

Multidimensional Poverty among Social Groups in Kerala

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*Incidence, Intensity
and Disparity*

By

K.C. Baiju and Shibu Sivaraman

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FOREWORD

When thirty per cent of the people living in villages in India are landless and unemployed, a study on multidimensional poverty is a pointer for the planners of the country's economy. Poverty alleviation in India remains as a volatile scheme of how the wages of the downtrodden can be marginally raised. This is a blindfolded approach since it overlooks the welfare measures of social groups and persecuted groups of the nation.

Dr Baiju and Sri Sivaraman, in the above context, have studied the multi dimensional poverty that is still rampant in our society. The study, when it progressed, gained momentum to reach a convulsive approach in decision-making. Consequently, the researchers made a microscopic analysis of the levels of incidence, intensity, and disparity of multidimensional poverty prevalent in persecuted social groups, gripped by the tentacles of poverty preventing the growth of intellectual and cognitive abilities of the young generation. Consequently, the youth in such marginalized social groups remain inactive. A recent study conducted in the USA - and reported in the journal, *Nature Neuroscience* - reveals that the surface area of the brain of the children belonging to the low-income group (<\$5000) was found to be 6% less than that of the children of the high-income group. This finding is crucial with respect to the backwardness of the low-income group. If this research were repeated in India, the finding of the surface area of the brain of the low-income group would presumably be 20% less, in contrast to 6%. However, we must think of ways and means to remove this disparity in the surface area of the brain. This is a challenge for researchers in India. The people who are categorized as being born into a 'forward-looking' community seldom encourage any kind of plan or activity that would erode the discrimination found among many communities.

The study conducted by Dr Baiju and his student, Shibu, is a prelude to research in reducing the intensity of disparity found among different social groups. It will help future researchers take up the work of the demarcation of different dimensions of poverty, and plan for the future equality and equity among all social groups. Only then will we be able to say that Indian society is unique in its existence, secular in its vision, and

progressive in its accordance with the fundamental principles of the Constitution of India.

It can be seen from the study that Kerala is the only State in India where the proportion of the multi dimensionally poor is less than 25 per cent of the total population; in Jharkhand and Bihar, this proportion is more than 75 per cent. The Keralites cannot be complacent in having the lowest percentage until we begin to see progress achieved in each of the dimensions of poverty separately. I presume that the overall proportion must have been inflated with the highest percentage of literacy of the Kerala State.

The study emphasizes the urgency required to strengthen the capability building of low-income people. The schemes for human development need not be for the benefit of a few sitting at the apex of the society. Instead, capability building should reach all sections of society. Otherwise, society will be fragmented in structure, and partisan in outlook; the progress of the persecuted and marginalized citizens will be at stake. It is high time that we rationalized our developmental schemes to accommodate the people living in multidimensional poverty.

At this juncture, Dr Baiju is to be honoured for his dedication and tenacity shown in successfully completing this piece of research, which will be beneficial to achieve the vision of our nation to become the abode of an egalitarian society.

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PREFACE

‘Development is nothing but the process of enlarging people’s choice and makes them to lead a long and healthy life, to be educated, and to enjoy a decent standard of living’.

This excerpt itself reveals the fact that development, as a concept, has within it an entity larger than the income dimension that encompasses the non – income variables in the process. This means that deprivation of income, as well as non – income dimensions, could result in poverty and vulnerability leading towards low-level human development. This fact, in itself, reveals the importance of human development, and its measurement becomes significant as is documented in the publication of the Human Development Report, UNDP 1990.

Human development and the incidence of multidimensional poverty are two sides of the same coin in the development experience of third world countries. Human development is measured in terms of achievements in education, health, and income; the most important dimensions of human life. Deprivation in these corresponding dimensions is measured as multidimensional poverty. The UNDP has published a Global Human Development Report every year, since 1990. It uses the Human Development Index (HDI) - a composite Index of education, health, and income - to assess and compare human development across the world. The UNDP began using the Multidimensional Poverty Index (MPI) in 2010 in order to examine the deprivation in education, health, and living conditions of people - conditions that remain as major obstacles to the improvement of the human development of a region/country. Therefore, the policy makers and practitioners have to consider human development status and the incidence of multidimensional poverty while formulating programmes and policies in the area of education, health, and employment.

