disabling and ensures that the poor remain in poverty. It is also reproduced over generations in a related cycle of deprivation whereby children from poor or deprived families are socialized by their parents into the culture and grow up to be poor too.

Originated by Oscar Lewis (1961) in his major work on Culture of Poverty\textsuperscript{35} to describe slum dwellers of the Third world, both in terms have been used to describe the poor in contemporary developed societies. The pejorative implications of the concept, that the poor are to blame for their own plight and that parent raise children to be socially deprived in turn. Lewis propagated that the condition of poverty is not necessarily limited to one's immediate socio-economic, political and cultural condition but is part of the inherent socio-psychological, political and economic traits of the poor themselves. Lewis argues that the culture of poverty best describes and explains the situation in colonial societies or in the early stages of capitalism as in many Third World countries. He suggests that it either does not exist or is weakly developed in advanced capitalist societies and socialist societies. However, others have argued that the idea of a culture of poverty can be applied to the poor in advanced

\textsuperscript{32} Drewnowski, J., and Scoot, W., op.cit. pp.17-22.
\textsuperscript{35} Lewis, Oscar, La Vida: A Pureto Rican Family in the Culture of Poverty, (New York: Basic Books), 1959.
industrial societies for example, Michel Harrington in The Other America 36 writes of the American poor. However, the theory of culture of poverty is a controversial debate among the researchers. They argue the concept of culture of poverty concentrates attention upon the familial and local setting of behaviors' and largely ignores the external and unseen social forces which condition the distribution of different types of resources to the community, family and individual.

The Condition of the Working Class in England in 1844 is the best-known work of Friedrich Engels37, and in many ways, still the best study of the working class in Victorian England. According to Engels, the condition of the working class was poor and horrible. As a result, the dwellers defied all rational plan (of a city). While questioning the 'dwelling style of the city' he describes it as 'ashamed'. For him, it is like living under the poverty. He is of the view that due to the emergence of industrialization, the condition of the poor was even more affected. Defining poverty, Engel views that poverty is about the absence of basic needs in holistic sense.

Gunnar Myrdal (1968) in his classic study on 'Asian Drama' noted that economic development can not be comprehended unless it is studied in a broad political and social framework. In the wake of Second World War the dimensions of world is shrinking and there is increased gap between the rich and poor, which also initiated a new wave of research on problem of poverty. However, most of the studies endeavor to treat the problem of underdeveloped countries (particularly problem of poverty) from the point of view of western political and military interest in saving these countries from communism. 38 The same yardstick that is used in western societies to measure poverty is not applicable in other developing/underdeveloped countries. To understand the problem of poverty in its true sense it needs inclusive approach and holistic view.

Peter Townsend (1970) in his major work on “The Concept of Poverty”39 argues that studies of poverty have failed in two crucial aspects, firstly, they have failed to accurately measure the value of the resources of individuals or families; secondly, they have failed to adequately conceptualize relative poverty and to provide ways of measuring it. Townsend argues that income levels are inadequate measures and that more sensitive and comprehensive indicators

36 Harrington, Michel, “The Other America: Poverty in the United States (New York: Macmillan, 1962).This was a groundbreaking study of poverty in the United States.
38 Myrdal Gunnar, Asian Drama: An Inquiry into the Poverty of Nations (Penguin: Harmondsworth), 1968, p.6
are needed to assess resources. According to Townsend, 'It would be difficult to define nutritional needs without taking account of the kinds and demands of occupations and of leisure-time pursuits in a society'.\textsuperscript{40} He suggests: 'Poverty must be regarded as a general form of relative deprivation which is the effect of the maldistribution of resources', and 'that section of the population whose resources are so depressed from the mean as to be deprived of enjoying the benefits and participating in the activities which are customary in that society can be said to be in poverty. This is not the same thing as the 10 per cent or 20 per cent in every society with the least resources'. Being a Sociologist by profession, Townsend's concept of deprivation is much broader than the one represented by the score on the per capita income or expenditure scale. While giving a systematic and comprehensive study on the poverty questions, Townsend argued that the poverty of deprived nations is comprehensible only if we attribute it substantially to the existence of a system of international social stratification, a hierarchy of societies with vastly different resources in which the wealth of some is linked historically and contemporaneously to the poverty of others. This system operated crudely in the era of colonial domination, and continues to operate today, though more subtly, through systems of trade, education, political relations, military alliances and industrial corporations. A wealthy society which deprives a poor country of resources may simultaneously deprive its own poor classes through maldistribution of those additional resources. Secondly, he argues that the poverty of individuals and of families is related to the form of social stratification within nations. Such stratification tends to be based on the distribution of resources, which is understood in a much broader sense than income, and includes five categories: cash income, capital assets and three systems of benefits and private benefits. Thirdly, Townsend argues that 'possession by individuals and families of relatively low resources does not automatically mean they are in poverty; but only if they are thereby unable to have the types of diet, participate in activities and have the living condition and amenities which are customary in that society'.\textsuperscript{41}

Martin Rein clarifies the conception of poverty:

"Three broad concepts of poverty can be identified. Poverty may be regarded as subsistence, inequality or externality. Subsistence is concerned with the minimum provision needed to maintain health and working capacity. Its terms of reference are the capacity to survive and to maintain physical efficiency. Inequality is concerned with the relative position of income groups to each other. Poverty can not be understood by isolating the poor and treating them as a special group. Society is seen as a series of stratified income layers and poverty is concerned with how the bottom layers fare relative to the rest of society. Hence, the concept of poverty must

\textsuperscript{40} Brian, A. Smith and Peter Townsend, The Poor and Poorest (G. Bell and Sons, London), 1965, p.125.

be seen in the context of society as a whole. The study of the poor then depends on an understanding of the level of living of the rich, since it is these conditions relative to each other that are critical in the conception of inequality. To understand the poor we must then study the affluent. Externality is concerned with the social consequences of poverty for the rest of society rather than in terms of the needs of the poor. The poverty line should serve 'as an index of the disutility to the community for the persistence of poverty.'

Sociologist Anthony Giddens (1996) in his essay on 'Affluence, Poverty and the Idea of a Post-Scarcity Society', views that life politics i.e., a politics of life decisions can form the basis for new strategies to reduce inequality and alleviate poverty. While existing prescriptions tend to be based upon the direct transfer of wealth or income from the more affluent to poorer groups (the first losing what the second gains), it also is possible to implement strategies in which everyone gains through improving some element of the quality of life. In such a "post-scarcity" setting, trade-offs might be established between different groups to redistribute access to paid work, to protect the environment or to improve health. To a certain extent, this is already being done by people who relinquish hours of work to others in order to gain more leisure; and by environmental groups in North and South who have a common interest in preserving natural resources.

2.2 Studies on Indian Poverty
Systematic studies on poverty in India gradually went up after the appearance of Gunnar Myrdal's "Asian Drama - An Enquiry into the Poverty of the Nations". Prior to Myrdal's studies, there were only a few studies on Indian poverty. Notable among these are the studies by Dadabhai Naroji (1962 reprint), Tarlok Singh (2nd ed., 1969) and Charan Singh (1964).

One of the major intellectual contributions to literature on poverty in India of Dadabhai Naroji is on Poverty and Un-British Rule in India. Dadabhai was deeply moved by the poverty of the mass of the Indian people in his days. With the zeal of a missionary he waged a campaign against the policies of the British rule in India which he felt were responsible for the sad state of affairs. The main cause of India's poverty, according to Dadabhai, was the enormous 'drain' of the produce of the country to England 'chiefly arising from the political

44 Writers who have commented on economic conditions in India have also pointed out some causes of poverty. R.C. Dutt (1950, Vide M.L. Dantwala, 1973, pp.11-18) in his Economic History of India considers inequalities in the distribution of land and heavy taxation as the permanent causes of Indian poverty. Marx (vide M.L. Dantawala, 1973, pp.11-18) attributes this to the destruction of our old social system without any attempt to build a new one.
position it held over India’. This drain was in the form of excess of exports over imports. Dadabhai devoted much of his attention to internal and external drain of India’s wealth and held it mainly responsible for her poverty. He attributes this to the drain of resources from India to Britain and British policy of “Planned deindustrialization” of India.

While defining the elements of the drain, Dadabhai views:

“This drain consists of two elements—first, that arising from the remittances by European officials of their savings, and for their expenditure in England for their various wants both there and in India; from pensions and salaries paid in England; and from Government expenditure in England and India. And the second, that arising from similar remittances by non-official Europeans. As the drain prevents India from making any capital, the British by bringing back the capital which they have drained from India itself, secure almost a monopoly of all trade and important industries, and thereby further exploit and drain India, the source of the evil being the official drain.”

Charan Singh, in his “India’s Poverty and its Solution” like Naroji neither defines and measures poverty nor views it as different from underdevelopment. His major thrust is on outline of an alternative strategy of economic growth with emphasis on small and medium farmers and entrepreneurs, labour intensive techniques and utilization of surplus labour for capital formation. The type of land reforms and other policies that he advocates, especially the utilization of surplus labour on “shramdan” basis, if possible, or on nominal wages (much lower than the market wage which is already insufficient to make both ends meet) are not going to help the poor. These benefits will accrue more to the well-to-do sections who are owners of land. The other policy measures recommended to eradicate poverty are (i) a more productive combination of factors than that obtains at present, (ii) increase in the efficiency of labour and capital, and (iii) maximum utilization of resources which are helpful for growth. But these may not be necessarily be helpful in eradication of poverty.

Tarlok Singh (1969) identifies the poor as (a) petty cultivators, (b) agricultural labourers, (c) cultivators with less than 5 acres of land, and (d) non-cultivators who are in traditionally poor occupations. In his opinion, poverty in India is basically a rural phenomenon that has emerged during the last seventy years. Its chief causes are primitive techniques,

47 Ibid., p.XV. He feels that the payment of full wages would result in inflation and impede economic growth. Thus, his primary concern is growth and not poverty.
48 Ibid., pp. 107-13, 186.
50 Ibid., p.18, 29.
individualistic petty farming, right of free ownership and equal inheritance and village as a self-contained unit. To him, the problem of poverty is not different from the problem of growth once the social and economic institutional set-up is thoroughly recognized in such a way that all are assured equality of opportunities and equality in the distribution of income and wealth (including land). Judging from his strong advocacy of the socio-economic reorganization as a pre-condition for growth with justice and eradication of mass poverty, we may conclude that he belongs more to the poverty school of thought than to the growth school of thought. But the type of social and economic reorganization he foresees is utopian at least in the present set-up.

Studies on poverty during the seventies have realized that the benefits of growth will not automatically percolate or trickle down to the masses unless redistributive policy measures are adopted. Most of these studies now advocate ‘growth with redistribution’ or “growth plus strategy” as C.T. Kurien (1978, pp. 16-17) prefers to call it. Though these studies are not generally explicit about the causes of poverty, on the basis of the causes implicit in their policy recommendations we may consider these as belonging to the growth school.

The first national seminar on ‘Challenge of Poverty in India’ was organized by the Indian Social Institute in New Delhi in December, 1969. It was devoted to the concept, identification and measurement of poverty, its social implications and strategy for development. Concentration of wealth and power in the hands of a few is implicit in P.C. Joshi’s (1971, p.109) “Social Dimensions of the Problem of Poverty”. The composition and behaviour of the power elite figure conspicuously in Dr. Joshi’s article. He finds that this group is composed of the urban educated caste section of society who have created the myth that growth must precede the elimination of poverty. Dr. Joshi blames the intellectuals in India for being closely linked in their ideas and sympathies with the elite groups. He attributes their lack of sensitivity regarding abject poverty to their conditioning by western academic traditions. He views that Myrdal, who has broken with this tradition, has not received much appreciation in India. However, the welfare of the masses must be placed in the forefront of the planned objectives. It is time the ruling elite curbed their desires for the

51 Ibid., p.28.
52 Ibid., p.34.
53 This aspect has also been emphasized by Marx (vide M.L. Dantawala, 1973, pp.11-18) and Gunnar Myrdal (1969, p.358).
54 See e.g. Minhas (1970), Dandekar and Rath (1971).
56 Ibid., p.xi.
luxuries of the affluent world and lived as simply and poorly as Mahatma Gandhi. Only then there is the possibility of a direct frontal attack on poverty. 57

He further views that the effort to eliminate poverty will mean a deep and profound transformation of the prevailing social structure. A typical example would be land reform that seeks to establish peasant agriculture rather than a capitalist agriculture. Similarly, property rights and the concentration of wealth in the hands of a few will have to be subordinated to the urgent needs of the dispossessed millions of the national community. Greater opportunities for bringing about an equitable sharing of the growing prosperity must be so designed that larger flows of purchasing power should accrue to the weaker and poorer section of society. 58

Too much reliance on caste as an independent variable of poverty has not found favour with Yogesh Atal (1971, p.100). To him such reliance is misleading. He is of the view that national income is never distributed equally among the people in a country. And this is the main source of inequality in the country. Those receiving less remain poor, and those receiving more belong to the class of rich. Viewed in this perspective, poverty is a concept that refers to relative deprivation. (Ibid., pp. 91-92). Poverty and unemployment, according to J.N. Sinha (1971, p.159), may not be positively related, as unemployment being in the nature of a luxury, the poor cannot afford to remain unemployed.

The Minhas-Bardhan controversy about the rural poverty and the publication of “Poverty in India” by Dandekar and Rath (1971) led to a nation-wide debate on poverty. The major controversy centres round the magnitude of the problem and its inter-temporal changes. There are also widely divergent views about the policies to eradicate it. Minhas (1970, 1971), taking an arbitrary absolute poverty line of Rs. 200 per capita per annum, shows a decline in the percentage of rural population below the poverty line from 52.4 (173 millions) in 1956-57 to 37.1(154 millions) in 1967-68. 59 To him, a large bulk of the rural poor would belong to rural labourers and small cultivators operating holdings below 5 acres. 60 P.K. Bardhan (1970, 71) taking an absolute poverty line of Rs. 15 per capita per day and using NSS consumer expenditure data and consumer price index for agricultural labourers (CPIAL) comes to the conclusion that poverty in rural India has recorded a steep increase during the 1960s. He shows that the percentage of the rural poor has increased from 38 per

58 58 Ibid., p.105-111.
59 Ibid., p.60-71. According to Minhas, this poverty line corresponds to a national minimum of Rs. 20 per capita p.m. Ganguli and Gupta also show a decline in rural poverty.
60 Ibid., 60-71.
cent of the rural population in 1960-61 to above 73 per cent in 1967-68.\textsuperscript{61} The main reasons for such wide and divergent estimates are the differences in the consumer expenditure data and the deflator used. While the use of GNP deflator by Minhas underestimates poverty line and thus poverty, the use of CPIAL by Bardhan as a substitute for the consumer price index for the poor (CPIP) may overestimate poverty line and thus poverty. Thus, the estimates of both the studies may not be reliable. Both these studies ignore the analysis of factors of poverty. However, we can trace inequalities in the distribution of land and unemployment as the causes implicit in Minhas' analysis.\textsuperscript{62}

Dandekar and Rath (1971) are also not explicit about the causes of poverty. But they are explicit about the causes of income inequality which are taken implicitly as the causes of poverty. They attribute the prevailing inequalities in the distribution of the means of production (land and industrial capital) and unemployment and underemployment.\textsuperscript{63} When it comes to policy recommendations, they advocate only the rural works programmes to end unemployment and underemployment. Redistribution of the means of production, they consider, is not the feasible or desirable'. Minhas (1970, pp 113-15) and M.L. Dantawala (1973) also do not see much scope for redistribution of the means of production.

M.L. Dantwala (1973) seems to consider underutilization of human resources to be the chief cause of poverty. This view is shared by many studies.\textsuperscript{64} D. N. Dwivedi (1976, pp. 14-15, 31), considers low income, savings and capital, low production, primitive agriculture and lack of market orientation of education to be only the superficial causes of poverty. To him the chief cause of poverty is the concentration of economic power. It is this economic power through which all the major decisions are taken in favour of the rich and not-so-poor classes. This has led A.K. Sen (1975, p.38) to consider poverty as a function of technology and productivity or ownership of the means of production and of exploitation and social arrangements for production and distribution. C.T. Kurien (1977, pp.51-57) also seems to consider these as the chief causes of poverty. He explains this through the 'structure' and 'working' of the economy and their interaction through which all the major decisions are taken. It is this process that leads to underutilization of human resources when the means of

\textsuperscript{62} Minhas, B.S., 1970, p. 106, 113-114. See his identification of the poor and his policy recommendations.
\textsuperscript{63} Dandekar, V.M. & Rath, Nilakantha, 'Poverty in India', Indian School of Political Economy, 1971. They define poverty as a problem of low national income and its unequal distribution; of slow pace of development and inequitable distribution of the small gains of development.
production are not equitably distributed and there is concentration of income and wealth and thus economic power.

Keith Griffin (1976, pp.495-99) attributes poverty to the structure of Indian economy and its pattern of growth. He does not consider population to be the basic cause of poverty. To him it is only a contributing factor. 65 Following Michael Lipton (1975, 1977), he also attributes poverty to urban bias in our development. Epstein and Jackson (1975), M. Adiseshiah (1976), and V. Shanumugasundram (1979) have emphasized the institutional factors of poverty. 66 Caste has been treated as a cause by Kamble (1979) and Hanumantha Rao (1980). Some other minor factors have also been pointed out in some studies. In most of the studies on Indian poverty, there is no empirical verification of the relationship of poverty with other variables. It has been attempted in V.G. Rao and G.P. Mishra (1981) with a cross section data 67 of Indian states for the period 1960-61 to 1973-74. It confirms the major hypothesis of the poverty school that poverty is positively related to the per capita income. Poverty declines with increase in the compensation of employees and mixed income in net state domestic product and income per agricultural worker. Poverty also declines with increase in the share of the primary sector. The study has left out some other important variables. There is also a need to verify the results obtained with cross section model with time series data.

Another intrepid scholar, a member of the Indian Civil service, R.C. Dutt, with his more intimate knowledge of rural India, emphasized the inequity of the land tenure system (under the British rule) accompanied a heavy taxation of the impoverishment agriculture resulting in 'the permanent poverty of Indian people. 68 Dutta also criticized the commercial policy of Great Britain towards India. Dutta fully endorsed to Dadabhai’s drain theory.

