CHAPTER VII
SUMMARY OF FINDINGS AND CONCLUSIONS

Poverty has been afflicting the Indian society for the last many decades and has posed a serious challenge to the intellectuals, planners and policy makers. A sizeable reduction in the magnitude of poverty has been one of the major objectives of planning in India. Though the country has made remarkable progress in the growth of per capita income and G.D.P., the level of poverty has generally been increasing.

In the early phase of our planning process, the planners hoped that the attainment of economic growth would eliminate poverty, by the working of the so called 'Trickle down' theory which implies that the benefits of growth would automatically reach the poor. However, the history of Indian planning has proved that most of the developmental activities have hitherto bypassed the really poor in the country. Hence, it becomes imperative that conscious and determined efforts are made and suitable programmes implemented for the poor, so that the benefits of growth would percolate significantly to the really poor of the country.

In recognition of this fact, in the second phase of Indian planning, specific programmes have been directed towards the poor. However, owing to many constraints these programmes could not make a major dent on this front.
There are two main concepts of poverty widely in use: Absolute and Relative. The poverty line also differs according to the concept of poverty used. In India, the concept of absolute poverty is quite important and hence the extent of poverty has been measured on the basis of absolute poverty. According to this, poverty can be measured using the yardstick of a poverty line which in turn can be on the basis of either per capita income/per capita expenditure/per capita calorie-intake collectively or severally. Once the poverty line is fixed, the next step is that of arriving at an appropriate index of poverty. Here, we have gone a long way from the traditional measures of Head Count Ratio and Poverty Income Gap to Sen's Index. Although there are numerous variants of Sen's index of poverty (on the basis of axiomatic frame-work), it is widely used in poverty measurement.

A review of existing studies on poverty in India shows that the extent of poverty varies from study to study and from region to region. However, all the studies have established that the incidence of poverty is very high in India. Further, these studies are largely concerned with measuring the extent and incidence of poverty from a national perspective, conveniently ignoring the wide inter-regional and intra-regional differences which are very conspicuous in a large country like India which still remains an enigma to economists. These macro-level studies have been made on the basis of the data supplied by the N.S.S. Organisation and other official documents. Further, these studies have made
use of the national poverty line without considering the regional differences in their poverty line. Again, from a policy point of view, what matters more than a mere understanding of the incidence of poverty is the identification of the determinants of poverty at the regional levels.

As for the studies on Indian poverty are concerned, no scientific and comprehensive study about the determinants of poverty has been made so far. The neglect of poverty determinants by academicians seems to have resulted in a misdirection of anti-poverty measures implemented in the country. Further, in this dynamic world, the determinants of poverty are likely to vary from time to time, and across space. Hence, even a study which claims to have exhaustively accommodated all the possible determinants is likely to become out of date with the passage of time. This points to the need for identifying all the possible determinants of poverty at a more disaggregated regional level. Hence, a study which examines the influence of multiple factors on poverty at the regional level still remains generally incomplete and imperfect in India and particularly in the Union Territory of Pondicherry.

Against this background, an attempt is made to identify the characteristics of the poor and the determinants of poverty in the Union Territory of Pondicherry and their variations in its constituent administrative units. An earnest attempt is also made to discover some explanations for,
the inter-regional and intra-regional variations in poverty determinants in the study regions and areas. A household comprising of varying number of members was chosen as the unit of the study. For the selection of 400 households - 200 each from Pondicherry and Mahe, covering rural and urban areas - the stratified multi-stage random sampling method was used. The information was collected personally through a schedule which covered the various aspects of a household and their living conditions.

Having studied empirically the problem of poverty and its determinants in Pondicherry and Mahe of the Union Territory of Pondicherry, it is now possible to summarise the findings and conclusions of the study.

The study showed that the majority of the poor households in Mahe and Pondicherry regions belong to the Hindu community. However, it is not a reflection that other religious groups, Christians and Muslims are relatively affluent, but it only shows that the vast majority of the households in these regions belong to the Hindus. The majority of the poor in Mahe, however, belong to the backward community, although scheduled caste households occupy a noticeable position in Pondicherry region. Thus, the study confirms the fact that the predominant sections of the poor belong to the lower castes.