Countries across the world detailed the measurement of deprivation in its incidence, intensity, and dimension, among households and social groups within the region and the country. This could only be made possible through the case of the newly evolved measurement - the Multidimensional Poverty Index (MPI).

The Human Development Index (HDI) is used as a measure in estimating the level of progress in human development among countries over a period of time, whereas the MPI is used as a composite Index to explain deprivation in the various dimensions of human development, as well as the incidence, intensity and disparity, in the multidimensional poverty among individuals, households, social groups, regions, and countries. The advantage of MPI over HDI is explained in terms of measuring the intensity of deprivation, and its magnitude. An uneven distribution of the parametric values of human development is seen to be visible among different social groups within a region that records high human development. Kerala state in India, which is noted for its high human development, exhibits the same phenomenon. Hence, a detailed study on the incidence of multidimensional poverty among the social groups within this selected district of the state - Kerala, India - has become significant. In this initiative, the MPI of the area under study has been explored and discussed along with the existing 'enabling environment' among the different social groups of the area. The study offers better insight to the policy makers, as well as the stakeholders of governance, to revisit the existing programmes / schemes enabling them to be positive towards the initiatives for the reduction in incidence of poverty.

This book entitled '*Multidimensional Poverty among Social Groups in Kerala, India: Incidence, Intensity, and Deprivation*' is an attempt to narrate the living conditions and incidence of poverty among the households belonging to different social groups in Kerala. It unfolds the incidence, intensity, and disparity of multidimensional poverty in Kerala within its well-acclaimed premise of high social developments. This book clearly pinpoints the intra state mirage in the achievements of Kerala in the dimensions of human development among the social groups living in the state. It draws immediate attention from the authorities and policy makers to target specific interventions among the deprived communities so that they may be brought into the mainstream of society.

It is believed that this book will be a revelation to the readers when the internal inconsistency of human development experienced within the region – having a high level of social sector development - is realised. This work offers new dimensions and thought processes in evaluating the actual development gaps that prevail among the deprived social groups within the premise of high social development.

K.C. Baiju
Shibu Sivaraman

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K.C. Baiju
Shibu Sivaraman

CHAPTER ONE

INTRODUCTION

Development and poverty are the two concepts, which are largely debated and discussed across the world, enabling alternative thinking in its theoretical framework and innovative approaches in resolving its implications, magnitudes, and dimensions. In the history of political economy, one could find a series of classical, neo classical, Keynesian, post – Keynesian, and new classical, economist’s contributions - directly and indirectly - influencing economic thoughts in respect of the reinforcing characteristics of development and human capital ever since the industrial revolution of the 19th century. This process secured its perspective rhythm in developing human development concepts through having a multidimensional concept, which was in contrast to the hitherto existing argument -regarding development - being a unidimensional one with path breaking contributions from Mahbub ul Haq and Amartya Sen. Inspired by the work of Sen, there is now widespread agreement that deprivation is multidimensional and cannot be adequately captured by unidimensional measures. Sen’s argument rests on capabilities and functioning. An early practical consequence of this new approach was the adoption of the Human Development Index (HDI) by the United Nations Development Programme in its first Human Development Report in 1990 (UNDP, 1990). Since its launch, the Human Development Report has defined human development as the process of enlarging people’s choice. The most critical ones are ‘to lead a long and healthy life’, ‘to be educated’, and ‘to enjoy a decent standard of living’. Human development can be seen as the enlargement of people’s choices, while poverty is the denial of those opportunities and choices, which are most essential to human development. Concerns in identifying people affected by poverty, and the desire to measure its effects, have at times obscured the fact that poverty is too complex to be reduced to a single dimension of human life. It has become common practice in various countries to establish an income-based, or consumption-based, poverty line. Although income focuses on an important dimension of poverty, it gives only a partial picture of the many ways human lives

can be blighted. Human poverty is multidimensional in character, and diverse - rather than uniform - in content (UNDP, 2010).