It is here to refer to a great contemporary of Dadabhai, Karl Marx, who has said about the India of those days. In 1853, Marx, in ‘Articles on India’ contributed to the New York Daily Tribune, had vehemently criticized 'the direct exploitation of that country (India) by the

colossal fortunes extorted and transmitted to England'. But this refers to the earlier period of the East India Company. After the Industrial Revolution in England, as Marx observes:

The East India trade underwent very serious revolutions, altogether altering the propositions of the different interests in England.... The millocracy had acquired ascendancy over the aristocracy and moneyocracy....India, the great workshop of cotton manufactures for the world since times immemorial, became now inundated with English twists and cotton-stuff. After its own produce was excluded from England, or only admitted on the most cruel terms, British manufactures were poured into it at a small or merely nominal duty to the ruin of native fabrics once so celebrated.

The persistence of poverty in India according to Marx is the destruction of 'the entire framework of Indian society' without any attempt to build a new one. As he put it, 'this loss of the old world, with no gain of a new one, imparts a particular kind of melancholy to the present misery of India' (Dantwala, M.L. 1973, p: 10). Angus Maddison, a modern scholar unencumbered by nationalist sentiments or doctrinaire ideology, interprets the situation in his study on 'Historical Origins of Indian Poverty'. He provides a scientific and dispassionate analysis of the problem. Maddison questions the claim of 'some Indian nationalist historians that the Moghul period was a golden age' which was destroyed in the years which followed.

'In spite of the dazzling court of the Moghuls, and the fame of the Dacca muslins and Kashmir shawls, the mass of the population were poorer than European'. He quotes Abul Fazl to aver that in Orissa 'the women cover only the lower part of the body and make themselves coverings of the leaves of trees'. Similarly, in Bengal, 'men and women for most part go naked wearing only a cloth about the loins'. He also quotes W.H. Moreland to say that 'in terms of housing and furniture the Indian peasantry was worse off than Europeans and their diet was also poorer'. It may be noted that Marx also had characterized Indian communities of those days as 'undignified, stagnatory and vegetative.

Maddison however, fully endorses the major points of Dadabhai's drain theory:

The major burden arose from the fact that the British Raj was a regime of expatriates. Under an Indian administration, income from Government service would have accrued to the local inhabitants and not to foreigners. The diversion of this upper class income into the hands of foreigners inhibited the development of local industry because it put purchasing power into

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69 Marx, Karl: Articles on India, Peoples Publishing House, Bombay, 1943.
70 Maddison, Angus, 'Historical Origins of Indian Poverty', Banca Nationale del Lavoro Quarterly Review (Rome), No.92, March 1970.
the hands of people with a taste for foreign goods. This increased imports and was particularly damaging to the luxury handicrafts industries (Dantwala, M.L, 1973, p: 13).

Out of the above review of the poverty problems in colonial India over a hundred years, it can be generalized that the pre-British period may not be a golden age of prosperous India, but British rule while established political stability and a reasonably efficient administration, and built a rudimentary infrastructure of railroads, postal services and irrigation, did hardly anything to ameliorate the condition of the masses. Railways and irrigation development were oriented towards facilitating the drain of raw materials needed by British manufactures and import of British goods.

A. R. Desai used the method to understand the society as Marxist perspective and apply the method of Marx dialectical materialism in his analysis to social problem in India. He said market rationality, in turn, will only incidentally coincide with ecological rationality. Public policy toward alleviation of rural poverty directly affects encroachment on the commons driven by subsistence pressures affecting marginal classes. Simultaneously, disappearance of the local commons of the village constricts survival strategies of the rural poor. Pressures on the state have to date come primarily from mobilization of defensive reactions by those affected materially in conjunction with a relatively elite stratum of environmentalists rooted in the evaluative framework of social ecology. The configuration of interests in environmental protection does not, in theory, predict effective political action to head off catastrophes or continuous degradation. Political-administrative units, both international and sub-national, do not necessarily conform to the boundaries of ecological systems. Risks to a large ecosystem are difficult for the individual to perceive, and are typically indirect, uncertain, distant, and diffuse.

Through some re-conceptualization of nature as an exhaustible, hence scarce, stock, and expanded conceptualization of "externalities," social ecological values can be used to refine the market logic of value residing only in factors of production and products (e.g. Desai, 1987). Integration of market logic with a deep ecological perspective remains problematic, dependent on a reevaluation of the concept of value itself. Since natural laws of ecology are not mutable, the socially and historically contingent "laws" of economics must be recognized as such.

S.C. Dube (1999) in his major work on 'Tradition and Development' viewed that the economic dimension is important to understand and explain poverty. In this context one may recall the old and long accepted explanation going under the rubric of "the vicious circle of
poverty". Under it poverty is explained as a self-reinforcing situation in which the operation of a set of factors tends to perpetuate low incomes in poor countries. Low incomes lead to low consumption, which in turn leads to poor health and below par labour productivity. Together all these lead to the persistence of poverty. There is a grain of truth in this explanation, but it is not adequate. It does not explain intra-country differences in wealth and their accentuation. More importantly it does not take account of external forces that caused the impoverishment of Third World countries and still continue to retard their development. A more valid explanation is implied in “the neo-colonial model of underdevelopment”, whose main opposition is that underdevelopment exists in large pockets of the Third World because of the operation of exploitative economic, political and cultural policies in the affluent and powerful countries towards the less developed countries of the Third World. These manifest themselves in inappropriate technology transfers, unequal and unjust terms of trade and exploitative and restrictive assistance policies. This model, however, offers only part explanation. The major lacuna in it is its inability to explain skewed distribution of incomes within the developing countries. Few Third World countries demonstrate symmetry in the frequency distribution of incomes; most of them have highly skewed distribution of incomes under which the rich-year 20 per cent of the population—receive 50 per cent or more of the national income. The drain of resources under old imperialism and its new manifestations and the emergence of patterns of dependency by the peripheries on the centers need to be understood better if meaning efforts are to be set afoot in this direction. The links that have been forged between the rich and the powerful in the rich and the poor countries also have to be understood in terms of their class and exploitative character.

Dube views:
'The problem of world poverty concerns mainly those who find themselves in a state of poverty because of a structural trap: they are born poor and most of them are destined to stay poor. It also concerns those who are marginalized and pauperized by the cruel logic of economic and social forces. It has been observed that after three decades of development effort the ranks of the poor are swelling rather than thinning. This suggests that a proportion of those above the poverty line have to descend lower down in the scale, adding to the enlargement of the poverty sector. It is poverty sector that calls for deep reflection and purposive social action. The subhuman standards to which they make the business of living an unending struggle, leaving no time or resources for what are culturally defined as higher pursuits. As the situation is developing, even survival may become problematic for large majorities in several parts of the Third World'.

R. K. Mukherjee in his book, 'Planning the Countryside' evolved precise targets or norms for nutrition, clothing, housing, leisure, literacy and health. These targets were directed towards
achieving a minimum standard of living. D.P. Mukherjee also began with an enthusiastic interest in the question of planning. In an essay titled 'Man and Plan in India' (1935) he argued that the real active element of the socio-politico-economic situation in India in the 1950s was the plan. He also emphasized the need for comprehensive development in which attention in which attention would be paid to the pattern of values that would result from implementation of the plan. Mukherjee felt that the term 'underdeveloped economy' was inappropriate because it confused the coexistence of two value systems and placed them on an assembly line of historical development.

Amartya Sen (1981) in his book on 'Poverty and Famines: An Essay on Entitlement and Deprivation' (1981), a book in which he demonstrated that famine occurs not only from a lack of food, but from inequalities built into mechanisms for distributing food. Sen's interest in famine stemmed from personal experience. As a nine-year-old boy, he witnessed the Bengal famine of 1943, in which three million people perished. This staggering loss of life was unnecessary, Sen later concluded. He presents data that there was an adequate food supply in Bengal at the time, but particular groups of people including rural landless labourers and urban service providers like haircutters did not have the monetary means to acquire food as its price rose rapidly due to factors that include British military acquisition, panic buying, hoarding, and price gouging, all connected to the war in the region. In Poverty and Famines, Sen revealed that in many cases of famine, food supplies were not significantly reduced. In Bengal, for example, food production, while down on the previous year, was higher than in previous non-famine years. Thus, Sen points to a number of social and economic factors, such as declining wages, unemployment, rising food price, and poor food-distribution systems. These issues led to starvation among certain groups in society. His capabilities approach focuses on positive freedom, a person's actual ability to be or do something, rather than on negative freedom approaches, which are common in economics and simply focuses on non-interference. In the Bengal famine, rural laborers' negative freedom to buy food was not affected. However, they still starved because they were not positively free to do anything, they did not have the functioning of nourishment, nor the capability to escape morbidity.

Yogendra Singh (2003) explained that one major area of institution-building necessary for desired role of political leadership is that of consolidating the foundation of the civil society. The voter in our country has yet to achieve the status of the citizen. Poverty, illiteracy, cultural and social oppression, due to reasons of caste, gender, religion and ethnicity etc., have worked as traditional impediments to its evolution. The civil
consciousness is relatively weaker also among the educated and economically better-off middle classes now comprising over two hundred million in numbers. The role of the non-governmental organizations remains largely confined to the areas of social and economic development. Civil rights movements have yet to gather roots in the mainstream life of our society. The strengthening of the civil society has close linkages with the evolution of what is called ‘associative democracy’. It requires mobilization of people into interest groups which leads to the formation of associations based not on primordiality but occupations, professional skills and other cosmopolitan interest.

Andre Beteille (2003) views that poverty and inequality are closely linked the relationship is fairly complex. As Beteille argues, a decrease in poverty may be accompanied by an increase in inequality or vice versa. Or “there may be widespread poverty in a society and very little economic inequality; shared poverty was the common condition of many isolated and self-sufficient tribal communities.” He also points out that legal equality has been significant in reducing privileges and disabilities inherited from the hierarchical order; and the “entitlements of citizenship have kept in check the excesses of inequalities created by the market.”

Yogesh Atal in his book *The Poverty Question: Search for Solution* (2002) highlights the recent reviews of past development efforts which have acknowledged the persistence of poverty in all countries irrespective of their economic development. The World Summit for Social Development made the commitment to eradicate this scourge and invited all countries to join hands in the struggle against poverty. This has occasioned a rethink on the entire issue of poverty. The essays contained in this book, raise several issues relative to poverty. Highlighting the multi-dimensionality of the phenomenon of poverty, a case for a holistic and culture-specific approach to the solution of the problem has been presented. Written for different audiences and at different times, the essays brought together in this book clearly outline the authors approach, and raise challenging questions.

G. Parthasarthy (1978), in his article ‘Indian Village Studies the Village Poor’ points out that the primary interest of social anthropologists who conducted village studies in the 50s was not rural poverty per se. he raises this question in relation first to his interest in finding out if insights from Indian village studies had been useful in identifying the poor and second, analyzing the socio-economic framework within which the poor as target groups of poverty
alleviation programmes fail to gain the benefits from growth. Parthasarthy’s interest is obviously in the identification of rural poverty with a view of poverty alleviation.

P. Sainath (1992), in his famous work on “Everybody loves a good drought: Stories from India’s poorest districts”, highlights on the living conditions of the rural poor in the two poorest districts each in the 5 poorest states of the country- Orissa, Bihar, Madhya Pradesh, Uttar Pradesh and Tamil Nadu. According to the author, poverty needs to be seen at those conditions in terms of processes rather than events (in the form of disaster, starvation deaths, famine conditions etc.). It is the sum of a multiplicity of factors. The weightage of some of these varies from region to region, society to society, culture to culture. But at the core is a fairly compact number of factors. They include not just income and calorie intake. Land, health, education, literacy, infant mortality rates and life expectancy rates are also some of them. Debt assets, irrigation, drinking water, sanitation and jobs count too. Sainath’s main findings can be summarized in one word- apathy. Apathy towards the victims of rural poverty in the country. Around this core, he weaves the stories about real people who generally lie hidden in the great piles of statistical data. In a way, he has given names to poverty. Aasha Kapur Mehta and Amita Shah (2003) in their major work on ‘Chronic Poverty in India: An Overview’, provides an overview of the trends in incidence of income poverty in India and analyses chronic poverty in terms of severity, extended duration and multidimensional deprivation. States and regions that have a high incidence of people with incomes severely below the poverty line are identifies so as to focus attention on areas that are spatial poverty traps. Attention is drawn to those unable to access even two square meals a day as they are the most severely deprived. The incidence of chronic poverty in the duration sense is studied on the basis of review of the literature using panel data sets. Causal agricultural labourers are identified as the largest group among the chronically poor. This major work presents and analyses estimates of multidimensional indicators of poverty that reflect human and gender development and empowerment, as also infant mortality estimates and female literacy. The disproportionately high incidence of chronic poverty among historically marginalized groups such as scheduled castes, scheduled tribes, the elderly, women and the disabled is analyzed. The multiple deprivations suffered by these groups make it harder for them to escape from poverty. The extent and nature of chronic poverty within the spatial traps or remote rural areas is estimated. Two sets of remote rural regions are considered: dry land regions characterized by frequent failure of crops and employment opportunities, leading to high level of unprotected risks of livelihood security among the poor; and the ‘forest based economies, especially in hilly regions population with limited
access to natural resources on the one hand and information as well as markets on the other. Factors affecting chronic poverty in these regions are analyzed; the relationship between chronic poverty and agro-climatic conditions, agronomic features, human capabilities, social structure and infrastructure studied and variations in the dynamics of poverty across the two sets of regions are identified. Their study looks at policy interventions in the context of poverty reduction as also attempts by communities to demand accountability and transparency in government spending in the name of the poor.

Anand Kumar (2003) in his work on ‘Political Sociology of Poverty in India: Between Politics of Poverty and Poverty Politics’ points out that political sociology of poverty requires analytical understanding of the relationship between polity and society. In the context of India such an analysis has to pay attention to the meaning of the caste system, economic gradations and the imperatives of colonial and post-colonial polity. It recognizes the heuristic value of caste, gender, class and tribe as separate social categories as well as identifies the dynamics of conversions between them in the domain of chronic poverty.

### 2.3 Perspectives on Poverty and Social Exclusion

There is a wide range of literature existing on different perspectives on poverty and social exclusion. The concept social exclusion focuses attention on central aspects of deprivation and deprivation is multi-dimensional phenomenon. The significance of the concept lies in the perspective it presents to understand the society and deprivation. The concept social exclusion has its relevance for richer as well as poorer countries.71

The invention of the term social exclusion is usually attributed to Rene Lenoir, then Secrétaire d’Etat à l’Action Sociale in the Chirac government, who published *Les Exclus: Un Français sur dix*, in 1974. Lenoir’s excluded included a wide variety of people: not only the poor, but also handicapped, suicidal and aged people, abused children, substance abusers, etc. – about 10 per cent of the French population. The term gained popularity in France during the 1980s (Silver 1994), the period of economic crisis and restructuring, the crisis of the welfare state, and various social and political crises. The term exclusion was used to refer to various types of social disadvantage, related to the new social problems that arose: unemployment, ghettoisation and fundamental changes in family life (Cannan 1997). Old welfare state

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provisions were thought incapable of dealing with these problems, and new social policies were developed.\textsuperscript{72} The popularity of the term social exclusion was partly the result of unpopularity of the British concept of poverty in France because of its association with Christian charity, the ancient regime, and utilitarian liberalism.

Social exclusion was defined as a rupture of the social fabric, and attributed to a failure of the state. The concept has since gained popularity in other countries (Silver, 1998: 53ff.). The EU has been committed to fighting social exclusion throughout the past decade. The Maastricht and Amsterdam treaties and the Structural Funds included a commitment to combat social exclusion. The change in terminology in the anti-poverty programmes was significant: while ‘poverty’ was a central concern in the first programme, in the third programme this had become ‘social exclusion’. The EU induced new thinking on the nature of urban poverty and integrated, participatory strategies of regeneration.

2.3.1 Definition of Social Exclusion
The official French definition of the concept, which defines social exclusion as a \textit{rupture of social bonds} – which reflects a French emphasis on the organic and solidaristic nature of society. More broadly, social exclusion has been defined as ‘the process through which individuals or groups are wholly or partially excluded from full participation in the society within which they live’. Social exclusion is defined as the opposite of social integration, mirroring the perceived importance of being part of society, of being ‘included’.

The concept has two main characteristics. First, it is a multi-dimensional concept. People may be excluded, for example, from livelihoods, employment, earnings, property, housing, minimum consumption, education, the welfare state, citizenship, personal contacts or respect (Silver 1994). But the concept focuses on the multi-dimensionality of deprivation, on the fact that people are often deprived of different things at the same time. It refers to exclusion (deprivation) in the economic, social and political sphere. Second, social exclusion implies a focus on the relations and processes that cause deprivation. People can be excluded by many different sorts of groups, often at the same time: landlords exclude people from access to land or housing; elite political groups exclude others from legal rights; priests in India may exclude scheduled castes from access to temples; minorities may be excluded from expressing their identity; labour markets, and also some trade unions exclude people (non-

\textsuperscript{72} Ibid.23.
members) from getting jobs; and so on. Exclusion happens at each level of society. Group formation is a fundamental characteristic of human society, and this is accompanied by the exclusion of others. The concept takes us beyond mere descriptions of deprivation, and focuses attention on social relations and the processes and institutions that underlie and are part and parcel of deprivation.\textsuperscript{73}

Amartya Sen’s work on capabilities (1981) has stressed that what counts is not what poor people possess, but what it enables them to do. While critiquing Townsend’s notion on relative deprivation, he argues that Townsend’s concept confuses the lack of commodities with the individual’s or household’s capabilities to meet social conventions, participate in social activities, and retain self-respect. Capabilities are \textit{absolute requirements} for full membership of society. He draws attention away from the mere possession of certain goods, towards rights, and command over goods, using various economic, political, and social opportunities within the legal system. In a recent contribution, Sen (1998)\textsuperscript{74} welcomes the social exclusion framework, because of its focus on \textit{relational roots of deprivation}. He believes that a social exclusion framework reinforces the understanding of poverty as capability deprivation. He distinguishes the constitutive relevance of exclusion (exclusion or deprivation is of intrinsic importance in its own right) from its instrumental importance (exclusion itself is not impoverishing but it can lead to the impoverishment of human life). The two can overlap, like landlessness which can be responsible for generating deprivation (instrumental) but also have disvalue in itself, for example, when being without land is like ‘being without a limb of one’s own’ (constitutive). Also, Sen differentiates active from passive exclusion: active exclusion occurs, for example, when immigrants are not given full political status or citizenship; while passive exclusion exists when deprivation is caused without deliberate attempt, for example because of a sluggish economy. Amartya Sen draws distinction between the situation where some people are being kept out (at least left out) and where some people are being included – may even be forced to be included – in deeply unfavorable terms and described two situation as (unfavorable) exclusion and unfavorable inclusion. The “unfavorable inclusion” particularly those with unequal treatment may carry the same adverse effects as the unfavorable exclusion does. Unfavorable inclusion is similar to the notion of “economic and market discrimination” developed separately in recent

\textsuperscript{73} Ibid.26.
economic literature in the context of race and gender, which recognized participation or access but with unequal treatment in the labour and other markets.