The bulk of the poor households in Mahe own their houses, while in Pondicherry most of them live in houses given
free by the government. The structure of the most of the houses in Mahe are stoned walls and tiled roof while in Pondicherry majority of them are Kutch houses and huts. In Mahe, a majority of the houses have two rooms and a separate kitchen, provision for toilet and electricity, while in Pondicherry most of the poor are deprived of these facilities. Further, a remarkably high percentage of households in both the regions are deprived of their own sources of water. Thus, the housing facilities of the poor in Mahe are somewhat better than those of Pondicherry.

Although the size of the family is quite large in both the regions, it is larger in Mahe. It is due to the prevalence of the joint family system in Mahe. The dependent population is higher in Mahe than in Pondicherry. Most of the poor are in the active age group in both the regions, although this proportion is higher in Mahe. Similarly, the child population is very high among the poor in both the regions. The sex ratio in Mahe is higher than in Pondicherry. Thus, the study shows that poor households have a larger family, a high dependent population and a majority of members in the active age group.

The problem of unemployment is acute among the poor in both the regions but more acute in Mahe than in Pondicherry. The study also shown large scale under-employment among the poor in both the regions. The percentage of workers in total population is very low in both the regions.
but lower in Mahe than in Pondicherry. Among the employed, wage earners constitute a very high proportion especially in the non-agricultural sector. However, a higher percentage of workers is engaged in agriculture in Pondicherry than in Mahe. The wage rate in Mahe is higher than in Pondicherry. Thus, the study has established that poverty is due to large scale unemployment and that the bulk of the poor are wage earners.

The poor households in both the regions do not own productive assets like land. However, the per capita value of the assets is not very low, although it is lower in Pondicherry than in Mahe. This is due to the high value of land and house and possession of some gold in Mahe although gold ownership is very low among the poor in Pondicherry region. The average per capita income is also lower in Mahe than in Pondicherry. Hence, it can be safely concluded that lack of productive assets, especially of land, and possession of meagre assets are an important characteristic of the poor.

The average per capita calorie-intake is very low in both the regions and it falls quite short of the minimum requirements. But the per capita calorie-intake is lower in Mahe than in Pondicherry. The largest contribution to calories is from cereals in both the regions, it being higher in Pondicherry. Consumption of pulses and nuts, and meat, egg and fish is quite low in both the regions. However, consumption of pulses and nuts, vegetables, spices and beverages is greater in Pondicherry than in Mahe, while it is somewhat more in the case of milk and milk products, edible
oil, meat, egg and fish, fruits and sugar in Mahe than in Pondicherry. This is largely due to the difference in the food habits of the people.

The poor of Mahe avail themselves of rationed goods and grocery items from the ration shop, while in Pondicherry, the poor do not purchase these ration items, and the consequent calorie-intake from ration shop is much lower here than in Mahe. Calorie from free meals (provision of food to school children and pre-school children) is higher in Pondicherry while calorie from food on outside payment (tea shops and hotels) is higher in Mahe. Home-grown items have come to occupy a crucial role in supplementing the calorie-intake of the poor in both the regions, although it is higher in Mahe. Thus, it can be concluded that public distribution is not as effective in Pondicherry as it is in Mahe which is partly due to the attitude of the poor in Pondicherry and partly due to the distribution of poor quality items through ration shops. The study concludes with the indication that the influence of free meals and home-grown stuff has to be taken into account in determining the poverty line as it significantly alters the calorie-intake.

Out of the total expenditure of the poor households, food accounts for about 53 per cent in both the regions, while the remaining 47 per cent caters to non-food items. The higher level of non-food expenditure has been detected on account of the expenditure on liquor, fuel and light,
marriages and other ceremonies, clothing and medicines. A vital finding is that the proportion of non-food expenditure is almost equal to food expenditures and it is slightly higher, in the rural areas of both the regions than in the urban areas.