Perspectives of Poverty

Over the years, the concept of poverty has been defined in alternative approaches, which include income, basic needs, and capabilities.

In the '*Income Perspective*', a person is poor if his income level is below the defined poverty line. Many countries have adopted income poverty lines to monitor progress in reducing the incidence of poverty. Often the cut-off poverty line is defined in terms of having enough income for a specified amount of food.

In the '*Basic Need Perspective*', poverty is considered as being the deprivation of material requirements for the minimally acceptable fulfillment of human needs, including food. This concept of deprivation goes well beyond the lack of private income. It includes the need for basic health and education, and essential services that have to be provided by the community to prevent people from falling into poverty.

In the '*Capability Perspective*', poverty represents the absence in a person of some basic capabilities to function, such as education and health. A person lacking the opportunity to achieve some minimally acceptable levels of these functionings is considered poor. The capability approach reconciles the notion of absolute and relative poverty, since relative deprivation in incomes and commodities can lead to an absolute deprivation in minimum capabilities, drawing attention to each of these where the capability is emphasized in particular.

Poverty, in the human development approach, draws on each of these perspectives, but particularly on the capability perspective. In the capability approach, the poverty of a life lies not merely in the improvised state in which the person actually lives, but also in the lack of real opportunity - caused by social constraints as well as personal circumstances - which may prevent a person leading valuable and valued lives (Sen, 1985). In the capability approach, the focus is on the functionings that a person can, or cannot, achieve within the opportunities s/he has. It concentrates on functioning information, i.e. the options a person has yet chooses not to employ.

The Human Development Report, of 1996, attempted to introduce a particular version of the ‘capability poverty measure.’ The HPI pursues the same approach, focusing on a broader and more representative set of variables, in a consistent relationship to the Human Development Index (HDI). The concept of ‘social exclusion’ began to enter the realms of literature, in the 1970s, in order to analyse the condition of those who are not necessarily income-poor but are kept out of mainstream society. The inadequacy of traditional definitions of poverty, based on incomes and consumption, was widely acknowledged as being inefficient in explaining these new concerns. In 1997, the UNDP introduced the Human Poverty Index (HPI-I) within the Human Development Report. It was an attempt to bring together, in a composite index, the different features of deprivation in the quality of life, to arrive at an aggregate judgment on the context of poverty within a community.

The human development approach has long argued that, although income is important, it needs to be complemented with measures that are more direct (Arnand and Sen, 1997). In 2010, in the 20th anniversary year of the Human Development Report, the UNDP introduced an international measure of poverty - the Multidimensional Poverty Index (MPI). This was an attempt to measure directly the combination of deprivations that each household experiences. The MPI supplants the Human Poverty Index (HPI) used in previous Human Development Reports. The Multidimensional Poverty Index is the first international measure to have been created that truly reflects the intensity of poverty; recording the number of deprivations that each household faces at the same time.

Dimensions of Poverty in the Human Development Framework

From the inception of the Human Development Report, the United Nations Development Programme (UNDP) has pioneered new ways to analyze human development and poverty, intended to have a direct impact on development strategy and methodology. By featuring the UNDP, a new approach in measuring poverty was introduced - the MPI - in the Report of Human Development, in 2010. It can be decomposed by population group and broken down by dimension. The Multidimensional Poverty Index (MPI) is an index of acute multidimensional poverty. It reflects deprivations in education, health, and standards of living, which are the dimensions of human development also. The Human Development Index, of the UNDP, measures a country’s achievements regarding the enhancement of human

development, as reflected through the components of education, health, and income. The Multidimensional Poverty Index reveals a different pattern of poverty, as it illuminates deprivation directly. The Multidimensional Poverty Index has three dimensions - as does the HDI - which are health, education, and standard of living. These are measured using ten indicators based on the counting method developed by Alkire and Foster (2007, 2009). Each dimension is equally weighted, and each indicator within a dimension is equally weighted. A household is identified as multidimensionally poor if it is deprived in some combination of indicators where the weighted sum exceeds 30% of all deprivations (see chapter IV).