Arjan de Haan (1999) viewed that social exclusion essentially involve “the process through which individuals or groups are wholly or partially excluded from full participation in the society within which they live – in this sense it is opposite of social integration”. According to him, two defining characteristics of exclusion are particularly recognized, namely its multidimensional character – involving exclusion in economic, social and political spheres and more importantly the relations and process that cause deprivations. It is therefore important to recognize the diverse ways in which social exclusion can cause deprivation and poverty.

J.G. Andersen (1996), in his work on “Marginalization, Citizenship and the Economy”, in E.O. Eriksen and J. Loftager (eds), The rationality of the Welfare State, views the concept marginalization is based on the processes through which Individuals who were formerly well integrated into society are now facing social and economic vulnerability or exclusion. Mass unemployment, the development of precarious forms of work and the weakening of the systems of kinship and community solidarity are bringing new forms of vulnerability for an increasing number of people. As a consequence of social fragmentation and the lack of social and political representation of the excluded, mechanisms of solidarity between the fully integrated and the vulnerable or the excluded may break down. The crisis of social cohesion may involve political exclusion and the development of hostile attitudes among the different segment of society.
Figure 2.1 Relationship between economic marginalization, social disintegration and political polarization.

Source: Adapted from J. G Andersen (1996), p. 158.

Amitabh Kundu and others (2006), *India Social Development Report*, opines that the problems of contemporary India are the result of a complex nexus between the factors of exclusion and inclusion rooted in history, values and cultural ethos. Many of these problems based on the policy of segregation have not been addressed by the development strategy launched since independence. Recent policies of globalization have further undermined the role of larger societal norms as well as the state apparatus that could counter exclusionary forces. The agenda of social development has remained unfinished, keeping social tensions simmering.

In an introductory note titled “A Framework for Analyzing Exclusion and Social Backwardness”, Amitabh Kundu (2006, P.xii-xv) views the essential task of the socio-political system in a country is to provide legitimate, rational, and acceptable bases for inclusion and exclusion of population in various spheres of its activity. Notwithstanding the

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role played by technological advancement in increasing supply of different commodities and services, there has always been a need to restrict or ration the demand which is sought to be achieved through this system. Undoubtedly, the institution of market be it that for goods or for services happens to be the most effective factor which excludes people based on affordability. In case of labour market, too, it is productivity against wages demanded which determines who should be in and who should be out.

The second important factors according to Kundu, for inclusion and exclusions are values and the cultural ethos which are as powerful, and sometimes even more, as market. The norms and values in a society, rooted in religious and cultural beliefs, conventions, etc., are extremely effective instruments. Many of the socially constructed categories such as gender, ethnicity, religion, caste etc., that have evolved over a long period in history, often come in the way of certain sections of people accessing commodity, service, or even entry into the labour market. A society through social injunctions, threats of direct action, etc., often justified by alluding to scriptures, mythology, and events in history, succeeds in excluding them on a more or less permanent basis which then results in their lack of 'capability and entitlement' in the long run. These norms and values are entrenched so deeply in cultural ethos that people often cease to view these factors of discrimination.

The third important actor in this context, according to Kundu, is the State, which intervenes directly and indirectly in the production and distribution system, often to ensure inclusion of people who do not have the affordability or the backing of societal norms. This is achieved through legislation, administrative decisions, as also programmes and schemes, designed to bring about a politically desirable welfare distribution. Constitutional and legal provisions, stipulations for the functioning of public agencies, etc., are often used to certain age groups, social groups, residing at certain places, working in certain sectors, with certain levels of education, etc. The additional factor contributing to inclusion and exclusion which has acquired considerable importance and is receiving attention of policy makers, that is, the civil society organizations and sub-national identities backed up by non-state institutions. The growing recognition that State and societal norms have failed in ensuring inclusion of several vulnerable groups in the development process and that these civil society organizations should come forward to take up the responsibility. Consequently, social mobilization through these organizations is viewed as critical for equitable social development.

exclusion involves social processes that exclude, discriminate, isolate and deprive some groups on the basis of groups characteristics like caste and, ethnicity. There are number of such social groups which constitute a significant section of population. These include untouchable, tribals, nomadic, semi-nomadic, de-notified tribes, (or ex-criminal tribes. These groups constitute about 250 millions population in 2002 (about 167 untouchable, 86 millions of Adivasis, and other small minorities. Although these social groups experienced exclusion and isolation there are difference in sources and process of deprivations.

The Scheduled caste (SC) constitutes a largest social group accounting for about 17 percent (equivalent to 167 millions) of India’s population. The exclusion and deprivation of Sc is closely associated with institution of caste and untouchability. They were excluded from access to property rights, civil rights, and education except the labour to the castes above them. Their deprivation become more severe as they also suffered from physical and social segregation from the rest of the Hindu society through the institution of untouchability. It is this institutionalized and multiple exclusion of the low castes untouchables, from access to economic rights, civil rights and human development, which had severe consequence on their economic conditions.

Thorat (2006), in his writings “Empowering Marginalized Groups: Policies and Change”, viewed that inequality, poverty, and caste-based market and non-market discrimination has been one of the most neglected areas in Indian economics. Consequently, we know little about thee economic deprivation arising out of caste and untouchability based economic discrimination and exclusion in Indian society. Limited micro level studies such as those from Andhra Pradesh (Venkateswarlu 1990) and Karnataka (Khan 1995) provide some evidence on economic discrimination in occupation, employment, wages, and the credit market as well as in other economic spheres. The Andhra Pradesh study observed that SCs faced occupational segregation and restrictions in efforts to change their occupation. Similarly, the Karnataka study revealed that nearly 85 per cent of the SC respondents continue to be engaged in their traditional occupations; where as only 15 per cent were able to make a switchover. The Orissa study (Tripathy 1994) observed discrimination in land lease, credit and labour markets in rural areas. Nearly 96 per cent of untouchable respondents in the one village and all untouchable respondents in the second village studied were discriminated against in wage payment, with 28 per cent in one village and 20 per cent in another facing discrimination in payment of rent.

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The adivasis or the Tribals is a second social groups which account for about 8 percent of India’s population and come closer to the SC in terms of exclusion and deprivation. The basis of tribal isolation and exclusion however, is not caste or religion but ethnicity. Historically tribal have been ethnically different from the mainstream Indian history with a distinct culture, language, social organization and economy practicing hunting, food gathering and shifting cultivation and also habitat of their own in the river valleys, and forest regions. They suffer from isolation, neglect and exclusion, which cause considerable deprivation and poverty among them (Thorat, 2006, 28-30).

These two social groups, namely SC and ST, which account for about one fourth of India’s population, suffered from backwardness and multiple deprivations in the past. Recognizing their unique problems, government developed policies for the economic, social and political empowerment of SC and ST. The different measures were taken for the upliftment of the tribal groups which is usually divided in to three categories – (i) protective, (ii) mobilizational, and (iii) developmental. The protective measures include constitutional and legislative rights that safeguard the interests of the tribal population. Mobilization refers to the reservation extended to tribal’s in different fields. Developmental goals mean programmes and activities that are initiated for promoting the welfare of the tribal people. It is in this context, three different approaches of isolation, assimilation and integration were put forth to bring the marginalized communities to the mainstream of development. Late Pandit Jawaharlal Nehru took initiative in accepting the approach of integration (Nehru, 1955 p. 1-8) for the tribal development policy. Thus, the tribal policy, apart from the constitutional provision, is the contribution of Nehru. He also advocated five principles, known as ‘tribal panchasil’ (Joshi 1987:77). Along with development projects a number of schemes under different plans were introduced with a view to safeguard and protect the interests of tribes and uplift their condition. The Fifth Plan (1974 – 9) is taken as a landmark in the task of tribal development. Not only did it mark a shift in policy from welfare to development, but it also introduced the new concepts of tribal sub plans and integrated tribal development projects. The plan entailed a separate budgetary head for the purpose (Verma 1990). It recommended such programmes as integrated credit-cum marketing services, marketing of agricultural and minor forest produce, supply of inputs and essential consumer commodities, credit for production purposes and social needs, and redemption of past debts through legislative and executive measures. Along with these programmes, emphasis was also laid on programmes for prevention of land alienation, restoration of alienated land, and abolition of bonded
labour, review of excise and forest policies as well as activities giving top priority to agriculture especially land reforms, irrigation, improved methods of cultivation, etc.

The tribal sub plan thus primarily focused on area development with emphasis on improving the quality of life of tribal communities; its main components were the integrated tribal development project (ITDP), modified area development approach (MADA), and primitive tribal group projects.

Several committees, working groups, or study teams have been formed from time to time to evaluate the conditions of the tribal groups to sustain the constitutional safeguards. The annual reports of the commissioners for Scheduled castes and Scheduled Tribes are important documents in this connection. The earliest such committee set up by the government was the Elwin committee. The Committee, set up in 1956, recommended reduction in the number of projects for tribal areas and simplification of administration in this areas. The Scheduled Arteas and Scheduled Tribes Commission, more popularly known as the Dhebar Commission, set up in 1960s, noted that the pace of development in tribal areas was slow and investment and other protective measures were inadequate, and it emphasized the need for urgent attention. It called for comprehensive legislation to cover all tribal groups living within the scheduled areas and outside, and also a simple administrative system for these areas. Yet there was little change insofar as protective measures and development programmes were concerned. Another committee to review tribal developmental programmes was appointed in 1969 under the chairmanship of Shilu Ao. The committee observed that the most of the recommendations of the earlier committees had not been implemented and urged their immediate implementation. In the view of the committee, the main problem of tribal’s was related to indebtedness, land alienation, economic backwardness, and communication. Hence these needs to be tackled on a priority basis under the comprehensive development programmes. The tribal situation was again reviewed on the eve of the Fifth Five Year Plan by a task force on “development of Tribal Areas” constituted the Planning Commission. This task force observed that one of the important factors contributing to the failure of the developmental programmes was that the problems of scheduled Tribes have been looked upon as ‘welfare’ problems as distinguished from ‘development’ problems. The welfare of Scheduled Tribes has continued under small outlays under the backward classes sector and not as general sector outlays. It was also found that the administrative structure lacked simplicity. It was beyond the comprehension of tribal groups and was not suitable for implementing integrated development in tribal areas. It is important to note that the result of development projects has been somewhat better where there has been less division between
the recipients and local bureaucracy. It is well illustrated by citing the literacy programmes in North East, in the case of Mizoram, Nagaland, and Meghalaya for instance shows better results in this respect than Arunachal Pradesh, Assam, and Tripura where the division between the two has been more glaring (Xaxa, 2003, p. 393).

2.4 Toward’s a Framework of Sociology of Poverty

The origin of the concept of poverty can be traced back to the writings in ancient times. Ancient thinkers viewed poverty as an act of God – a curse on the sinners for their vices. The doctrine of karma, which was developed in India in the pre-Christian era, attributed poverty to the personal misdeeds of the individual in past lives. Similarly, it attributed material security and affluence to the good deeds of the individual in his past incarnations. Buddhism shared with Hinduism this doctrine of Karma and the explanation of poverty and affluence in terms of karma. Both Hindu and Buddhist philosophy, however, generally regarded even affluence as a cause of ultimate misery, and escape from the cycle of births and deaths as the only way to an eternal life which alone could be free from misery. Neither a secular explanation of poverty, nor any concern for its alleviation, can be found in the otherwise spectacular range and depth of ancient Indian thought. The same is apparently true of thinking on poverty among orthodox Hindus and Buddhists in India to this day. Original Christianity visualized poverty as a part of the general calamity resulting from original sin. Jesus Christ, according to Christian theology, was born among the poor in order to atone for the sin of man and to emphasize the virtue of detachment from material possessions as the way to salvation. This was the Beatitude of poverty. This tradition continued throughout the Middle Ages in Europe. Poverty and inequality were attributed to sin, both the original sin and the accumulated subsequent sins committed by man in the exercise of his free moral choice. During the Reformation, Calvin, whose contribution to the Protestant ethic has been so heavily emphasized by Max Weber, still attributed poverty and inequality to the general depravity and fall from grace of humanity due to original sin. If we analyze the sin theory from the point of view of social science, it is unnecessary to make any comments on this explanation of poverty in terms of divine punishment for sin except to say that its theological mornings are repugnant to the scientific method of inquiry; that it completely ignores the historical, social and structural causes of poverty; rather it rationalize s mass

77 B. R. Sehiller (1976, p.23). For the views in religious scriptures also see Speigel (1976, p.29) and Gide and Rist (1954, p. 614).

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poverty and structures of inequality. A variant of the sin theory of poverty appeared in Europe with the development of capitalism, and of individualism, the ideology of the political economy of capitalism. This was the theory of personal responsibility. With the shifting of emphasis in the 'Protestant ethic to private property, individual initiative and free competition in the age characterized by the 'spirit of capitalism', poverty was attributed to indolence, laziness, unwillingness to work hard, and general lack of personal responsibility towards oneself, one's family, and society. For instance, the Poor Laws in England from the middle of the sixteenth century to the first quarter of the twentieth were essentially based on the principle and practices of deterrent punishment for the unemployed, including the infamous workhouse system run by mercenary contractors. Montesquieu observed that "a man is poor not because he has nothing, but he does not work". It is the "spirit of indolence", he argued, that "increases the general and consequently the private misery", and made some nations as a whole poor. "All the hospitals in the world cannot cure this private poverty" he observed. In many ways this explanation of poverty in terms of personal irresponsibility is central to the 'spirit of capitalism' even in modern times, and prevails widely in the capitalist countries including USA, where the 'flawed character' theory of poverty has many adherents. This theory, in fixing the responsibility for individual and collective poverty on a subjective bias of the individual ignores the socio-historical causes of poverty altogether.

Historically the Mercantilists viewed poverty as a useful and indeed essential prerequisite to augment the wealth of the country. They felt that the bulk of the population should be kept under conditions of poverty. This view reflects the degree of contempt of the members of the ruling and upper classes for the common man. Arthur Young (quoted in Rimlinger: 1976) viewed as late as 1771, that "Everyone but an idiot knows that the lower classes must be kept poor or they will never be industrious". They also state that the people of the lower classes were crude, ignorant, and inclined to disorderly behaviour and idleness. They inferred that only constant pressure of misery saved them from idleness which is the mother of all vices. Mandeville (quoted in Rimlinger: 1976) noted that "there is a vast number of journey-men... who, by four days of labour in a week they can maintain

79 Ibid. p.236.
80 Baron de Montesquieu, op. cit., Vol.1, p.317.
81 Ibid., Vol.II, pp.25, 26. It must be noted, to Montesquieu's credit, the he regarded the adverse tropical climate as a major cause of the collective indolence of many nations, as we have already noted, and did not attribute it to a simple subjective bias of the individual.
themselves, will hardly be persuaded to work the fifth”. The mercantilists also held the view that wages are equivalent to low production.

The harsh judgment against the lower classes in the Mercantilist epoch has been tampered by the rise of humanism in the second half of the 18th century. Adam Smith, though the main proponent of this view, had regarded the ordinary laborer much more important than the merchants, politicians, and the rich and well-to-do as a class. He felt that drunkenness, the main background of the common man, was a consequence of circumstances, rather than an indication of innate character defect” (Adam smith: 1776, 1976, 343). He further asserted that “the difference of natural talents in different men is, in reality, much less than we are aware of; and the very different genius which appears to distinguish men of different proportions... is not upon many occasions so much the cause, on the effect of the division of labour” (Adam Smith: 1776, 1996,15). Contrary to Mercantilists, Smith felt that ordinary people had stricter moral standards and were more industrious than the rich. Again, in contrast to the mercantilists' doctrine of “Utility of Poverty” he declared that “the wages of labour are the encouragement of industry.... A plentiful subsistence increases the bodily strength of the labour and the comfortable hope of bettering his condition, and of ending his days perhaps in ease and plenty, animates him to exert that strength to the utmost. Where wages are high, accordingly... the workmen are more active, diligent and expeditious, than where they were low” (Adam Smith: 1776, 1976, 81). He also exhibited, in contrast, that the high income of the rich was often detrimental to national welfare. He again argued that where the workers and landlords are well off, one finds a happy and prosperous country. But he argued that the rate of profit varies inversely with national prosperity. Having realized the problems of the poor, Smith argued for the solution that education benefits society, because it is conducive to greater domestic peace. He wrote that “the more the lower orders are instructed, the less liable they are to the delusions of enthusiasm and superstitution, which, among ignorant nations, frequently occasion the most dreadful disorder...” (Adam Smith: 1776, 1976, 142).

Smith was highly critical of the laws of wages and prices. He opined that “laws concerning wages and prices were always either equitable or in favor of the employers. The masters would never be a disadvantage because they were the councilors of the legislatures.

Smith was infavour of public regulation to have favorable welfare effects. The law should make the masters to pay their workers in money, not in goods. The prices of necessities, such as bread, should be regulated, where their supply was controlled by monopolies. He felt that
the poor would be better off facing the pitfalls of Laissez-faire than the handicaps of regulation.

These above arguments of Smith motivated the government to help the poor and support the weak. It was a subject of heated debates from one group of economists, particularly from Ricardo to Malthus through their theories of distribution and population, respectively. Malthus (1820, 1914:48) argued that “The Poor laws of England tend to depress the general condition of the poor. Their first and obvious tendency is to increase the population without increasing the food for its support....”