The average per capita expenditure (food and non-food) of the poor in Mahe is higher than in Pondicherry. However, the average per capita expenditure on liquor and addiction, and entertainments is higher in Pondicherry than in Mahe. Altogether, the per capita expenditure of the poor is much higher than that of the average per capita income in both the regions in the areas. This has resulted in large-scale borrowing and in a very high per capita debt among the poor. Thus, the study points to the fact that poverty line should take into account food expenditure as well as non-food expenditure in measuring the incidence of poverty. This is because those who are not poor in terms of calories will be poor in terms of shelter, clothing, fuel and light, etc. Further, drinking is rampant at least among a few poor households.

Although all are poor in terms of per capita income, about 90 per cent are poor in terms of per capita calorie-intake. In terms of subjective criteria of poverty—according to the perceptions of the poor, almost all are either poor or destitutes. This shows that the incidence of poverty will vary from one poverty line to another, further pointing to the need for different poverty lines.
The poor households feel that their poverty is due to unemployment, poor earnings and bad habits like drinking and careless spending and they console themselves that it is their fate. Quarrels are common among the poor and it is largely due to drinking and financial difficulties.

The poor do not have the feeling that the government is for their betterment, as they believe that government jobs and public services are more advantageous to the rich. Although a majority of them approach government hospitals for treatment, they are not able to get proper treatment owing to their poor financial condition. They have the feeling that the poor are not properly cared for by government doctors. Approaching magicians for treatment of some illness is not uncommon in Pondicherry region, although such instances are rare in Mahe. This shows that the poor in Pondicherry are superstitious. Health officials have visited and sprayed preventive chemicals in the poor households of Pondicherry while this is not so regular in Mahe. Their poor economic condition has made them discontinue their education. However, the majority of the poor are in favour of sending their female children for higher education.

In Mahe, participation in trade union and political activities is very common among the poor, although it is rare among those in Pondicherry. However, the poor have the feeling that their life is insecure.
Among the poor in both the regions, some have migrated in search of employment and it has resulted in improving their standard of living. Sterilization is very common among the poor in both the regions and it is more in Mahe. However, the poor do not follow birth control devices of a temporary nature. Infant and child mortality are very high among the poor of both the regions.

Thus, there are significant differences in the characteristics of the poor in Pondicherry and Mahe, and between rural and urban areas of these regions. These differences are largely on account of the differences in culture, custom, climate, historical factors, level of development attained, cropping pattern, food habits and perceptions of the poor between the regions, and the rural and urban areas of these regions.

The Regression Analysis which was used to identify poverty determinants shows that in terms of per capita calorie, the determinants of poverty common to Mahe and Pondicherry regions are: 1) per capita Income, 2) dependency ratio, 3) size of the household, 4) per capita expenditure on a) food items, b) cereals, c) pulses and nuts, d) milk and milk products, e) edible oil, f) meat, egg and fish, g) vegetables, h) fruits, i) spices, j) beverages, k) food in the open market, and (5) proportion of expenditure on l) fuel and light; m) clothing and n) toilet articles to the total expenditure. The determinants specific to Mahe are: 1) per capita expenditure on a) ration shop items and b) liquor and
addiction. Those specific to Pondicherry are: 1) caste, 2) per capita area, 3) per capita debt, 4) per capita expenditure on a) sugar and salt, 5) proportion of expenditure on health, entertainment and conveyance to the total expenditure.

In terms of the difference between actual and required per capita calorie, the common determinants for both the regions are: 1) per capita income and 2) per capita expenditure on a) food items, b) food in the open market c) cereals, d) edible oil, e) meat, egg and fish, f) vegetables, g) spices, h) fuel and light and i) toilet articles. Specific determinants for Mahe include 1) nature of family and 2) per capita expenditure on a) ration shop items and home-grown. Those for Pondicherry include 1) per capita area, 2) dependency ratio, 3) average days worked in a week, 4) per capita debt, and 5) per capita expenditure on a) pulses and nuts, b) milk and milk products, c) fruits, d) sugar and salt, e) beverages, and f) entertainments.