The Multidimensional Poverty Index is the product of the head count ratio (H) and the average intensity of deprivation (A). By directly measuring the different types of poverty in each household, the MPI goes beyond the Human Poverty Index (HPI) *and* other poverty measures, in order to capture how different groups of people experience concurrent deprivations. The MPI can be broken down by dimension and group to show clearly how the composition of multidimensional poverty changes in its incidence and intensity for different regions, countries, states, ethnic groups, and more. Most of the indicators of the MPI are linked to the Millennium Development Goals.

Multidimensional Poverty Index and Millennium Development Goals

The Millennium Development Goals (MDGs) are the most broadly supported, comprehensive, and specific development goals on which the world has ever agreed. The Millennium Development Goals - comprising eight goals, eighteen targets, and forty-eight indicators - were endorsed by the member countries of the United Nations in September 2000, as a basis for targeting development efforts, and for tracking the progress that had materialised by 2015. The MDGs, on the whole, promote the need to achieve poverty reduction and human development; the first three goals specifically deal with those issues. The adoption of the MDGs has increased the demand for data related to its goals and targets, to provide feedback on development outcomes, and created incentives, in order to address core deprivations. Unlike the Multidimensional Poverty Index, the international Millennium Development Goal Report presents progress on each indicator, singly. No composite Millennium Development Goal Index has been developed, and few studies have reflected the interconnections between indicators. The Multidimensional Poverty Index is, to a greater

extent, able to fill this gap. At the same time, eight indicators of the MPI are directly related to Millennium Development Goal targets. Hence, the MPI can be used to identify the most vulnerable people, and identify different patterns of deprivations that are common among different countries or groups. The Multidimensional Poverty Index can be used to understand the interconnections among deprivations, and this helps to formulate special programmes and projects more effectively that may be geared towards vulnerable sections of the society concerned (UNDP, 2010). It also helps to identify the poverty bottlenecks, and consequently strengthens the impact of public interventions required to meet the Millennium Development Goals.

Scope of the Study

The nature of deprivations varies with the social, economic, geographical, and political conditions of the community. Issues of poverty in the developing countries involve hunger, illiteracy, epidemics, and a lack of health services or safe water, which may not be the central issues in more developed countries. Studies of poverty, in the more affluent countries, concentrate on social exclusions. The social exclusions generally can be forceful deprivations, and very hard to eliminate in all countries. There is no real possibility of ever constructing an index on human poverty that would be equally relevant in all the different types of countries (Fukuda-Parr & Kumar, 2009). The nature of poverty in rich countries deserves a specialized index, focusing on those deprivations particularly relevant for those countries. The Human Poverty Index (HPI-1, for developing countries, concentrates on deprivation in the three essential elements of human life already reflected in the Human Development Index (HDI); longevity, knowledge, and a decent living standard.

The assessment of poverty - based on the minimum cut-off of income - used for poor countries fails to show any sign of poverty in generally affluent societies, even when the relatively poor in those societies may lack social participation *and* may even suffer from hunger and malnutrition. An alternative is to use different poverty lines in different countries. However, it is not easy to decide at what level the appropriate variations would be estimated. The official national poverty lines cannot serve this purpose, since they reflect other influences - especially political influences - and cannot be used for international comparisons. Regarding hunger and malnutrition, a more practical possibility would be to focus on

material deprivation, and not on the levels of income that goes towards food and nourishment, especially in the case of the poor of society.

Traditional relative poverty lines provide information about the chosen standard over time, however they have been criticised on the grounds that they do not relate to any concept of individual need. Nevertheless, this format remains popular due to its simplicity (Ravillion, 1996), which may facilitate public discussion about the issues of inequality and poverty in the public domain more easily than would be the case if there were more complex measures involved. The head count ratio is the most common income poverty measure and is used in several countries for policy formulation. Sen has been particularly critical of this measure, which he described as being ‘obviously a very crude index’, and has criticized it for bringing about completely insensitive management to the distribution of income among the poor (Sen, 1976). Despite the variety of income-based measures, the capability approach is clearly distinct in terms of its recognition of the multidimensionality of wellbeing, which focuses on the ‘intrinsic ends’ rather than the ‘instrumental means’. According to Sen, wellbeing and development should be discussed in terms of people’s capabilities to function, and on the definition of who they want to be. Money, which can help people secure and develop functionings and capabilities, is only instrumental in the capability approach. With this backdrop in mind, there is significance in any attempt to analyze the various dimensions of poverty - which are closely related to human development indicators - among the different social groups of society and to enter into discussion on non-income dimensions on the wellbeing of the people.