At the end of the 19th century B. Seebohm Rowntree showed a partial awareness of the fact that the individual was not necessarily responsible for certain kind of poverty. On the basis of his study of poverty in the city of York, he listed the immediate causes of ‘primary poverty’ (where the family earnings are insufficient for the maintenance of physical efficiency), such as: (i) Death of chief wage–earner, (ii) Incapacity of the chief wage-earner through accident, illness, or old age, (iii) Chief wage – earner out of work, (iv) Chronic irregularity of work (sometimes due to incapacity or unwillingness of worker to undertake regular employment), (v) Largeness of family, i.e., causes in which the family is in poverty because there are more than four children, though it would not have been in poverty had the number of children not exceeded four, (vi) Lowness of wage, i.e. where the chief wage-earner is in regular work, but at wages which are insufficient to maintain a moderate family (i.e. not more than four children) in a state of physical efficiency. 83 Among the causes of ‘secondary poverty’ (where family incomes are sufficient for the maintenance of physical efficiency, and are partly absorbed by other expenditure, either useful or wasteful) Rowntree mentioned drink, betting, gambling, ignorant or carelessness housekeeping, and other improvident expenditure, “the later often induced by irregularity of income”. 84 However, Rowntree’s analysis of the causes of poverty in England at the end of the 19th century shows that there was as yet no clear awareness of, or any systematic inquiry in to, poverty as a historical rather than a personal phenomenon. The only theory of the general ‘backwardness’ of the colonial populations of the ‘East’ which was either consciously or unconsciously accepted by the European thinkers at this stage was that of racial inferiority which developed with the growth of capitalism and imperialism. The doctrine of racial superiority of the ‘white’ Christian peoples and the racial inferiority of the ‘colored’, colonial, ‘heathen’

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84 Ibid., p.176.
and ‘pagan’ peoples, which was systematized, well articulated by such monstrous thinkers
such as Chamberlain, Gobineau and Knox, not only rationalized imperialism, but even made
it a moral responsibility of Europe in terms of the ‘White Man’s Burden’. Just as the sin
theory of poverty were ideological camouflages for the exploitative structures of feudalism
and capitalism respectively in Europe, so also the theory of the racial superiority of people
was an ideological camouflage for the military conquest and economic exploitation of the
colonial peoples by Europe. This view prevailed down to the end of the nineteenth century
and persists even today among some of the social scientists- anthropologists in particular.
However, the evolutionary aspect of the concept poverty and its explanation in the lines of sin
theory has now come to be regarded as a ‘culture’ or more accurately a ‘sub-culture’ of
poverty with Oscar Lewis(1966), ‘Lower class value stretch’ with Hyman Rodman (1963) or
‘distinctiveness’ of the poor. This ‘distinctiveness’ or cultural hypothesis has come into
sharp criticism at the hands of sociologists who take a situational view of change.
Nineteenth century sociologists who made epoch-making surveys of the poorer London and
New York cities view poverty in terms of wants and deprivation. Modern sociologists and
social workers view it as stratification. To them poverty is a wider issue of inequality –
social, political, and economic. But economists – accustomed as they are to stress more on
economic aspects– view poverty as an economic phenomenon – insufficiency of income or
‘command over resources’ to meet socially accepted minimum needs or the income less than
a particular per cent of the per capita income or norm. It has also been defined as nutritional
deficiency, or malnutrition, or problem of want and deprivation by some writers.

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85 Cf. Michael E. Rose (1971, pp. 7-12, 15-17, 23-26 and 29) and Herbert J. Gans (1968, pp. 202, 227n). Gans
reviewing the history of American poverty research concludes that most of the lay researchers of the nineteenth
century felt that the poor were personally and politically immoral and therefore, undeserving.
(1967), Lee Rainwater (1968), C. Valentine (1968) and many others. Some sociologists and even economists
88 Cf. Hyman Lewis (1967), Herbert J. Gans (1968) and Otis Dudley Duncan (1968).
89 Charles Booth (1902) and Seebohm Rowntree (1941), provide a comprehensive survey of the living
conditions of the poor in London and New York at the end of the nineteenth century.
90 Cf. Miller Rein, Roby and Gross (1967), Rossi and Blum (1968), Miller and Roby, Peter Townsend (1970)
91 Not only economists but sociologists also adopt an economic definition of poverty. The earliest known
attempt is to be found in Arthur Young – a fore-runner of Charles Booth (1902). Charles Booth and Rowntree
adopt the poverty line approach – an economic definition. Modern sociologists also adopt an economic concept.
92 B.M. Desai et al (1976) consider a family poor if it ‘suffers from starvation’, i.e. a family in which any
individual did not have any or both meals on any day of the year’. Other studies that define poverty in terms of
nutritional deficiency while operationalizing the concept adopt the poverty line at a level of income or
consumption expenditure which is just sufficient to provide a person 2250 calories a day. Cf. P.D. Ojha (1970),
Dandekar and Rath (1971), Bardhan (1970), P.G.K. Panikar (1972), Bureau of Economic and Statistics, Gujarat
State (1973) and Montek S. Ahluwalia (1977).
The evolutionary stage of the concept is not over; the concept of poverty is still being evolving. It is right to refer Sen (1979, p.285-88) that assessing the minimum needs of the society on the basis of given facts – social conventions – is an act of description and not of prescription. Another fact that need to be kept in mind while making a choice of the poverty concept is that it should not be a policy definition. A policy definition will essentially be a function of public policy guided by the 'considerations of 'what can be implemented'.

One of the key factors that led to the emergence of sociology was research into poverty. In both Britain and France the rise of sociology was accompanied by poverty studies. Yet from 1940s sociologists moved away from poverty studies. One path of exit was a change of terminology in which the poor was increasingly replaced by the lower class and from the problems of the poor to the fertile terrain of deviance and crime. Another was a shift of the sociological interest away from the lower to the middle class- an area where research funds were abundant and which was more suitable for survey research that was fast becoming the preferred method in sociology (Roach and Roach 1972). The sociological interest in poverty rekindled during the 1960s when poverty was rediscovered in USA. But after the failure of anti - poverty agenda of 1960s in USA and fall of the modernization paradigm, sociologists gradually retreated from poverty studies as well as from development studies. The field was largely taken over by economists (Jordan, 1996). Most of the sociologists engaged in poverty studies mainly focused on policy research.

In 1972 the editors of the Penguin reader on poverty found that sociology of poverty did not exist because there was very little theoretical or conceptual analysis of the phenomenon (Roach and Roach, 1972). Recently one author has forcefully pointed out:

"Not only there has been no theory of poverty and social exclusion that explains the economics of collective action in exclusive groups; there has really been no theory of poverty and exclusion at all" (Jordan, 1996:81). The present state of theory in poverty is being reflected by various scholars in social sciences. According to Jordan (1996), there are two broad traditions of poverty discourse in the West that has taken shape and crystallized over a period of more than two hundred years. The first is the Anglo-Saxon liberal tradition and the second is the continental mercantilist tradition. The Anglo-Saxon- liberal tradition focuses on the 'competitive interaction under scarcity' (Jordan, 1996:4) and the nature of collective action it gives rise to. The continental mercantilist tradition has been preoccupied with

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93 Dudley Jackson (1972).
94 It is advocated by Harold Watts (1968, p.7). For its critique see Amartya Sen (1979, pp. 286-88).
harnessing human resources for enrichment of the state. The poor are like sheep and cattle to be farmed for the glory of the rich.

2.4.1 Social Darwinian theory of poverty
This is the first theory that emerged within sociology and it tried to explain poverty in terms of the behaviour and attitudes of the poor themselves. The poor were poor because they did not work hard; they squandered money on 'gambling, drinking and unnecessary luxuries and they had disorder of family life. They had no ambition, no inner call for work, were fatalistic, and suffered from “an intractable ineducability” as the Brock Committee phrased it (cited in Matza, 1966:294).

Even a whole nation was conceived in these terms.

“All the faculties of his soul that despotism has touched are blighted; the wounds there are large and deep. All this part of him is vice, whether it be cowardice, indolence, knavery or cruelty; half of the Irishman is a slave” (Beaumont, a French observer, cited in Matza, 1966:300).

Everywhere the poor made up the “dangerous classes” living in “regions of squalid want and wicked woe” (cited in Matza, 1966:302). Both Malthus and Herbert Spencer thought that only hunger could teach the poor civility and subjection (Townsend).

A more recent proponent of this view has been the US new right. George Gilder, Murray and Richard Herrnstein have argued that the poor are genetically blueprinted to be at the bottom of the social hierarchy. The poor are poor because they have low IQ and low mental capacity and biologically destined to be poor. The welfare system that underwrites this human substratum of deviance is a sheer wastage of resources and should be dismantled (Kerbo, 1996).

2.4.2 The Culture of Poverty
The chief proponent of this thesis, Oscar Lewis (1966, 1968), who coined the term ‘culture of poverty’ distinguishes between ‘poverty per se’ and ‘culture’ or more accurately ‘sub-culture’ which is trans-generational. To Lewis, it is a way of life that develops among some of the poor in a society characterized by (i) cash economy, wage labour and production for profit, (ii) persistently high rate of unemployment and under-employment for skilled labour (iii) low wages and (iv) the failure to provide social, political and economic organizations.

95 Oscar Lewis (1968) on the basis of his study of an extended Puerto Rican family has suggested that the culture of poverty transcends regional, rural-urban and national differences in family structure, inter-personal relations, time-orientations, value systems and spending patterns.
for the poor by the voluntary organizations or the government. Lewis describes this culture in seventy interrelated social, economic and psychological traits which he admits may vary with situations in the family, society and other situations.96

He classified these traits into four types.

• **Relationships between the subculture and the larger society**
  People either disengage or maintain distance from the larger society. They do not belong to labour unions or political parties, go to banks or hospitals or enjoy leisure facilities of the city. They have a high mistrust of the dominant institutions of society.

• **Nature of the slum community**
  The slum community is characterized by poor housing and overcrowding and a minimum of organizational structure beyond the space of family. These institutions grow up mainly to meet their minimum needs. The slum economy is inward looking. It is embedded in pawning of personal goods, informal credit and use of second hand goods.

• **Nature of the family**: bilateral kinship system, unstable marriage, matrifocal family,

• **Attitudes, values and personality of the individual**: The individual has ‘a strong feeling of fatalism, helplessness, dependence and inferiority'; a weak ego tuned to the gratification in the present and a strong preoccupation with masculinity.

Once the subculture is formed it tends to be perpetuated. It is transmitted from one generation to another through socialization. Herbert J. Gans (1967) has challenged the validity of these theses. Gans opines that these anthropologists wrongly take the ‘culture view’ of social change and neglect the ‘situational view’ of change. He also considers this concept to be ‘a historical’ as it pays too little attention to the situations that bring the behaviour pattern into being. He also pointed out that cultural factors that are functional to one group may be dysfunctional to another.97 The ‘cultural’ thesis of poverty has no relevance to Indian scene because some of the key traits of the culture such as ‘lower-class value stretch’, ‘lower level of aspirations’, absence of class consciousness, organization or unions’, ‘absence of class or caste system’ are not to be found in India.98 Lewis himself rules out the possibility of its existence in India.99 Moreover, if the object of poverty research is to eradicate poverty, the first business of the researchers is not to study the poor. They are much

97 Michael E. Rose (1972), Chaim I. Waxman (1977) and Herbert J. Gans (1968, p.210). The nineteenth century critics of the culture of poverty are to be found in Henry George (1880 reprint 1905, p. 308-9) and John A. Hobson (1913, reprint 1971). Hobson scolds the culturalists in the strongest words as “to taunt them (the poor) with their incapacity and to regard it as a cause of poverty, is nothing else than a piece of blind insolence” (p.177).
98 Oscar Lewis (1968, p. 191-96).
99 Ibid., p.194.
less important than the study of the factors that relegate many people to unemployment, under-employment or dependence.100

2.4.3 Situational Theory of poverty
The situational theory of poverty holds that the poor behave differently because they do not have the resources and opportunities for adopting the middle class lifestyles. Young people have few opportunities to go to college and so they drop out. Women prefer matrifocal family because it allows them to have greater claim upon their children. The situational theory gives importance to the structural conditions that give rise to poverty, but it also tends to focus upon the individual responses to the objective situation of poverty. It differs from the culture of poverty theory in a fundamental sense. It does not assume the pre-existence of a subculture that gives coherence and solidity to the behaviour of the poor. The situational theory holds that individuals rationally follow a pattern of behaviour, which is suitable for the objective situation of their life. It has been argued from this perspective that the poor do not follow middle class values because they know that they cannot achieve it. So in practice they tolerate large deviations from middle class aspirations. This has been described as the lower class 'value stretch' (Rodman, 1963; Della Fave, 1974).

2.4.4 Poverty as a Social Stratification
Poverty has been considered by many sociologists as a social stratification.101 Casting issues of poverty in terms of social stratification possess several questions about the major dimensions of social stratification like class, status, power, occupation, income, education and social mobility or combination of these. Miller and Roy (1968, p.67) consider economic status to be the long run basic issue of poverty, followed by education and social mobility. In following Warner et al (1949) we take the social dimension of class as a sub-culture defined by distinctive value patterns and different associations, or we take a situational view of change, i.e. these distinct value patterns and attitudes of the poor can be changed with changes in the social situations, then the thesis of culture of poverty also falls in this

100 Such a stand is implicit in the writings of all the critics of culture of poverty hypothesis who take a situational view of change. Authors who analyze poverty in terms of macro economic variables also take such a stand.
Rossi and Blum (1968) opine that the three major dimensions, viz: (i) class defined as a distinctive value patterns and differential associations, (ii) distribution of resources and income and (iii) distribution of prestige, in empirical research converge on a common set of indicators – occupation, income and education. However, there is no unanimity on the selection of indicators, complexity in measuring these indicators and their inter-links.

2.4.5 Vicious Circle Theory

One of the theories which emerged in the early 1950s as an explanation of the general poverty of the new states was that of the ‘vicious circle’ of poverty, popularized among others by Ragnar Nurkse. In its essence, the theory of the ‘vicious circle’ of poverty had been formulated earlier by Gunnar Myrdal with reference to the poverty of the Negroes in the U.S.A. Nurkse and others merely extended and applied it to the countries of the South. It asserts that poverty breeds poverty in a chain of circular causation, and was formulated, in a somewhat simplistic manner, by Nurkse as follows:

It implies, of course, a circular constellation of forces tending to act and react upon one another in such a way as to keep a poor country in a state of poverty.... For example, a poor man may be weak; being physically weak, his working capacity may be low which means that he is poor, which in turn means that he will not have enough to eat; and so on. A situation of this sort, relating to a country as a whole, can be summed up in the trite proposition: a country is poor because it is poor.

A more sophisticated macroeconomic formulation of the theory was presented by Raja J. Chelliah in the following words:

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103 The other variables suggested by Rossi and Blum (1968, p.45) for the study of poverty in terms of social stratification are (i) differential distribution of resources and income and (ii) distribution of power. But they opine that these two, converge on a common set of indicators. A well known German sociologist, Max Weber takes three components of social stratification viz.: class, status and power. Marx emphasizes only economic (class) dimension of stratification. Richard M. Titmus takes command over resources in place of income. Miller and Robey (1968, p.64-65) add education and mobility to Weber's dimension. They argue that today not only class, status and power, but also educational attainment and social mobility of the off-spring determine a person's, particularly a poor person's future standard of living.
106 Ragnar Nurkse, op. cit., p.4.
The vicious circle operates on both the supply and the demand sides. First, low incomes leads to low levels of savings and investment. The low rate of investment in turn leads to the perpetuation of the low incomes and the circle is completed. This is the vicious circle on the supply side. Second, the low rate of investment keeps productivity and incomes low. Therefore, the purchasing power of the people in real terms is low. This leads to a relatively low private marginal productivity of investment, inducement to invest being low, low incomes are perpetuated. This is the vicious circle on the demand side.

It is clear from the above cited paragraphs on Vicious Circle Theory that a low-level equilibrium tends to perpetuate itself in the LDCs, and thus to cause secular economic stagnation. But theoretically, a cumulative downward movement, rather than a self-perpetuating stagnation of the economic systems of the LDCs is also possible. As Gunnar Myrdal has rightly pointed out, if Nurkse's poor man produced less food than would enable him to survive in a state of health necessary for maintaining barely the existing level of production, he would in fact gradually become poorer because he is poor. If the LDCs wished to achieve economic development, the circular chain of causation had to be broken at some point; and then, by the same logic of circular causation, the economic system would register a cumulative upward movement. The Vicious Circle Theory during 1960s provided the theoretical justification to the policy makers in the Northwest for 'foreign aid' and the investment of private foreign capital in the LDCs.

J. K. Galbraith, while subscribing to the Vicious Circle Theory, suggested two more modifications, in the first place, he argues that even if the equilibrium of the mass poverty in the LDCs, which is a rural phenomenon, is broken, it would to restore itself. If income rises due to new investment or new technology, this would lead to additional consumption (rather than additional investment, as in the DCs), partly because of the pressure of poverty and partly because of population growth. Saving and investment would be minimized, added workers from the increased population would have a progressively lower yield, and the low-level equilibrium would be restored. Galbraith argues that "there are built into the structure of poverty, the social and biological forces by which improvement is aborted, the poverty perpetuated."
Secondly, Galbraith argues that the will to break out of the vicious circle of poverty is generally replaced by the spirit of accommodation of poverty and coexistence with it, since the attempt appears to be utterly futile to the vast rural masses in the light of their age-old experience. In his own writings:

People who have lived for centuries in poverty in the relative isolation of the rural village have come to terms with its existence. It would be astonishing were it otherwise. People do not strive, generation after generation, century after century, against circumstances that are so constituted as to defeat them. They accept. Nor is such acceptance a sign of weakness of character. Rather it is a profoundly rational response. Given the formidable hold of the equilibrium of poverty within which they live, accommodation is the optimal solution. Poverty is cruel. A continuing struggle to escape what is continuously frustrated is more cruel. It is more civilized, more intelligent, as well as more plausible, that people, out of the experience of centuries, should reconcile themselves to what has for so long been the inevitable.\textsuperscript{110}

However, this full-grown and highly pessimistic form of the vicious circle of poverty at best draws attention to certain surface characteristics of mass poverty in the LDCs which are symptoms rather than causes. This theory has been criticized on the ground that it does not explain the historical origin and development of mass poverty in the South in the modern period, or why the South as a whole has been unable to break through the vicious circle of poverty during the last two hundred years when the DCs have achieved accelerated economic development. It pretends to believe that imperialism did not exist, or any rate had nothing to do with the impoverishment of the LDCs in the first place. It further ignores the neocolonial exploitation of the LDCs by the DCs in the contemporary period. It fails to notice the palpable evidence of the highly stratified and exploitative domestic structures of the non-socialist LDCs which are a major cause of inequality, mass poverty and economic stagnation of the Third World, and the linkage between this domestic structure and the global structure of capitalist neo-imperialism. In sum, it completely ignores the most fundamental socio-historical cause of mass poverty and its perpetuation in the Third World, namely, the closely interlinked global and national structures of dominance and exploitation.\textsuperscript{111}

\textbf{2.4.6 Stages of Growth Theory}

\textsuperscript{110} Ibid. p. 62.
\textsuperscript{111} Jayantanuja Bandyopadhyaya, 1987, p.243.
The stages of Growth Theory, which has a relatively long ancestry, but it was popularized by W. W. Rostow in the 1960s. It is a first cousin of the Vicious Circle Theory in so far as it takes a low-level, self-perpetuating equilibrium as the starting point in the process of economic development. It shows how the chain of circular causation can be broken and a process of cumulative growth triggered off. Rostow believes the universal application of his theory as it is not only a theory of economic development but also a theory of history.