In terms of per capita income, the common determinants are: 1) per capita calorie 2) per capita difference between actual and required calorie, 3) size of the household, 4) average wage rate, and 5) dependency ratio. Per capita value of assets is specific to Mahe. Specific determinants for Pondicherry include: 1) caste, 2) sex ratio and 3) political contact.

The common determinants of poverty for rural areas of both the regions in terms of per capita calorie are: 1) per
capita income, 2) per capita expenditure on (a) food items, b) pulses and nuts, c) edible oil, d) vegetables, e) fruits, f) beverages, g) food in the open market, h) clothing, i) toilet articles and j) conveyance. However 1) size of the household, 2) migration, 3) per capita expenditure on a) meat, egg and fish, b) ration shop items, c) fuel and light are specific determinants of poverty in rural Mahe, while 1) dependency ratio, 2) per capita area, 3) per capita expenditure on a) cereals b) milk and milk products, c) sugar and salt, d) spices, e) home-grown items, f) health, g) entertainments and 4) political contact are specific determinants of poverty in rural Pondicherry.

The common determinants of poverty in terms of the per capita difference between actual and required calorie are: 1) per capita expenditure on a) food items, b) edible oil, c) vegetables, d) spices, e) food in the open market and f) fuel and light. Specific determinants for rural Mahe are: 1) per capita expenditure on ration shop items, 2) toilet articles, and 3) nature of family; 1) per capita expenditure on a) cereals, b) meat, egg and fish, c) sugar and salt, d) entertainment and 2) per capita debt are specific determinants of poverty in rural Pondicherry.

In terms of per capita income, nature of family is the only common determinant of poverty in the rural areas of Mahe and Pondicherry. However, 1) size of the household, 2) sex ratio, 3) dependency ratio and 4) per capita value of assets are specific determinants of rural Mahe, while 1) per
capita calorie 2) average days worked in a week and 3) political contact are specific determinants to rural Pondicherry.

In urban areas of both Mahe and Pondicherry 1) size of the household, 2) per capita expenditure on a) food items b) cereals, c) pulses and nuts, d) edible oil, e) meat, egg and fish, f) vegetables, g) fruits, h) spices, i) beverages, j) food in the open market, k) ration shop items, l) fuel and light, m) health, n) toilet articles and 3) per capita income are common determinants of poverty in terms of per capita calorie. Those specific to urban Mahe are: 1) dependency ratio, 2) age of the head of the household, 3) per capita value of assets and 4) per capita expenditure on home-grown. While, 1) per capita area, 2) literacy ratio, 3) per capita debt, 4) per capita expenditure on a) milk and milk products b) sugar and salt, c) ration shop items, d) clothing, e) entertainment and 5) benefits from IRDP are specific to urban Pondicherry.

In terms of per capita difference between actual and required calorie, the determinants common to urban Mahe and Pondicherry are; 1) size of the household, 2) per capita expenditure on a) food items, b) cereals, c) pulses and nuts, d) edible oil, e) meat, egg and fish, f) vegetables, g) fruits, h) spices, i) beverages, j) food in the open market, k) ration shop items, l) fuel and light, m) health, n) toilet articles, and 3) per capita income. However, those specific
to urban Mahe are: 1) dependency ratio, 2) age of the head of the household, 3) per capita value of assets, and 4) per capita expenditure on home-grown while those specific to urban Pondicherry are: 1) per capita area, 2) literacy ratio, 3) per capita expenditure on a) milk and milk products, b) sugar and salt, c) clothing, d) entertainments 4) per capita debt and 5) benefits from IRDP.

The common determinants of poverty in terms of per capita income in the urban areas of Mahe and Pondicherry are: 1) size of the household, and 2) dependency ratio. Those specific to urban Mahe are: 1) per capita calorie and 2) per capita difference between actual and required calorie while those specific to urban Pondicherry are: 1) caste, 2) per capita area, 3) sex ratio, 4) literacy ratio, 5) average wage rate, 6) per capita value of assets and 7) nature of family.