Enabling Environment for Human Development and Multidimensional Poverty among Social Groups

The ultimate objective of development planning and policies is to increase the social welfare and wellbeing of the people. Poverty is considered as one of the major barriers to the development process. It is the sum total of a multiplicity of factors that include, not just income and calorie intake, but also access to health, education, safe drinking water, sanitation, and other infrastructure facilities. The concept of human development was introduced by the UNDP as an alternative to the conceptions of development that focused on economic growth. Mahbub ul Haq, one of the proponents of the concept of human development, defined human development as a process of enlarging people’s choices (UNDP, 1990).

Now the concept has become the heart of development all over the world, and all countries pay more attention to human development. Amartya Sen combined poverty and human development and defined poverty as capability deprivation. In the framework of human development, income is considered as ‘means’ and not as ‘ends’. It mainly focuses on people’s health, knowledge, and access to resources needed for a decent standard of living. If these elements are unavailable to a person then many other opportunities remain inaccessible to her/him and she becomes poor in society. As poverty has many faces, human poverty is considered a multidimensional phenomenon (UNDP, 2010).

In India, social groups, such as the scheduled castes (SCs), the Scheduled Tribes (STs), and the Other Backward Casts (OBCs), are marginalized. These groups have suffered discrimination, and thereby exclusion, from mainstream economic and social spheres, in one way or another. Even though the government introduced several programmes and projects - which were backed by heavy financial support - for the uplifting of these social groups, their progress, in terms of economic and social status, is still stagnant. Either this may be due to the lack of targeted specific programmes, or error committed in the identification of the real causes of the deprivation of necessities, which are essential for their vertical socio – economic mobility. In this context, an attempt to examine the status of enabling environment for human development, and inter-group (SCs, STs, OBC, and General) variation, in the incidence of multidimensional poverty in the micro level, becomes pertinent.

Objectives of the Study

1. To bring forth an empirical analysis on the various dimensions of multidimensional poverty and human development in India.
2. To examine the status of ‘enabling environment’ for ‘human development’ at Block level in the study area.
3. To explore the inter-group [SCs, STs, OBC, and General] variations in the domain of multidimensional poverty.

Hypotheses

H₁: Human development enabling parameters of education, health, and livelihood, may not differ significantly at Block level in the study area.

H₂: Incidence of multidimensional poverty may not differ significantly among the social groups (SCs, STs, OBC, and General) in the study area.

Methodology in Brief

The present study is an investigation into the status of enabling environment for human development, and the inter-group (SCs, STs, OBC, and General) variations in the incidence of multidimensional poverty in the study area, i.e. the Kasaragod District, Kerala, India. The study uses both qualitative and quantitative methods, and follows the human development framework of the UNDP for analysis. Both primary and secondary data are used in the study. The analysis of the various dimensions of multidimensional poverty and human development in India, and the enabling environment for human development at Block level in the study area, are based on secondary data, which was collected from various Human Development Reports of the UNDP, Reports of the Planning Commission (GoI), Economic Reviews (GoK), Panchayath Level Statistics, Kasaragod (GoK), and unpublished documents in the office of the Deputy Director (Education) Kasaragod, and the District Medical Office (Kasaragod). The analysis of the inter – group variations, in the incidence of multidimensional poverty, is based on the primary data collected from one hundred and twenty sample households - belonging to various social groups, such as Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Communities (OBC), and General categories, residing in the Block Panchayaths Karadukka, Manjeswar, and Parappa of the district of Kasaragod in the state of Kerala, India. The study uses both area sampling, and stratified random sampling methods for the selection of sample households. A structured questionnaire was used for data collection from these households. The Regional Human Development Enabling Index (RHDEI) is used to examine the status of enabling environment for human development at Block level, and the Multidimensional Poverty Index (MPI) is used to explore the inter-group variations in the incidence of multidimensional poverty, in the study area. The analytical framework of the study is detailed in chapter IV of this book.