Every society, Rostow believes, passes through five successive stages of economic development, namely, the traditional society, the preconditions for take-off, the take-off, the drive to maturity, and the stage of high mass consumption. The traditional society rest in a static low-level equilibrium characterized by low and unchanging technology, low productivity of labour, diminishing returns, and the stabilization of population more or less in a Malthusian pattern. The stage of preconditions is characterized by slowly changing production functions, attitudes and organization, and vertical as well as horizontal mobility of labour. The third stage of take-off is the crucial one which represents the breakthrough into self-sustained and cumulative economic growth. The rate of investment rises from about 5 per cent through the mobilization of domestic savings on the one hand, and foreign aid and investment on the other. There is a great technological leap forward. The rate of development undergoes such acceleration at this stage as to represent a discontinuity in the process of growth. In the fourth stage, involving the drive to maturity, technological change and improved efficiency proliferate from the leading sectors to the rest of the economy, each sector has its own high growth rate, and the growth rate over the economy as a whole outstrips the rate of growth of population. Finally, the economy reaches the fifth stage of mass consumption in which durable consumer goods and higher education are generally available to the masses. Rostow believes that all the contemporary DCs have passed through these five stages in the process of their economic development, and the LDCs would have to do the same if they are to break out the equilibrium of poverty which is characteristic of poverty of the first stage.\(^\text{112}\)

In spite of its apparently historical perspective, the Stages of Growth Theory ignores the massive historical fact which decisively conditioned the poverty and economic stagnation of the South as well as the accelerated economic development of the North, namely historical imperialism.\(^\text{113}\) The economic advantages derived by the DCs in the early phase of their

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\(^{113}\) Jayantanu Bandyopadhyaya, 1987, p.244.
industrialization from the colonial drain are not available to the contemporary LDCs. Not only are the LDCs unable to enjoy the kind of economic-demographic advantages which the DCs derive from colonial expansion, they are still the victims of the international multi-structure of dominance and dependency created by imperialism and neo-imperialism. The theory also completely ignores the highly deleterious impact of the tropical climate on the economic development of the LDCs. It fails to note the demographic disadvantages enjoyed by the DCs in the comparable phase of their economic development. It ignores the abundance of minerals and other natural resources in the DCs and their shortage in the LDCs in general. It attaches no importance to the absence of a cultural revolution in the LDCs comparable to the Renaissance and the Reformation in Europe. Finally, it does not pay attention to the major differences between the social and political structures of the DCs and the LDCs.

However, the theory is based on an arbitrary selection of variables which ignores the structural question altogether, and presents a thinly veiled picture of the capitalist path of development for the LDCs. It assumes that certain exclusively economic factors, such as capital and skill formation (facilitated by foreign aid and investment), the growth of entrepreneurship, rise in labour productivity, etc. would break the low-level equilibrium of the LDCs, apparently through the operations of a market economy. It fails to realize that the structure of contemporary international relations as well as the national structures of the LDCs impose nodal restraints on the release of the forces of production, and that no major economic breakthrough on the part of the LDCs would be possible without a radical reconstruction of these structures.

The writings of Rostow rather than an objective economist, it seems to be more of a self-confessed ideological motivation in the context of the Cold War which is more evident from the subtitle, A Non-Communist Manifesto. His manifest objective, as he says in so many words, is to “save” the Third World from “Communism: a disease of the transition”. He would like the LDCs to go through the five stages at a faster pace than the DCs did in the comparable period of their economic development. He insists that there is no alternative before the Third World countries other than following the five-stage path of development if they are not to suffer from the “deceptions” and “dilemmas” of communism. He also advises the governments and politicians of the Northwest to take up “the challenge of creating, in association with the non-communist politicians and peoples of the preconditions and early take-off areas, a partnership which will see them through into sustained growth on a political and social basis which keeps open the possibilities of progressive democratic
Thus Rostow propounded the Stages of Growth Theory with the objective of preventing the LDCs from following a non-capitalist path of development, to promote capitalism in them, and to keep them firmly linked to the global structure of capitalism controlled by the Northwest.

2.4.7 Institutional Theory

By the mid-1960s, it was evident that the Northwestern theories like the Vicious Circle and Stages of Growth theories and models were unlikely to make any significant difference to the mass poverty of the LDCs. A new quest began in the Northwest for the discovery of the 'institutional' and cultural obstacles to the economic development of the LDCs. The most celebrated product of this new enterprise for explaining mass poverty in the Third World through cultural anthropology was Gunnar Myrdal's Asian Drama.

The three volumes of Asian Drama by Myrdal presents the central thesis of the Institutional Theory very from the theories like the Vicious Circle Theory and the Stages of Growth Theory. Myrdal criticizes the Vicious Circle Theory mainly because it fails to explain why the South and Southeast Asian societies have been unable to break the circle of poverty, while the DCs of today were able to do so over two hundred years ago. He also criticizes the Stages of Growth Theory on account of its apparent teleology and determinism, arbitrary selection of data, and its assumption of the similarity of initial conditions between the DCs and LDCs. It is the last factor, namely the dissimilarity of initial conditions which Myrdal emphasizes that the greatest dissimilarity lies in the institutions and attitudes of the societies. While the Reformation and the scientific and rational spirit in general had modernized the institutions and attitudes in Europe, America and Japan, either before industrialization or pari passu with it, in south and Southeast Asia these have remained pre-modern and virtually unchanged since ancient times. This rigidity of the institutions and attitudes according to Myrdal is the cause of inability of the countries of Southern Asia to break out of the Vicious Circle of poverty; and a social revolution aimed at inducing modernistic changes in them is an essential precondition for their accelerated economic development.

Myrdal's criticism of the conventional Northwestern approach to the problems of underdevelopment in purely economic terms is justified, and his own emphasis on the attitudes and institutions as a factor causing economic stagnation in the LDCs may be regarded as a significant contribution to the literature on the subject. It seems from the three

\[114\] Ibid., p. 164.
volumes of Asian Drama that Northwestern imperialism did not play any part in the impoverishment of the LDCs. Myrdal was ignorant about the sizeable literature on the economics of imperialism, or the empirical evidence of the colonial drain. The failure to make a serious study of historical imperialism and contemporary neo-imperialism which makes Asian Drama a nearly ridiculous exercise in the explanation of mass poverty in South and Southeast Asia. Scholars argue that the glaring weakness of Asian Drama is Myrdal’s failure to identify the relations of production, particularly the class structure, of the LDCs as a factor in their economic stagnation. Although he has listed the land tenure system as one of the institutions which need to be changed, no where he has offered a detail analysis of how the land tenure systems of South and Southeast Asian countries create, aggravate, or perpetuate mass poverty. It is an empirical fact that the relations of production, including class structure, are to a great extent responsible for the inequality, poverty, and economic stagnation of the LDCs. There is considerable overlap and confusion in Myrdal’s distinction between attitudes and institutions. More important is the fact that these institutions and attitudes appear as almost independent variables without any relationship with the class structure. The highly iniquitous and exploitative class-caste structure of the LDCs is a major cause of poverty and economic stagnation which has landed Myrdal in serious confusion between fundamental causes and symptoms or secondary effects of mass poverty. Many of the attitudes and institutions enumerated by him are reality symptoms rather than causes of poverty.

The only conclusion which emerges out of Myrdal’s analysis in Asian Drama, is that all the LDCs in order to break out of their economic stagnation is a measure of social discipline within the framework of a Northwestern type of liberal democracy, combined with a certain amount of “democratic planning”, and possibly also a “social revolution” for modernizing institutions and attitudes without a radical restructuring of relations of production.

2.4.8 Marx’s Theory of Historical Materialism and Class Struggle

Marx’s viewpoint was grounded in what he called the materialist conception of history. According to this view, it is not ideas or values human beings hold that are the main sources of social change. Rather social change is prompted primarily by economic influences. Conflicts between classes provide the motivation for historical development - they are the ‘motor of history’. Marx first discovered "the great law of motion of history, the law according to which all historical struggles, whether they proceed in the political, religious, philosophical or some other ideological domain, are in fact only the more or less clear
expression of struggles of social classes, and that the existence and there-by the collisions, too, between these classes are in turn conditioned by the degree of development of their economic position, by the mode of their production and of their exchange determined by it.\textsuperscript{115} This law has the same significance for history as the law of transformation of energy has for natural science. Indeed, "the history of all hitherto existing society is the history of class struggles".\textsuperscript{116} According to Marx, social systems make a transition from one mode of production to another- sometimes gradually and sometimes through revolution- as a result of contradictions in their economies. He outlined a progression of historical stages which began with primitive communist societies of hunters and gatherers and passed through ancient slave owning systems and feudal systems based on the division between land owners and serfs. The emergence of merchants and craftspeople marked the beginning of a commercial or capitalist class which came to displace the landed nobility. In accordance with the view of history, Marx argued that just as the capitalists had united to overthrow the feudal order, so too would the capitalists be supplanted and a new order installed. Marx believed in the inevitability of a workers revolution which would overthrow the capitalist system and usher in a new society in which there will be no classes – no large-scale division between rich and poor.

2.4.9 Neo-Marxist Dependency Theory

The Neo-Marxist approach of Dependency and World-Systems theories derives inequality at global and intra national scales from unequal political economic relationships, which are seen as an inevitable consequence of the development of capitalism on a world scale. A more orthodox approach focuses on regional socio-economic structures and the logic of production and accumulation.

A basic premise of Neo-Marxist thought is that orthodox Marxist and conventional theories of development neglect the political economic linkages and constraints imposed by the advanced capitalist states on underdeveloped societies and, instead, explain underdevelopment exclusively in terms of social, psychological and institutional factors internal to these societies. The emphasis of Dependency and World-Systems theories, then, is upon these international relationships. Frank's basic statement of Dependency theory stresses that the socio-economic conditions of the Third World can only be explained in terms of an

\textsuperscript{115} F Engels, Preface to the third German edition of Karl Marx, "The Eighteenth Brumaire of Louis Bonaparte", in Marx-Engels, Selected Works, Vol 1, Moscow, 1969, pp 396-397.

\textsuperscript{116} Marx and Engels, "Manifesto of the Communist Party", in Marx-Engels, Selected Works, Vol 1, p 108.
analysis of the global hierarchy of capitalism, of which functional whole individual societies - both developed (metropoles) and underdeveloped (satellites) - are but integral parts. Two dialectically related processes are identified within this system, development and underdevelopment, which have been characteristic of, respectively, metropoles and satellites. In the ongoing transfer of capital facilitated by the dominance of the former and the dependence of the latter, the mechanism linking the processes of development and underdevelopment is identified.

Wallerstein's World-System theory is essentially similar to the approach of Dependency theory, though it is more rigorously defined. Wallerstein defined capitalism as "production for sale in a market in which the object is to realize the maximum profit." Wallerstein claimed there was only one world connected by a complex network of economic exchange relationships. He made the comparison between different parts of the world. Wallerstein believed that Europe had gone from a feudalist to a capitalist world economy in order to ensure continuous economic growth. Capitalism extended beyond one empire (as Feudalism had done) and instead became a system of economic exchange. The new capitalist world system was based on an international division of labor that determined different relationships between different regions and the types of labor conditions that would be in that region. He is of the opinion that dynamic system that changes over time. At a higher level of abstraction, the world economic system theory stresses the independent significance of the world capitalist system and its impact on socioeconomic processes in all nations: core, periphery, or semi-periphery (Wallerstein, 1974).

Wallerstein elaborated the different regions and viewed that the core regions which benefited the most from a capitalist economy; developed strong central governments, extensive bureaucracies, and large mercenary armies. In the Semi-Periphery region core regions in decline or peripheries attempting to improve their relative position. Periphery lacked strong central governments or were controlled by other states; exported raw materials to the core, and relied on coercive labor practices; unequal trade relations existed between periphery and core. The external region maintained own economic systems; remained outside the modern world economy for example Russia. The central idea of the world system theory

is that core regions always benefit at the expense of the peripherals and that it has brought about a skewed development in which economic and social disparities between sections of the world economy have increased instead of providing prosperity for all.

Samir Amin’s work completed that of Frank and Wallerstein because he attempts to clarify some of the mechanisms whereby surpluses were transferred to the core from the periphery. As cited in Ray Kiely’s (2005) Sociology of Development Amin essentially concurs with this analysis, although his analysis also examines the ways in which the periphery’s incorporation into the world economy led to its ‘extroverted’ or ‘export-oriented’ accumulation. According to Amin (1976), the dominance of the periphery by the centre promotes three key distortions in the former:

- A crucial distortion towards export activities which absorb the major part of the capital arriving from the centre.
- A distortion towards tertiary activities which arises both from the special contradictions of peripheral capitalism and term the original structures of the peripheral formations; and
- A distortion in the choice of branches of industry, towards light branches, together with the utilization of modern techniques in these branches.

This pattern of export activity leads to a vicious circle of underdevelopment which led Amin to conclude that so long as an underdeveloped country continues to be integrated in the world market it remains helpless on the possibilities of local accumulation are nil (Amin, 1976).

Neo-Marxist theories have been subject to criticism. In general, critics have argued that these theories are characterized by conceptual ambiguity and terminological confusion. The concept ‘dependency’ is seen as the root cause of underdevelopment. However, there are evidently dependent nations (Canada, for instance) which do not exhibit the characteristics generally associated with underdevelopment. A second major criticism is that these theories are not dynamic. Frank's metropole satellite model is inherently static and Wallerstein's core-periphery model accommodates change only as unspecified, fortuitous events altering the relative position of entities within the system. Neither can adequately account for the growth of some, if a few, formerly dependent and underdeveloped.

Critics have pointed out that dependency theory lacks conceptual rigor, and that its broad-spectrum framework presents no viable operational concepts with which to work. It has also been argued that dependency is a poor guide to action. On the one hand, it shuns all "short-term" measures to alleviate the condition of the poor and the hungry in the Third World, for such measures are said to sustain and even strengthen dependency. Thus aid is regarded as a device that perpetuates the system that makes aid necessary - "the doctor is the disease" (Forter-Carter; 1973: 23).
Aidan Foster-Carter has argued that 'the idea of "development" in social science meaning the progressive alteration and succession of different types of socio economic formation over time ... is firmly Marxian in origin.' Here again, development is a phenomenon of the nineteenth century and not the twentieth. But development in Marxist theory has nothing to do with order. It signifies changes in mode of production and not political stability.

Dependency theory seemed to offer a new and viable challenge to modernization thought. Foster-Carter declared that dependency theory achieved an almost a paradigmatic quality. He states that dependency theory was more “theoretical” in the sense that its core concepts were more generalizable and less value laden than those of mainstream modernization theory. Foster-Carter presented four key dichotomous generalities that were used to define this new paradigm. First, development was a contentious process. Second, there were irreconcilable differences between the interests of developed and developing states. Third, structural connections between underdevelopment and development hampered developing nations. Fourth, developed and developing nations have followed fundamentally different historical paths and will continue to do so (Foster-Carter, 1976: 172, 175).

2.4.10 Theories on Sociology of Economic Life

The development of a sociological analysis of economic phenomena was a central concern of classical sociologists such as Karl Marx, Max Weber and Emile Durkheim and George Simmel.

The term 'economic sociology' appeared in the works of Durkheim and Weber during the years 1890–1920 (sociologie économique, Wirtschaftssoziologie). During these decades, the classical economic sociology is born, as exemplified by such works as The Division of Labor in Society (1893) by Durkheim, The Philosophy of Money (1900) by Simmel, and Economy and Society (produced 1908–20) by Weber. Max, Weber and Durkheim asserted the social nature of economic life, and the notion that the economy is asocial system continues to be central to all forms of economic sociology. They considered the links between the economy and the rest of society.

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120 Aidan Foster-Carter, Aidan, 'Neo-Marxist Approaches to Development and Underdevelopment', Journal of Contemporary Asia, 3 (1973), pp. 7-33.

Karl Marx (1818–1883) was obsessed with the role of the economy in society and developed a theory according to which the economy determined society's general evolution. Marx also argued that material interests drives people in their everyday lives, and these also determine the structures and processes in society.

Among the classics in economic sociology Weber (1864–1920) occupies a unique place. He proceeded furthest toward developing a distinct economic sociology, laying its theoretical foundation and carrying out empirical studies (Swedberg 1998). Weber regarded economic processes as fundamental to the structure of society. Economists study pure economic action, which is action exclusively driven by economic interests (or "desire for utilities," in Weber's formulation; (1922, 1978). However, economic sociologists study social economic action, which is driven not only by economic interest but also by tradition and emotions; furthermore, it is always oriented to some actors. A sketch of Weber's economic sociology in *Economy and Society* yields that economic actions of two actors who are oriented to one another constitute an economic relationship. These relationships can take various expressions, including conflict, competition, and power. If two or more actors are held together by a sense of belonging, their relationship is "communal"; and if they are held together by interest, "associative" (Weber 1922, 1978). Economic relationships (as all social relationships) can also be open or closed. A market, like many other economic phenomena, is centered around a conflict of interests—in this case between sellers and buyers (Weber 1922, 1978).