In terms of per capita calorie, the common determinants of poverty in rural and urban Mahe are: 1) size of the household, 2) per capita expenditure on a) food items, b) pulses and nuts, c) edible oil, d) meat, egg and fish, e) vegetables, f) fruits, g) beverages, h) food in the open market, i) ration shop items, j) toilet articles and k) fuel and light. Those specific to rural Mahe are: 1) per capita expenditure on clothing, 2) conveyance, and 3) migration, while those specific to urban mahe are: 1) dependency ratio, 2) age of the head of the household, 3) per capita value of assets, 4) per capita expenditure on a) cereals, b) spices, c) home-grown and d) health.
Common determinants of poverty for rural and urban Mahe in terms of per capita difference between actual and required calorie are: 1) per capita expenditure on a) food items, b) edible oil, c) vegetables, d) spices, e) food in the open market, f) ration shop items, g) fuel and light, h) toilet articles and 2) per capita income. Those specific to urban Mahe are: 1) size of the household, 2) dependency ratio, 3) age of the head of the household, 4) per capita value of assets, 5) per capita expenditure on a) cereals, b) pulses and nuts, c) meat, egg and fish, d) fruits, e) beverages, f) home-grown and g) health while nature of family is specific to rural Mahe.

In terms of per capita income, the common determinants of poverty in rural and urban Mahe are: 1) size of the household and 2) dependency ratio. Those specific to rural Mahe are: 1) sex ratio, 2) per capita value of assets, and 3) nature of family, while those specific to urban Mahe are: 1) per capita calorie, and 2) per capita difference between actual and required calorie.

In terms of per capita calorie, the common determinants of poverty in rural and urban areas of Pondicherry are: 1) per capita area, 2) per capita expenditure on a) food items, b) cereals, c) pulses and nuts, d) milk and milk products, e) edible oil, f) vegetables, g) fruits, h) sugar and salt, i) spices, j) beverages, k) food in the open market, l) clothing, m) health, n) entertainment, o) toilet
articles, and 3) per capita income. However, 1) per capita expenditure on a) home-grown, v) conveyance and 2) political contact are specific determinants in rural Pondicherry, while, 1) size of the household, 2) sex ratio, 3) per capita expenditure on a) meat, egg and fish, b) ration shop items, c) fuel and light, 4) Per capita debt and 5) benefits from IRDP are specific to urban Pondicherry.

The common determinants of poverty in rural and urban Pondicherry in terms of per capita difference between actual and required calorie are: 1) per capita expenditure on a) food items, b) cereals, c) edible oil, d) meat, egg and fish, e) vegetables, f) sugar and salt, g) spices, h) food in the open market, i) fuel and light, j) entertainment and 2) per capita debt. Those specific to urban Pondicherry are: 1) per capita area, 2) size of the household, 3) literacy ratio, 4) per capita expenditure on a) pulses and nuts, b) milk and milk products, c) fruits, d) beverages, e) ration shop items, f) clothing, g) health, h) toilet articles and 5) benefits from IRDP.

In terms of per capita income, the nature of family is the common determinant of poverty in rural and urban Pondicherry. However, 1) per capita calorie and b) average days worked in a week are specific determinants in rural Pondicherry, while 1) caste, 2) per capita area, 3) size of the household, 4) sex ratio, 5) dependency ratio, 6) literacy ratio, 7) average wage rate and 8) per capita value of assets are specific determinants of poverty in urban Pondicherry.
POLICY IMPLICATIONS

The major policy implications emerging from the study are:

1. The poverty determinants vary in accordance with differences in the socio-economic, demographic and political characteristics of the poor between regions and areas. Consequently, the policy makers should consider these variations in the determinants of poverty while formulating anti-poverty programmes. Hence, the prescription of uniform policy measures is inadequate and instead these programmes have to be formulated specifically to the regions and areas.

2. The Public Distribution System has to be made more effective by providing better quality products and with more items, and the rules regarding the supply of these items have to be liberalised to make the poor purchase them on a daily basis.

3. The determinants of poverty vary according to the poverty line which points to the need for different poverty lines even for measuring the incidence of poverty. Further, it also indicates the need for different poverty lines, particularly for regions and areas giving more or less equal weightage for food and non-food items.