Implications of the Study

The measurement of poverty is a debatable issue among policy makers and academia. A database, recording poor households of the country, is very important for the formulation of appropriate policies and schemes, which

will ultimately help people to escape from the incidence of poverty. The application of a unidimensional methodology to measure a multidimensional phenomenon, like poverty, will not provide an exact estimate of poverty.

The authors hope that the findings of this study may be considered fruitful for future discussions on poverty, and related issues in society. It is expected that the findings - related to the human development enabling environment, and to the incidence of multidimensional poverty among social groups - will help the concerned authorities accept the reality of poverty in society, and encourage the formulation of suitable programmes and schemes, which will help people build up their capabilities, enrich their human development, and eliminate the incidence of multidimensional poverty. It is also expected that the central argument of the study - the implementation of multidimensional methodology for the identification of poor households, and meaningful interventions for the elimination of the incidence of multidimensional poverty with 'social group specific' programmes and schemes - may be considered by the authorities in their developmental agenda.

Limitations of the Study

A detailed study based on the primary data requires more time and resource. A more detailed analysis would have been attempted barring time constraints. The broad area of the study is highly dynamic and is under the influence of a number of exogenous variables, which are very difficult to formulate in detail within the present analytical framework. The main focus of the study - the incidence of multidimensional poverty - is analysed with the help of the Multidimensional Poverty Index (MPI), introduced by the UNDP in 2010. Since the MPI has been introduced recently, specific state data, related to multidimensional poverty, are not available. The multidimensional poverty analysis of Indian states was based fully on the data provided by Alkire and Santos (2010), who analyzed the incidence of multidimensional poverty among the worlds' countries with the help of the MPI; a the pioneering attempt in the world on behalf of Oxford Poverty and Human Development Initiatives (OPHI). Therefore, the comparison of the present MPI, with that of previous years, was not possible, and has not been attempted in this study.

CHAPTER TWO

HUMAN DEVELOPMENT AND POVERTY: THEORETICAL OVERVIEW

Articles of comprehensive theory, related to the dynamics of poverty and human development, are rarely discovered in available literature. Because of this, a theory of poverty has become very difficult to model. A comprehensive explanation of poverty requires many interrelated theories, such as theories of family composition, earnings, asset accumulation, and transfer programmes. A comprehensive poverty theory would need to be based on family, whereas most of the existing theories are based on individuals. Despite these challenges, a few researchers have attempted to model their own dynamics of poverty. This chapter presents a brief description of major theories related to poverty and human development.

Human Capital Theory

Human capital theory was developed by Becker (1964) and Mincer (1974). This theory explains the decision, by both the aforementioned, to invest in the concept of human capital and the pattern of an individual's lifetime earnings. An individuals' different levels of investment, in education and training, are explained in terms of their expected returns from these investments. Investments in education and training incur costs, both in the form of direct expenses and foregone earnings during the investment period. Only those individuals who will be compensated by a sufficiently higher level of lifetime earnings will choose to invest. People who expect to spend less time within the labour market are less likely to invest in human capital. This theory would help to explain the historical pattern of a lower level of earnings and higher poverty rates, among women and minorities.

Human capital theory also explains the pattern of an individuals lifetime earnings. In general, the pattern of individual's earnings is such that they often start out on lower income levels, when the individual is young, and these then increase with age. Younger people are more likely to invest in

human capital than older people are because they have a longer remaining working life through which to benefit from their lifetime investment. Their initial wages are lower; therefore, the cost of investment is lower. Earnings increase rapidly with age as new skills are acquired. As workers grow older, the pace of human capital investment, and thus productivity, slows down, leading to slower earnings growth. At the end of a person's working life, skills may have depreciated due to a lack of continuous human capital investment and the aging process. This depreciation contributes to the down turn in average earnings near retirement age, to the extent that poverty often follows retirement. One might predict a similar relationship between age and poverty, with poverty more likely to be experienced by the young and the retired. Duncan (1984) finds a fair amount of evidence supporting the human capital model in the context of poverty research. While much empirical work tends to support the human capital theory, it remains a theory of human capital investment and the labour market earnings, not of poverty. Earnings are only one of the determinants upon which the human capital theory does not shed light. Thus, the human capital theory cannot be considered a complete theory of poverty.