Durkheim's first major work, *The Division of Labor in Society* (1893), has most direct relevance for economic sociology. Its core consists of the argument that social structure changes as society develops from its undifferentiated state, in primordial times, to a stage characterized by a complex division of labor, in modern times. Unlike the economists, Durkheim added was a sociological dimension of the division of labor—how it helps to integrate society by coordinating specialized activities.

George Simmel, particularly in his book *Philosophy of Money*, was important in the early development of economic sociology, as was Emile Durkheim through *Division of labor*. Simmel's main point is that money and modernity belong together; in today's society there does not exist one exclusive set of dominant values but rather a sense that everything is relative (Poggi 1993). Simmel's work also contains a myriad of insightful sociological reflections on the connections of money with authority, emotions, trust, and other phenomena. The value of money, Simmel observed, typically extends only as far as the authority that guarantees it ("the economic circle" (1907, 1978). Money is also surrounded by various "economically important sentiments," such as "hope and fear, desire and anxiety"
(1907, 1978). And without trust, Simmel argues, society could simply not exist; and “in the same way, money transactions would collapse without trust”.

However, sociological attention to economic phenomena declined during the twentieth century, until the revival of Marxist and Weberian Sociology in the 1970s and the development from the 1980s onwards which is known as new economic sociology (NES). Sociologists such as Karl Polanyi, M. Granovetter, Harrison White, Richard Swedberg and N. Smelser have developed an approach to economic sociology, sometimes referred to as the “new sociology of economic life.” This approach attempts to analyze core economic problems, as opposed to the problems traditionally left over by the economists for the sociologists to solve. Today’s sociologists have done important work, particularly on the role of networks in the economy, on the structure of economic organizations, and on the role of culture in economic life. Though some weaknesses hamper both new institutional economics and the new sociology of economic life, they have breathed new life and vigor into economic sociology.

The seminal work of Mark Granovetter’s (1985) “Economic Action and Social Structure: The Problem of Embeddedness”, reflects that economic action does not take place in a vacuum, but is embedded in networks of social relationships. Three assumptions lie at the basis of New Economic Sociology (Granovetter, 1992): (a) economic action is embedded in networks of social relationships, (b) economic action is directed at the pursuit of both economic and non-economic goals and (c) economic institutions are socially constructed.

The most famous concept associated with Polanyi’s work is embeddedness. According to the current use, an economic action is in principle always embedded in some form of social structure. According to Polanyi, economic actions become destructive when they are disembedded, or not governed by social or noneconomic authorities. The real problem with capitalism is that instead of society deciding about the economy, it is the economy that decides about society: “instead of the economic system being embedded in social relationships, these relationships were now embedded in the economic system” (1947, 1982).

Another set of conceptual tools for economic sociology is Polanyi’s “forms of integration.” His general argument is that rational self-interest is too unstable to constitute the foundation for society; an economy must be able to provide people with material sustenance on a continuous basis. There are three forms of integration, or ways to stabilize the economy and provide it with unity. These are *reciprocity*, which takes place within symmetrical groups, such as families, kinship groups, and neighborhoods; redistribution, in which goods are allocated from a center in the community, such as the state; and exchange, in which goods are
distributed via price-making markets (Polanyi 1957, 1971b). In each economy, Polanyi specifies, there is usually a mixture of these three forms. One of them can be dominant, while the others are subordinate.

In the Handbook of Economic Sociology that appeared about a decade later, Neil Smelser and Richard Swedberg defined economics sociology as "the application of the frames of reference, variables, and explanatory models of sociology to that complex of activities concerned with the production, distribution, exchange, and consumption of scarce goods and services"(Smelser and Swedberg,1994).

2.5 A New Paradigm in Poverty Research

The poor are being studied as an individual’s, as families and households, as part of poor communities, neighbourhoods, and regions, as a product of larger poverty-creating structures, as victims and criminal actors, as minority cultures and producers of their own culture, as creators of survival strategies and bearers of an informal economy, as an economic burden on the larger society and as a necessary element in the macro economy, to mention just some of the angles into poverty research. In most poverty studies, the poor are studied in an isolated context. The fact that they are also living in symbiosis with the rest of the society is more or less ignored. The poor are mainly treated as an excluded group, living in a painful relationship with society at large. It seems as if the attitude of the majority society has rubbed off on the researcher’s choice of poverty understanding.122

In order to continue poverty studies there is an urgent need to develop a more realistic paradigm where the focus is shifted to the non-poor part of the population. The non-poor and their role in creating and sustaining poverty are as interesting an object for research on poverty as are the poor. The non-poor, for example, have images of the poor and poverty that influence their behaviour and decision making. We know very little about those images, except as portrayed in popular stereotypes. The non-poor have created a legal framework around poverty that must have profound, and mainly unknown, consequences for the poor (Mameli 1995).123 Discussion on “culture of poverty” may be an adequate way to describe the reactions of the poor to the world they live in, just as we can describe the “culture of the elite” as the elite’s reactions to its surrounding. But it is inadequate to describe the interrelationship between the two worlds, and how these two worlds are tied together in a

way that may be more beneficial to the non-poor than to the poor. Gans (1973) was the first social scientist to point out how functional poverty can be to the non-poor society. According to him, poverty forces people to engage in certain activities. This in turn frees the non-poor from engaging in those kinds of activities. The poor, for example, perform the dirty and menial jobs that the non-poor shy away from. These are the jobs that also provide low incomes. The poor are more likely to buy second-hand goods and food of low quality, thereby prolonging the products economic usefulness. The poor are more likely to use of second- or third-rate doctors, teachers, and lawyers, whom the non-poor shy away from, thereby prolonging their professional usefulness. The use of poor people as a mobile, unorganized, and low-income workforce, working as migrant and temporary workers, is among the more well-known and acknowledged positive functions of poverty for the non-poor society. The pressure towards downwards wage demands formed by the availability of cheap labour, is likewise a well-known advantage for the wealthier parts of society.

Gans (1973) also saw the poor as functional for the non-poor in the political relationship between the two worlds. The political powerlessness of the poor makes them an easier target for absorbing economic and social change such a reconstruction of city centres and industrialization. The poor also serve as symbolic constituencies and whipping boys for different political groups, without actually participating in politics or being asked about their preferences. On the more symbolic level, the sorting of the population into poor and non-poor stresses the norms of the non-poor population and helps guarantee their superior status.

The threats the poor pose towards the non-poor have obviously been in focus, while the threats of the non-poor to the poor have been less focused. Best studies from many countries show that the urban poor, for example, experience an added vulnerability beyond their actual poverty, because they are exposed to a set of risks stemming from the majority society. Health risks arise from the spatial juxtaposition of industrial pollution, high traffic density, lack of sanitary installations, and a generally fragile infrastructure in the areas where the poor live and work (Wratten 1995: 26). Poor people often experience the state in negative ways: as an oppressive bureaucracy that attempts to regulate their activities without understanding their needs, as corrupt policemen, or as planners who make plans without an understanding of how the poor live and survive (ibid.). As a result, poor people prefer to avoid contact with official representatives of the majority society, thereby marginalizing themselves further.

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Gans study implies that a certain amount of poverty is functional for the non-poor society, the relationship between the two worlds can be analyzed within two different and inter-related frameworks, those of ignorance and of conflict. Within the analytical framework of ignorance the non-poor world knows little about the world of the poor, and there is little contact between the two. Physically the two worlds are kept apart through differential land use and ghettoization. Socially the two worlds are kept apart through differential participation in the labour market, the economy, and social and cultural institutions. Mentally the two worlds are kept apart through stereotyping and false images built by tradition and the media.

The strong emphasis on individual failures as causes of poverty is part of an image building that frees the non-poor from guilt and responsibility. Such an image also helps to keep the distance between the two worlds. The new concept of social exclusion, coined in Western Europe, stresses the need for new images of causal explanation. But social exclusion refers to a much wider range of disadvantaged groups than the poor, including problems stemming from family instability, the decline of class solidarity based on unions, youth problems, unsuccessful immigration, and weak social networks. This proliferation of the concept is due to a situation where politics and interest groups have taken over the concept and use it for their own internal purposes (Silver 1995). The introduction of the new concept like social exclusion in a broader sense defines the causes and manifestations of poverty.

De Swaan (1998) links the continuation of poverty to the lack of a “social consciousness” among the non-poor. A social consciousness exists when the non-poor develop an awareness of the interdependence of all social groups, realize that they bear some of the responsibility for the fate of the poor, and believe that means are available to overcome poverty (ibid.: 253). He argues that developing a social consciousness among the non-poor is a necessary prerequisite in poverty alleviation.

David Hulme, Karen Moore and Andrew Shepherd (2001) in their major writing on ‘Chronic Poverty: Meanings and Analytical Frameworks’ provide an overview of the meaning of ‘chronic poverty’, and identify frameworks for analyzing it. While the analysis of money-metric and other quantitative indicators will continue to be important, it recognizes the importance of focusing on poverty in its broadest, multi-dimensional sense, as those who are chronically poor are likely to be poor in several ways and not only in terms of income. Long duration is identified as both necessary and sufficient for poverty to be considered chronic though it is hypothesized that chronic poverty will also often be multidimensional and severe. It is proposed that a five-tired categorization of the poor be adopted – always poor, usually
poor, churning poor, occasionally poor and never poor – and that transitions between
different levels over time be closely monitored. The churning poor and occasionally poor
together constitutes the transient poor. It is suggested that the tightest possible definition of
chronic poverty would be intergenerationally transmitted (IGT) poverty, which, while it may
or may not be severe, is likely to be relatively intractable, and therefore is likely to escape
current poverty reduction efforts. The authors argue that there are several sets of people who
are particularly susceptible to chronic poverty, and they are likely to experience multiple and
overlapping vulnerabilities. These groups include those experiencing deprivation because of
their stage in the life cycle, those discriminated against because of their social position in the
community or household, those with health problems and impairments, and people living in
remote rural areas, urban ghettos and regions where prolonged violent conflict and insecurity
have occurred. They explore the causes of chronic poverty at different levels of analysis and
present the analytical frameworks for their understanding.

2.6 Poverty Dynamics and Chronic Poverty: Interdisciplinary Perspectives on Mobility
Chronic poor constitute the poorest of the poor or those among the poor who were poor for a
significant period of time. It is a situation in which people find it most difficult to escape
from poverty; those persist in poverty and those entering in to poverty. In India, the national
rural panel dataset shows that many of those who are poor are “stuck” in poverty. Many of
the non-poor enter poverty due to ill health and health related expenses, crop failure, high-
interest from private debt taken from local money lenders and social expenses such as
marriage, dowry etc. Few households those who move out of poverty or escape poverty is
because of diversification of livelihood or income sources, regions having irrigation facilities,
few people who are in government and private jobs and others benefiting through
government schemes or programmes or the initiative taken by the voluntary organization.
Casual agricultural laborers were the largest group who are in poverty-trap. Most chronically
poor were landless or near-landless, had higher dependency burden and illiteracy and
depended on wages.
Many of those in chronic long duration poverty tend to be stuck in a low wage-high
drudgery-tough job groove with little opportunity for escape (Mehta and Shah 2001). Chronic
or long duration poverty seems to be disproportionately high among historically marginalized
groups. The multiple deprivations suffered by these groups make it harder for them to escape
poverty as disadvantages are mutually reinforcing. A significant proportion of people
experiencing chronic poverty are severely poor, and that those suffering extreme poverty have a high probability of experiencing chronic poverty.

The current literature on the dynamics of poverty focuses on the mobility of individuals or households across a given income threshold or poverty line, and it attempts to distinguish chronic poverty from transient poverty. The poor consist of those who are always poor – poor at all dates – and those who move in and out of poverty trap are apparent when looking at poverty in either absolute or relative terms. Changes in returns to endowments can be a potent source of increased incomes. Studies that try to understand poverty dynamics base their theoretical frameworks on the notion of the persistence of poverty or poverty traps. While examining mobility, the economists explain life chances mainly from the attributes of individuals and their preferences, while sociologists and anthropologists ground their work in a society’s social structures and culture. From such different perceptions of causal processes emerge distinct conceptual maps and measurement tools. 126

2.6.1 Economic Perspective on Mobility

Key assumptions in the discipline of economics are that welfare is an expression of individual choices and preferences and these can be captured adequately along a distribution that is most often scaled in absolute monetary terms. In a “welfarist” approach, living standards are typically determined by aggregating “expenditures on all goods and services consumed, valued at appropriate prices, and including consumption from own production” (Ravallion 1992,7). Poverty is an individual’s inability to consume enough to fulfill basic preferences or needs.

Kanbur and Shaffer (2007, 185) describe poverty concepts in the welfare economics as “an amalgam of two variants of utility theory, revealed preference theory and money metric utility, and nutrition science”. The absolute poverty line is typically calculated as the food expenditure necessary to meet dietary recommendations, supplemented by a small allowance for nonfood goods (Ravallion 1992, 26). But quite different means for setting a poverty line are also available to economists.

The study of economic mobility extends the basic assumptions for calculating living standards at one point of time to examining changes in welfare over time. These types of analyses frequently measure the probability that individuals or households will shift across a

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standardized distributional scale, again often derived from some of monetary metric. Baulch
and Hoddinott (2000, 1) usefully identify three key dimensions of analyses of economic
mobility: (a) the metric with which changes in welfare are measured, (b) the time frame for
the analysis, and (c) the method used to summarize these measures for the population under
study. Commonly used metrics include income, consumption, expenditures, health assets, or
more broadly functioning and capabilities. The second is temporal, the time frame over which
the metric is assessed. In particular, one can distinguish between static data; draw from a
single cross-section, and longitudinal data that track the unit of observation (individuals,
households or some other aggregation of these) over time. The third dimension is the method
used to summarise these measures over the population of interest. However, the difficult
aspect of this literature is that the welfare metric used affects results and varies from one
study to the next. Similarly in addition to the poverty metric, the time span covered and the
number of observations will also vary across studies and these will affect both the type of
analysis that can be conducted and the results obtained. Another key feature of longitudinal
survey research is its specialized sample. A representative sample is selected in the baseline
year of the survey and the same “panel” of individuals or households are systematically
resurveyed. Panel studies have more explanatory power than do cross-sectional surveys with
fresh samples because they eliminate the effects caused by inherent time-invariant differences
between people (such as intelligence). However, an important challenge for panels, which
Stefan Dercon and Joseph Shapiro address is that the samples can lose their representativity
as the periods of observation lengthen and households change occupation.

Gary Fields (2000) describes five basic approaches to conceiving of income mobility, each of
which provides a valuable perspective depending on the purpose and focus of a particular
study. Each also gives rise to its own summary measures for describing mobility outcomes.

- **Time dependence** measures the extent to which one’s current position is determined
  by one’s position in the past.
- **Positional movement** measures changes to an individual’s position in the income
distribution, which could be scaled, for example, as quintiles or deciles.
- **Share moment** measures an individual’s change in income relative to everyone else’s,
or changing share of income.
- **Symmetric income movement** measures the magnitude but not the direction of
  movements across the distribution.
- **Directional income movement** measures fraction of upward and downward movers
  and the average amount gained by the winners and lost by the losers.

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127 See surveys in Baulch and Hoddinott (2000), Hulme and Shepherd (2003), McKay and Lawson (2003) and
Yaqub (2003).
Positional movement is the most widely used approach to analyzing mobility. However, Dercon and Shapiro highlight the problems of measurement bias, including potentially substantial distortions due to errors with welfare measures and with attrition in the sample. Brian Nolan and Robert Erikson vary the poverty lines or observation periods provide a cross-check on results and to illustrate the measurement dilemmas.

The economics mobility literature also examines factors driving mobility. However, a quite limited set of factors are considered. Studies concerned with intergenerational questions concerning the influence on mobility outcomes of an individual’s initial (or change in) characteristics related to age, gender of household head, education, and earnings. Nolan and Erikson review recent works on causal factors in industrial societies. But in their review of 50 developing-country panel studies over the past five years, Dercon and Shapiro find that only a third of them cover a long enough period for causal analysis. Most of these only descriptive statistics of mobility correlates rather than examinations of causation. More recent panel studies have considered a wider range of mobility factors, including structural dimensions, asset-based approaches, and social group inequalities. Inspired by earlier sociological works, for instance, studies are relating people’s mobility to changes in the wider economy as well as to their individual attributes (Morgan 2006). Michael Carter, Christopher Barrett, and others use more multidimensional asset-based frameworks in their analysis of panels and find social capital, in addition to other assets, to be important for resilience to shocks as well as for mobility (Carter and Barrett 2006; Adato, Carter, and May 2006; Carter and May 1999, 2001). In addition, social group inequalities such as those structured by caste have provided key concepts for a small number of economic mobility analyses (see, for example, Dreze, Lanjouw and Sharma 1998).

There is a rich literature on the appropriate measure of poverty (Anand and Haris, 1994; Deaton, 1997; Ravallion, 1993; Sen, 1986). Methods for creating a summary aggregate statistic have long been the focus of inquiry. Atkinson (1987), Foster (1984), Lipton and Ravallion (1995) and Ravallion (1993) provide reviews of this literature. By contrast, the literature on the temporal component of poverty in developing countries is remarkably thin. Few developing country mobility studies examine causal factors influencing life chances, and those that do most consider relatively limited set of economic, demographic and human development dimensions. A recent literature review by Yaqub (1999a) revealed that only five of the 44 countries classified as having ‘low’ human development indicators by UNDP
(1998) have household level data that permit analysis of poverty dynamics. Similarly, only seven of the 66 countries with 'medium' human development indicators have such data.

Exploring the limitations, Ravi Kanbur, the leading development economist viewed that poverty research needs to focus on poverty dynamics – over the life-course and across generations. There is a wide acceptance that static analyses have limited explanatory power and may conceal the processes that are central to the persistence of poverty and/or its elimination. He is of the view that, there is a need to move efforts to measure poverty dynamics beyond mere income and consumption to more multidimensional concepts and measures of poverty. This is increasingly common in static analyses but is rare in work on poverty dynamics. This might involve assets, or more ambitiously, using concepts of human development or wellbeing. Lastly, he suggests that at the same time there is a growing consensus that a thorough understanding of poverty and poverty reduction requires cross-disciplinary research, using the strengths of different disciplines and methods, and of quantitative and qualitative approaches to poverty analyses.

Grootaert, Kanbur and Oh (1995) conducted the Cote d'Ivoire Living Standards Survey (CILSS) titled 'The Dynamics of Poverty: Why Some People Escape from Poverty and Others Don't – An African Case Study' annually from 1985 to 1988. Each year the survey covered a representative sample of 1,600 households, and collected detailed information on employment, income, assets, basic needs and other socio-economic characteristics of the household. Over the four years, coverage and methodology of the data collection were held constant so that results are comparable over time. The authors viewed that empirical investigations of poverty in developing countries tend to focus on the incidence of poverty at a particular point of time. If the incidence of poverty increases, however, there is no information about how many new poor have joined the existing poor and how many have escaped poverty. Results from their analyses of panel surveys show significant mobility into and out of poverty and reveal dynamism of the poor that policy should stimulate. Understanding what separates chronic from temporary poverty requires knowing which characteristics differentiate those who escape poverty from those who don't. Grootaert and Kanbur and Oh in their earlier work found that region of residence and socio-economic status were important factors and later on they investigate the role of other household

characteristics, especially such asset endowments as human and physical capital. In urban areas of Cote d'Ivoire, human capital is the endowment that best explains welfare changes over time. Households with well-educated members suffered less loss of welfare than other households. It is the skill learned through education rather the diplomas obtained which matters. In rural areas, physical capital—especially the amount of land and farm equipment owned—matters most. Small holders were more likely to suffer welfare declines. Households with diversified sources of income managed better, especially if they had an important source of nonfarm income. In both rural and urban areas, larger households suffered greater declines in welfare and households that got larger were unable to increase income enough to maintain their former welfare level. Households whose heads worked in the public sector maintained welfare better than other households. Their results also suggest that government policies toward certain regions or types of household can outweigh the effects of household endowments. Migrant non-Ivorian households tended to be better at preventing welfare losses than Ivorian households, while households headed by women did better than those headed by men (after controlling for differences in or changes in endowment).

The implications for policy makers from this study is first, education is associated with higher welfare levels and helps people cope better with economic decline. Second, targeting the social safety net to larger households—possibly through the schools, to reach children—is justified in periods of decline. Third, smallholders might be targeted in rural areas, and ways found to encourage diversification of income there.

Baulch and McCulloch (2001)\textsuperscript{129} in their study investigated the factors that are associated with movements into and out of poverty and show that the correlates of entries and exits differ from correlates of poverty status. Important correlates of poverty status are dependency ratio and geographic variables. Important correlates of increasing exit and decreasing entry include education and livestock ownership. They argue that there is considerable movement in and out of poverty and this occurs as shocks and changing circumstances force households below or above the poverty line before opportunities or shocks help them surface above or push them under it and this has important implications for policy interventions. Therefore, reducing the poverty headcount would require that attention be focused on increasing exits from and decreasing entries into poverty rather than on the correlates of poverty status.

Gaiha (1989)\textsuperscript{130} by using a panel survey of 4118 rural households of India, carried out by the National Council of Applied Economic Research in 1968-69, 1969-70 and 1970-71, identified the chronically poor as households that were below the poverty line in each of the three years under consideration. He found that among the chronically poor, causal agricultural laborers were the largest in number and cultivators the second largest group. Most of the chronically poor were either landless or near landless and they were dependent on wages. Household size was about the same and dependency burden and illiteracy was slightly higher among them than just the poor. In another paper earlier Gaiha (1988)\textsuperscript{131} analyzed income mobility among the rural cultivating poor also on the basis of the NCAER panel survey. He noted that the factors that enabled the cultivating poor to overcome poverty included greater access to cultivable land combined with modern agricultural inputs and “escape from poverty was not a result of growth trickling down to the poor....” Adding another round of survey data to the previous rural poverty survey of 1969-71 round survey conducted by NCAER (1986a & 1986b) provides an analysis of the mobility of the rural households in India. The analysis is based on the panel data of 3139 households collected for 1970-71 and 1981-82. They found that both upward and downward movement of the households across income classes. The factors associated with the upward movement of households in the lower income categories were identified as more ‘intensive use’ of labour resources and acquisition of land. The factors associated with the downward mobility were loss of land and rigidities in inter-occupational mobility. The study notes that education, caste and demographic factors were important in explaining changes in per capita income over the period.

The main findings out of panel data based analyses of NCAER are the following:
NCAER carried out a survey by using panel data analysis of 4118 households of India in 1968-69 shows that there is substantial persistence and substantial mobility into and out of poverty.47% of the poor were chronically poor for the late 1960s.52% of the poor were chronically poor based on the NCAER 1970 and 1981 national rural panel. During 1970-71 and 1981-82, panel data collected by NCAER for 3139 households from 260 villages of India shows that more than half(52.61%) of the households remained in poverty. 47.39% of poor households escaped from poverty. 25.74% of non poor households entered poverty. Therefore, a large numbers of households are persistently poor. (Bhide and

\textsuperscript{130} Gaiha, R (1989), ‘Are the Chronically Poor also the Poorest in Rural India?’, Development and Change, 20.
\textsuperscript{131} Gaiha, R (88), ‘Income Mobility in Rural India’, Economic Development and Cultural Change, 36(2).
The recent Rural Panel Data Set by NCAER in 1981-82 and 1998-99 shows that there is substantial persistence, substantial mobility into and out of poverty. 38.6% of the households remained in poverty between 1981-98 of those who were in rural areas. (Bhide and Mehta CPRC Working Paper No.28).

Gaiha and Deolalikar (1993) while using the ICRISAT panel survey of 240 households in six villages in the semi arid region of rural South India covering the period 1975-76 to 1983-84 note that persistence of poverty is the result of “deep-rooted characteristics” such as schooling of head of household and that measures such as income transfers on a continuing basis are needed to compensate subsets of the poor for their innate disadvantages.

Similarly Gaiha and Imai (2003) use panel data for 183 households belonging to 5 sample villages in Andhra Pradesh and Maharashtra (i.e., two states of India-ICRISAT data) for 1975-84 to assess the impact of crop shock. They note that large segments of rural households experience long spells of poverty (over 3 years) even without negative crop shocks. Occurrence of crop shocks leads to an increased proportion of households experiencing short spells of poverty (1 to 2 years). There is greater vulnerability of low caste households and small farmers to long spells of poverty when larger transfers of land and non-land assets are needed if vulnerable sections such as landless households in the lowest caste category are to protect themselves better against crop shocks. They viewed that anti-poverty strategy needs to be reoriented in of this.

Binayak Sen (2003) in his work on ‘Drivers of Escape and Descent: Changing Household Fortunes in Rural Bangladesh’, analyses a panel data set of 379 rural households from 21 villages in Bangladesh for 1977-88 and 2000 to find out the drivers of escape from poverty and descent into poverty are not mirror images of each other. Escape from poverty is based on overcoming structural obstacles by pursuing multiple strategies such as crop intensification, agricultural diversification, off-farm activity and irrigation that permit rapid accumulation of a mix of assets. Descent into poverty is associated lifecycle changes and crises like floods and ill health. The likelihood of escape from poverty and entry into it is sensitive to initial asset position. The pattern of livelihood change has been of a lower quality

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and potential and increased at a slower pace in the case of the chronic poor than were changes observed for ascending households. Ascending households were found to be faster accumulators of human, physical and financial assets, better diversifiers, with regard to adopting modern varieties of rice and occupational diversification to higher productivity non-agricultural activities. They showed increased supply of labour with declining dependency. The pace of improvement in human capital (years of schooling) was highest for ascending households. The key causes of downward mobility were crisis or discrete shocks, unfavorable lifecycle factors and structural factors such as loss of natural or human or financial assets or adverse market conditions.

Aziz Jahangir (2002)\textsuperscript{135} in his major work on ‘Poverty Dynamics in Rural India’, viewed that India’s progress in reducing poverty at the national level masks substantial disparity in the incidence of poverty at the state level. This paper provides a description of the trends in interstate differences in rural poverty for the period 1978-97. The poverty dynamics suggests that poverty generally declined in most states over the last twenty years. However, poverty increased during the early years of the 1990s reform period before decline again in the later years. Relative differences in poverty narrowed during the 1980s but widened somewhat during the next decade. The better success rate of some states in reducing poverty in the 1990s was, in part, due to higher growth and lower inflation. The paper also found that growth has been pro poor, even during the post-reform period. In particular, earlier econometric results establishing a positive link between growth and poverty reduction continued to hold during the 1990s. The widening of poverty differentials in the post reform period was largely due to the influence of nongrowth factors – such as, perhaps, changes in redistribution policies, human capital development, and other factors that have been identified in the literature to have an impact on poverty. That is, growth – as proxied by agricultural yield and per capita non-farm output growth – would have reduced the incidence of poverty in the absence of counteracting nongrowth factors.

2.6.2 Sociological Perspectives on Mobility

In sociological and anthropological accounts on mobility, one’s chances for a good life are shown too primarily, although not exclusively, from affiliation with an advantaged social group rather than from particular individual attributes. And societies prevailing values and

norms, for instance about sources of prestige and authority, are seen to underpin and reinforce unequal social structures and the resulting inequalities in life chances that endure from one generation to the next (Smelser and Lipset 1966).

Social structures and social relations are the key analytical categories for sociologists seeking to explain sources of inequality. Social structures can be broad social classes or social groups. Social structures reflect patterns of social interaction ordered by norms and values. There is consensus on the importance of social structures, their functions, and the role of individual agency, but sociologists disagree on the relative importance of these factors and on the nature of the interactions between them (Durkheim 1982; Weber 1968; Giddens 1984). A sociological inquiry seeks to understand and explain the underlying institutional processes, the hows and whys of observed social differentiation, discrimination, and deprivation, and the meanings assigned by social actors to their actions and social reality.

Patterned social relations and social structures are maintained by superficial and deep value structures. A location within a social category defines the status identity of a person and his honor, prestige, taste, stigma, roles, expectations, rights, and duties.

Social class provides a central organizing concept for the discipline. According to Grusky and Kanbur, social class frameworks are grounded in

The presumption that the social location of individuals is determined principally by their employment status and job characteristics (esp. occupation), the former determining the strength of their commitment to the formal labor force, and the latter revealing the market power and life chances of those with substantial commitment to the labor force. (2006, 8)

Max Weber (1948) considered status – from having honor, prestige, or a religious affiliation—and political ties to be important axes for stratification in addition to class. Pierre Bourdieu (1977) focuses on habitus, a set of acquired patterns of thought, behaviour, and taste that produce and reproduce the practices of class or class fraction. This perspective allows for a cultural approach to structural inequality and hence a focus on agency. Family and community life also feature in this literature as central transmission mechanisms for cultural influences. The focus on family arenas recognizes that individuals frequently act as members of a household whose productive capacity is greater than the sum of parts. Ideally, they maximize the collective utility through “family adaptive strategies” that respond to, rework and reframe external constraints and adaptive strategies” (Moren and Wethington 1992: 234). Exemplifying this school of thought, economist Gary Becker develops economic models that predict family behavior through explanations that are sensitive to the increasing returns
derived from family strategies involving specialization of human capital and division of labor "even among basically identical persons" (1981, 57). This theory explains not only the traditional division of labor among siblings.

While rationalist models resonate with commonly observed family strategies, another branch of the literature draws attention to social and cultural factors that also affect decision making (Lewis, 1961, 1966, 1970; Harevan 1991; J. Scott and Tilly 1975; L. Tilly 1979; L. Tilly and Scott 1978). Louise Tilly and Joan Scott, in particular, noted that cultural norms and practices may constrain or prevent optimal rational choice (Moen and Wethington 1992, 237). For instance, while Becker’s (1981) theory would predict that a family will invest in the education of the best-endowed child, the family may not do so if that child is a girl and their culture frowns upon women leaving the house unaccompanied.

Similarly, local norms surrounding women’s domestic and economic roles can be extremely important in determining women’s agency and household mobility (Agarwal 1997). Naila Kabeer (2003) argues that household poverty determines and is determined by poor women’s highly unequal role in the labor market. Female labor force participation is highest among the poorest households in countries such as India, Pakistan, and Bangladesh, where social norms mainly constrain women to very insecure and poorly paid work in the informal sector. Karen Mason’s five country study finds that “the country and community of residence predicts women’s reported domestic empowerment better than their personal socio-economic and demographic traits” (2005, 91). Charles Tilly (1999) posits an “interactive” theory of social inequality that is grounded in the presence of social group differences and the unequal power relations between groups. He draws special attention to the presence of frequently paired and highly uneven social groupings such as “male-female” and “black-white”. The norms and behaviors that surrounded these pairings do the organizational work to maintain a society’s unequal structures, including by giving rise to interactions based on individual attributes such as a person’s skills, credentials, and merit. These types of processes, referred to as queuing are much less common phenomena throughout history, however, because they require more sophisticated institutional mechanisms for reproducing social structures (for instance, through college entrance tests, professional licensing, or workplace promotions). “In particular”, explains Tilly, ‘a view of inequality and poverty as outcomes of individual-by-individual competition according to widely shared standards of merit, worthiness, or privilege obscures the significance of organized distinctions and interactions among members of different social categories.”
Within sociology there is a strong tradition of large-N surveys measuring the importance to mobility of occupational status, wages, education, structural changes in society, and other factors. Morgan in his recent study of mobility studies describes two basic schools of work with large panel datasets. In one, “mobility is modeled by accounting for movement between aggregated groupings of occupational titles, generally leveled social classes.” In the other, “the levels of social mobility are measured by intergenerational correlations of socioeconomic status” and “focus on the causes and consequences of differences in socioeconomic status.” Morgan (2006, 4-5) indicates that a “main triumph” of the field has been to distinguish mobility due to structural changes as growth in higher-status occupations from mobility due to “exchange” factors.

Except the quantitative studies, there is a large literature that relies analytic narratives and small-n case study approaches. These undertake more holistic inquiries into the role of social structures, agency, and values in mobility processes, and they can engage researchers in visiting and revisiting their study communities for months or years. Some of the best example of this was done by Oscar Lewis, whose research in Puerto Rico in 1963 and was still ongoing in 1970 just a few days before his death (Lewis 1966). Susan Rigdon (2003, 51) explains that Lewis generated highly reliable data by using multiple questionnaires and repeating the same questions with different family members and during different visits, as he “rarely trusted first response.” Scarlett Epstein employs a mix of quantitative and qualitative methods to provide a 50-year account of how and why members of scheduled castes from two villages of South India became increasingly impoverished even as area farms modernized and flourished and markets diversified. She provides insights into the processes that generated widening inequality by relating the villages’ very rigid caste structures to the surrounding economic transformations. Epstein’s analytic approach draws on relational explanations of poverty and inequality that explicitly examine the use of power by more advantaged social groups to secure and extend their privileged positions. In spite of its explanatory power, in-depth case study research has enjoyed less attention that quantitative studies in poverty research and among academic community. Some scholars viewed that more closely mirror quantitative techniques such as by increasing sample sizes and using more standardize data collection instruments could be conducted instead of case study, Others viewed that due to “small picture” case studies don’t provide a sufficient evidence basis for informing policies. Brady Collier (2004, 8) provide a thoughtful response to a range of critiques of qualitative research approaches, arguing, for instance that “increasing the N may push scholars toward
an untenable level of generality and loss of contextual knowledge.” For sociologists such as Weber, moreover, sociology is fundamentally about being able to interpret social life in a way that can uncover the motivations and desires behind human actions as a means to understand the causes of such actions.

Sociologists and social anthropologists in India attempted to capture the levels of mobility in traditional caste structure. M.N Srinivas (1966) emphasized the need for sankritization and westernization as conceptual tools for understanding mobility in caste systems. He holds that ‘corporate mobility’ still remains basic at the caste or jati level, as familial mobility does not obtain public recognition. On the contrary, Burton Stein (1968) points out that the mobility of families and individuals was pronounced in medieval South India, and this should help to analyze and understand the present-day mobility in caste structure. McKim Marriott (1968) thought that caste could be understood within the frames of reference, such as the rural versus metropolitan and traditional varna versus modern national frames of reference for ranking. Lynch (1968) and Damle (1968) apply reference group theory to understand caste and individual mobility in India. Reference group theory helps in the analysis of mobility at the level of individual, and corporate mobility is better understandable by the concept of sankritization and other related concepts. However, these approaches to caste mobility are singularistic and don’t encompass the totality of mobility which takes places in the caste structure in contemporary India (Sharma, 1994:196).

The mobility of an individual within family implies enhancement or degradation of status of an individual without necessarily affecting social position of his family and caste to which he belongs. Caste (group) mobility and family mobility are, interrelated and the distinction between family mobility and individual mobility within the context of caste is devised mainly for analytical purpose (Sharma, 1994:205). Mobility at the level of individual is more concerned with psychological processes, such as aspirations, ambitions, frustrations, etc. and therefore, it can be better explained by the theory of reference group behaviour. Individual mobility is observable when it is found that some individuals are esteemed high irrespective of their caste, class and family statuses. It is mobility in personal status of an individual which is a combination of his caste status and non-caste status. Education and sankritization as viewed by Sharma (1974) are the two main factors responsible for mobility at the individual level in all the six villages of Rajasthan. He viewed that the mode of orientation in

the mobility at the individual level is essentially achievement-oriented, and therefore, such a mobility is least corporate in character and action.

Downward social mobility occurs in society and it is a complex process which involves social and economic, cultural and motivational factors. Downward social mobility is generally unplanned, non-deliberate and involitional (Saberwal, 1972). Saberwal distinguished between: (a) a change in the society’s organizational principles, and (b) a positional change for the individuals concerned. For the first case, he cites the abolition of princely privileges and the leather-workers’ decline due to a growing preference for factory-made shoes in the town he studied. With regard to positional changes, Saberwal cites an example of a candidate who repeatedly contests and loses expensive elections and consequently his position declines compared to what it had been earlier. However, Saberwal’s remarks on downward mobility are causal and incidental and his major concern was with upward status mobility.

Sharma (1980: 242) viewed that there are two patterns of social mobility among the scheduled castes. First, the welfare measures have brought about mobility among some selected sections of the scheduled castes, adversely affecting hegemony of the dominant castes in the fields of education and employment. Secondly, social mobility among the scheduled castes is also directly a result of certain socio-cultural movements which in turn has created anti-upper caste attitudes and awareness about their own low position. It is not that these two patterns are quite independent of each other. Before Independence, since the scheduled castes are differentiated, therefore differential form of mobility is to be observed in this context. Certain sections of the scheduled castes have taken more advantages of the constitutional safeguards and welfare measures; hence they have migrated to urban areas in search of education and white-collar employment. Others due to their earlier weak position among scheduled castes had chosen the path of ‘sankritization’ for social mobility which created tensions rather any benefit to them.

Chandi Das (1969) while questioning on “How close to equality are scheduled castes”, reviewed the achievements of social welfare programmes for scheduled castes for two decades and finds that their position compared to that of the non-scheduled castes is still very inferior as regards titles to land as well as size of landholdings. He further wrote: “Their depressed position is reflected again in their economic and social mobility. Their rates of urbanization and education, compared to those of non-scheduled castes, are low. And their economic poverty is poignantly underscored in the fact that, as between districts which are at
the same level of development, as the average per capita income of those with a higher proportion of scheduled castes is much lower. A similar observation made by Ramaswamy (1974) that 'the policy of preferential treatment of scheduled caste has been in practice for over two decades, but has barely scraped the surface of the problem. Even in the urban areas only a fraction of the posts in the administration which are reserved for them is actually filled.

Regarding educational opportunities for the scheduled castes, Premi (1974) observes that the new inequalities are creeping up among the scheduled castes themselves. She wrote: “Mere existence of facilities does not ensure their optimum use. Awareness and acceptance are essential for utilization. To maximize the use it is necessary to generate better awareness. More publicity is needed to ensure the wider use of the facilities and to find out the reasons for the poor use. While concluding, Premi viewed that education among the scheduled castes may not filter down as expected; equal access for unequal groups is not true equality.

Chauhan (1967) observed that the spread of education among the scheduled castes has created social classes among them on lines parallel to those existing in higher societies. Ramaswamy (1974) in another article reconfirmed the unevenness among the scheduled castes independent of the imbalances created by education and other measures for their welfare. In terms of social and economic status, there are clear differences among the scheduled castes. There is a well recognized hierarchy among them. Not all of them are untouchables, even among those that are, there are degrees of pollution. There are also religious cleavages among the scheduled castes.

Patwardhan (1973) observed that “the overall perspective is that there is an increasing possibility for upward mobility for all the Harijans. She further states that there are two processes of mobility: (i) through corporate efforts; and (ii) by competing between castes and within caste. Patwardhan also notices inter-caste variability in regard to social mobility, and “sacred and secular models in different contexts.” Migration, education and white-collar jobs, particularly outside the village, have been the main source of social mobility among the scheduled castes.

2.6.3 The Empowerment Framework

No doubt measuring mobility is important to examine the poverty dynamics; however, it is also required to understand the processes and causes underlying observed differences in mobility outcomes. To examine these processes it is essential to revisit the conceptual framework for measuring empowerment. Empowerment is fundamentally about enlarging the
freedom of poor and marginalized people to make choices and take actions to shape their lives. The major outcome for applying the empowerment framework is escaping poverty. No doubt, it is recognized that poor people have greater aspirations for their lives, but moving out of poverty can enlarge an individual’s freedom to fulfill these other dreams. As Amartya Sen views:

*It so happens that the enhancement of human capabilities also tends to go with an expansion of productivities and earning power. That connection establishes important indirect linkage through which capability improvement helps both directly and indirectly in enriching human lives and in making human deprivations more rare and less acute* (2000, 92).

Deepa Narayan (2005) in her “Conceptual Framework and Methodological Challenges” presents an analytical model which consists of interaction between two sets of factors: (a) changes in the opportunity structure, consisting of the dominant institutional climate and social structures within which disadvantaged actors must work to advance their interests, and (b) changes in the capabilities of poor individuals or groups to take purposeful actions, that is, to exercise agency.

The empowerment framework is informed by concepts of social exclusion, which focus on the “nature and causes of deprivation, in a way that takes context dependence as one of its key starting points” (de Haan and Dubey 2004, 5). Throughout the Voices of the Poor series people vividly describe multiple, interlocking sets of disadvantages that leave them powerless to get ahead:

Experiences of illbeing include material lack and want (of food, housing and shelter, livelihood, assets and money); hunger, pain and discomfort; exhaustion and poverty of time; exclusion, rejection, isolation and loneliness; bad relations with others, including bad relations within the family, insecurity, vulnerability, worry, fear and low self-confidence; and powerlessness, helplessness, frustration and anger. (Narayan, Chambers, et al. 2000, 21).

The recurrent findings about the multidimensionality of powerlessness point to the presence of processes that create and sustain inequality over very long periods (C. Tilly 1999). More recently, the concept of “inequality traps” has been developed to refer to pervasive inequalities in economic, political, and social opportunities that combine and persist over time to keep people poor (World Bank 2005; Bebbington et al.). When states, serve only very narrow interests and are characterized by a “culture of corruption, clientism, exclusion, and discrimination,” even the best-designed policies and programs to reform institutions, address inequalities, or meet most other public-good objectives will struggle for effectiveness (Narayan 2002, 16). The empowerment framework is designed to shed light on these
processes that reinforce social exclusion and inequality as a means to identify policy actions that can support poverty escapes on a much wider scale.

2.7 Approaches in Poverty Studies

2.7.1 The biological approach

In his famous study of poverty in York, Seebohm Rowntree (1901) defined families as being in 'primary poverty' if their 'total' earning are insufficient to obtain the minimum necessities for the maintenance of merely physical efficiency'. It is not surprising that biological considerations related to the requirements of survival or work efficiency have been often used in defining the poverty line. Starvation clearly is the most telling aspect of poverty.

The biological approach has come under rather intense fire recently. There are indeed several problems with its use. In view of these problems one may well agree with Martine Rein's (1971) assertion that almost every procedure in the subsistence-level definition of poverty can be reasonably challenged. First while the concept of nutritional requirements is a rather loose one; there is no particular reason to suppose that the concept of poverty must first be clear cut and sharp. Second, to check whether someone is getting a specified bundle of nutrition, one need not necessarily go through the procedure of examining whether that person has the income level that would generate that bundle.\textsuperscript{137}

2.7.2 The Inequality Approach

The idea that the concept of poverty is essentially one of inequality has some immediate plausibility. After all, transfers from the rich to the poor can make a substantial dent on poverty in most societies. Miller and Roby (1971, p.143) favoring poverty as inequality viewed that:

'Casting the issues of poverty in terms of stratification leads to regarding poverty as an issue of inequality. In this approach, one move away from efforts to measure poverty lines with pseudo - scientific accuracy. Instead, we look at the nature and size of the differences between the bottom 20 or 10 percent and the rest of the society. Our concern becomes one of narrowing the differences between those at the bottom and the better off in each stratification dimension'.

To try to analyze poverty 'as an issue of inequality' or the other way round would do little justice to either. Inequality and poverty are not, of course, unrelated. But neither concept

subsumes the other. A transfer of income from a person in the top income group to one in the middle income range must reduce inequality, but it may quite unaffected. 138

Sociologist Andre Beteille is of the view that While poverty and inequality are closely linked the relationship is fairly complex 139 As Beteille argues, a decrease in poverty may be accompanied by an increase in inequality or vice versa. Or “there may be widespread poverty in a society and very little economic inequality; shared poverty was the common condition of many isolated and self-sufficient tribal communities.” He also points out that legal equality has been significant in reducing privileges and disabilities inherited from the hierarchical order; and the “entitlements of citizenship have kept in check the excesses of inequalities created by the market.”

2.7.3 Relative Deprivation
The concept of ‘relative deprivation’ has been fruitfully used in the analysis of poverty, especially in the sociological literature. Being poor has clearly much to do with being deprived, and it is natural that, for a social animal, the concept of deprivation will be a relative one. One distinction concerns the contrast between ‘feelings of deprivation’ and ‘conditions of deprivation’. Peter Townsend has argued that the latter would be a better usage. There is indeed much to be said for a set of criteria that can be based on concrete conditions, so that one could use ‘relative deprivation’ in an objective sense to describe situations where people possess less of some desired attribute, be it income favorable employment conditions or power, than do others.

Townsend has rightly emphasized the importance of the ‘endeavor to define the style of living which is generally shared or approved in each society and find whether there is a point in the scale of the distribution of resources below which families find it increasingly difficult — to share in the customs, activities and diets comprising that style of living.

2.7.4 Subjective Poverty Assessments
The subjective approach to understanding and measuring poverty argues that poverty and ill-being must be defined by the poor or by communities with significant numbers of poor people. Meanings and definitions imposed from above are seen as disempowering poor people and removing their right to create and own knowledge. These studies originated out of the work by NGOs on participatory rural appraisal(Chambers 1994) which were developed in

to participatory poverty assessments (Robb 1999) that sought to understand the multidimensional, interlocking nature of poverty in ways useful to policy making.

2.7.5 Capabilities Approach
These approaches are based on Amartya Sen's work and see poverty as a lack of capabilities, both intrinsic and instrumental (e.g. income, education, health, human rights, civil rights etc.) that permits people to achieve functionings (the things they want to do) and beings (the states of existence they want to experience). This approach is used in relative terms such as through the Human Development and Human Poverty Indices in the UNDP's Human Development Reports. Sen further extended the concept to argue that development is about the pursuit of five freedoms—political freedoms, economic facilities, social opportunities, transparency guarantees and protective security.

2.7.6 Vulnerability
This approach suggests that poverty can be seen as the probability (actual or perceived) that households will suddenly (but perhaps gradually) reach a position with which it is unable to cope, leading to catastrophe (hunger, starvation, family breakdown, destitution or death). Maxwell (1969 cited in Maxwell and Frankenberger 1982) explored the linkages between poverty, vulnerability and under nutrition and identifies the situations in which transitory and chronic food insecurity can occur.

Frank Elis (2000a) in his major work on 'The determinants of rural livelihood diversification in developing countries' noted that vulnerability has a dual aspect of external threats to livelihood security for example, climate, market collapse, theft and internal risk management and coping capability determined by access to a range of assets, and makes the important distinction between ex ante risk management strategies, and ex post coping strategies. However, vulnerability is generally measured as variation after the fact - 'needed are indicators that make it possible to assess a household’s risk beforehand information both on the household and on its links to informal networks and formal safety nets', taking into account physical, human capital, income diversification, and participation in informal networks, safety nets and credit markets (World Banks 2000).

2.7.7 Three Approaches to Alleviate Poverty in Developing Countries
There are various approaches to attack poverty in developing countries all over the world (Bardhan 1996; Fishlow 1996). After the publication of World Development Report 1980 (World Bank 1980), attention turned away from dealing directly with income inequality to
the task of reducing poverty, primarily on the logic of need for more direct concern with the
poorest of the poor and the rural sector. 140

2.7.8 ‘Basic needs’ approach: One approach to attack poverty is to give much more
emphasis to various forms of massive public intervention in directly improving health,
education and nutrition of poor. Initially, the basic needs approach played an important role
to fight poverty and thereby hunger. This approach, underlined in World Development Report
1980, realized the importance of separating general increase in income not being spent on
essential services and variation in the ability of households to spend wisely and effectively
(Fishlow 1996: World Bank 1980). 141

2.7.9 ‘Safety net: Another approach relies primarily on market-based growth. This is
emphasized at present due to the process of structural adjustment and liberalization. This
approach, known as ‘safety net’ approach is popular in some multilateral lending agencies
like IMF/World Bank and donor countries. According to this approach growth is to be
determined by market forces and then to take care of those who fall through the cracks of the
market process with targeted public welfare programmes and the provision of infrastructure.
In fact, various studies (e.g., Edwards 1995; Green 1995) recognize that poverty and
inequality have actually worsened after the market reforms since the 1980s. So, there is a
need of public intervention. 142

Beside ‘safety net’, other requirements of poverty alleviation, according to World
Development Report 1990 (World Bank 1000) are (i) labour-intensive growth in agriculture
and (ii) emphasis on primary education and health. Education and health emphasized in the
‘basic need’ and ‘safety net’ approaches are again brought into focus in Human Development
Report 1997 (UNDP 1997) which distinguishes between ‘income ‘poverty and ‘human’
poverty.

2.7.10 Local authority and community approach: The third approach neither depends on
market forces nor state patronage. It relies more on local-self governing institutions and
community involvement to improve the material conditions and autonomy of the poor. This is
also emphasized by Bardhan (1996) and stated explicitly in Human Development Report
1993 (UNDP 1993). This raises the issue of capability of the poor to organize their demands
effectively and continuously. This approach of World Development is based on the

140 Samal, Kishor C “Poverty Alleviation after Post-Liberalization: Study of a Tribal Block in Orissa”,
141 Ibid. p.1846.
142 Ibid.p.1846.
philosophy of self-help underlying Grameen Bank Bangladesh, etc, and of effective
decentralization. Alternative view of this approach is based on Allied programme of
democratization and decentralization in the post-war Japan (Jannuzi 1994) and the practice
and working of Panchayati raj institutions in West Bengal (Dasgupta). Thus, over the years,
improving the level of living of the poor and attack to end poverty is one among the
important aspect of the World Bank's activities. 143

2.8 Summary
Poverty studies go back to the late 19th and early 20th centuries in Britain where they were
closely associated with the beginnings of empirical sociology. The two great pioneers of
poverty studies in Britain, Charles Booth (1840-1916) and Seebohm Rowntree (1871-1954),
were both men of wealth who were guided by philanthropic motives. Their work did not
entertain the mainstream of sociological theory but influenced both directly and indirectly the
development of the welfare state. Further, the traditions of survey research initiated by Booth
and Rowntree influenced later sociological enquiries, including the monumental work on
poverty by Peter Townsend in the second half of the 20th century (Townsend 1979, Abel-
Smith and Townsend 1965). The early empirical studies of poverty in Britain and also in the
US focused largely on urban poverty. In the public imagination the natural habitat, as it were,
of poverty was the industrial city.

Rowntree's work Poverty: A Study of Town Life (1901) was based on investigations in York,
sought to formulate a definition of poverty by which its magnitude could be measured. Measures of poverty have remained a concern among social scientist of the subject
the world over. For Rowntree, poverty was a condition in which earnings were insufficient to
meet the minimum requirements of a healthy and productive life. Nutritional data made up
the core of his index to which were added data relating to clothing, fuel and other household
sundries in addition to rent. Rowntree (1941) in his second study found that single, invariant
and unchanging definition of poverty would not do justice to the social reality which varied
across space and changed over time. He may be said to have laid the ground work for the
relative as against the absolute conception of poverty.

The distinctive feature of poverty studies especially by sociologists in the US is the attention
given by them to the problem of race. Poverty in urban America is highly concentrated

147 Ibid. 1846.
among the blacks and other racial minorities. At the same time, there are poor whites as well as a black middle class. However, the sociologist William J Wilson (1987) has drawn attention to what he calls 'the truly disadvantaged'. These in his view should be defined not so much in terms of race as in terms of a combination of economic, demographic and social characteristics such as joblessness, broken families, teenage pregnancy, out-of-wedlock births and violent crime. The American anthropologist Oscar Lewis (1964), who worked in India and Mexico and among Puerto Ricans in the US, popularized the concept of 'the culture of poverty'. His work has failed to stand the test of time. It has been criticized for being superficial, impressionistic and subjective, and for diverting attention away from the roots of poverty in the economic structure of society.

Andre Beteille's major work on Poverty and Inequality is of the view that there are certain limitations in the concept of absolute poverty. Headcount measures of poverty explore the condition of a society at a particular point of time and also over a stretch of time. The concept of absolute poverty is too narrow and restrictive where as relative poverty is too vague and subjective. Relative deprivation may be experienced at any level of the social hierarchy. From a historical perspective, poverty and inequality have undergone certain major changes as a result of economic and political changes in the last 200 years. These changes have taken place in various countries and, although each country has its distinctive configuration, certain common features may also be discerned. Marx (1954:19) had observed in the middle of the 19th century, "The country that is more developed industrially only shows to the less developed, the image of its own future". While such a statement can be very misleading if taken literally, it provides useful pointers to the historical and comparative study of poverty and inequality. However, it is not easy to interpret the evidence that the first phase of industrial capitalism in Britain and elsewhere in the west led to an increase in poverty viewed in both relative and absolute terms. The kind of survey data that began to be available in the western countries from the end of the 19th century and in India from the middle of the 20th simply do not exist for the early stages of industrialization in the west.

There is a wide range of literature existing on different perspectives on poverty and social exclusion. The concept social exclusion focuses attention on central aspects of deprivation and deprivation is multi-dimensional phenomenon. The significance of the concept lies in the perspective it presents to understand the society and deprivation. The concept social exclusion has its relevance for richer as well as poorer countries. Social exclusion was defined as a rupture of the social fabric, and attributed to a failure of the state. The concept
has since gained popularity in other countries (Silver, 1998: 53ff.). The human development paradigm in poverty and development studies has shown a new path in research and development and the multidimensional deprivation has become a matter of concern for the policy makers, academician and civil society organizations. A new paradigm on poverty studies developed in recent years on poverty and human development and latter on chronic poverty and dynamics of poverty to end poverty in the underdeveloped as well as the developed countries. The new paradigm on Poverty Dynamics and Chronic Poverty from Interdisciplinary Perspectives on Mobility tries to capture the entries and exit in to poverty and escape from poverty.

It describes people (individual, households, social groups, geographical areas, territories) who are poor for significant periods of their lives, who may pass their poverty onto their children, and for whom finding exit routes from poverty is difficult. Best estimates suggest that India has more than one third of the World’s chronically poor people using the international $1 a day measure (Chronic Poverty Research Centre 2004). Thus, chronic poverty is defined in terms of intergenerational transmission of poverty in the literature of poverty and development. Poverty within this conceptual framework is considered as multidimensional deprivation. Multi-dimensional deprivation is common in India and it is plausible that it is a key reason for the persistence of poverty – a poverty ‘maintainer’.

Generally speaking, state level human development indices follow the pattern of the incidence of poverty – with some expectations (Mehta and Shah, 2003:497). However, changes in human development are not related to changes in income poverty levels (Baulch and Masset, 2003, Shepherd et al., 2004). Thus, Poverty entails multiple deprivations.
Map of Orissa