Structural Poverty Theory

Theories of structural poverty emphasize the importance of social structure, demography, and macroeconomic forces on poverty. These theories contend that the poor lack sufficient access to economic opportunities, and therefore cannot avoid poverty unless their economic opportunities improve (Duncan 1984). According to Wilson (1991), both demography and economic structure play central roles in persistent poverty. Research in this regard has emphasized that growth, inequality, and the fluctuations of business cycles, are the three main macro economic factors that drive labour market opportunities and patterns of poverty over time. Supporters of the "structural" school of thought argue that most reasons for poverty can be traced back to structural factors inherent either to the economy, or to several interrelated institutional environments that serve to favor certain groups over others. They may be based on gender, class, or race. Discrimination based on race and gender creates the most insidious obstructions among the various institutional environments, and tends to sustain a multitude of economic barriers to different groups. The disproportionately high rate of poverty among women may be viewed as the consequence of a patriarchal society that continues to resist women's inclusion in the part of society that has been historically dominated by men, and as a consequence, welfare programmes have been designed in

ways that stigmatize public support for women as opposed to marital support; both arrangements tend to reinforce patriarchy (Abramovitz, 1996). In this regard, the rise in poverty among women is an important structural level variable to consider, but the lack of reliable data going back to 1947 makes testing difficult. It is found that only inequality appears to correlate with trends in poverty and it is contended that other macro economic factors have become less important over time (Hoynes et.al, 2006).

Culture of Poverty Theories

The 'culture of poverty' theory defines the culture of poverty as a set of beliefs and values passed from generation to generation. This theory suggests that poverty is created by the transmission, over generations, of a set of beliefs, values, and skills that are socially generated, but individually held, ergo individuals are not necessarily to blame, because they are victims of their dysfunctional culture (Lewis, 1968). Technically, the culture of poverty is a subculture of poor people in poor regions where they develop a shared set of beliefs, values, and norms of behavior, that are separate from - but embedded in - the culture of the main society. Lewis observed that, once the culture of poverty has come into existence, it tends to perpetuate itself. By the time children living in slums are six or seven, they have usually absorbed the basic attitudes and values of their subculture. Thereafter, they are not psychologically ready to take full advantage of changing conditions or improving opportunities that may develop in their lifetime. The culture of poverty theory explains how a governments' anti-poverty programmes reward people who manipulate the policy and stay on welfare. This theory of poverty, based upon the perpetuation of cultural values, has been fraught with controversy. Duncan (1984) observed that, the poor have ample opportunities for improving their economic status, but lack the initiative and diligence to take advantage of them. Hannerz (1969) suggests a slightly different cultural cause of poverty, arguing that an individuals' behavior is influenced by the behavior of other members of their community. Herrnstein and Murray (1994) generated controversy by arguing that innate intelligence plays an important role in determining poverty. Though the culture-based theories differ substantially, they have an important implication in poverty dynamics. Poverty among certain groups will be persistent because the culture of poverty is passed from generation to generation.

Modernization Theories of Poverty

Modernization theorists argue that poverty results primarily from inadequate economic growth, and traditional social structure. Modernization of the economy is required for the creation of wealth, and poverty reduction, via a 'trickle down' process in society. Rostow (1953) was the best-known exponent in this paradigm. Roxborough (1979) provides a general critique of the modernisation theory, while Abbott (1996) discusses the way in which the modernisation theory underpins the community development approach, which leans towards participation in urban management. Later developments of the modernisation theory gave greater recognition to the political context, and suggested the need for improvement in governance. Cleary (1989) refers to the community development approach as an integration theory, which focused on the domestic political economy, and ignored the way in which the international market often worked to the detriment of third world countries. Other theorists argued that poverty stems from structural inequality, consequently, wealth would not automatically trickle down to the poor. Direct action is required to safeguard the rights of the poor, redistribute wealth wherever necessary, and develop the capacity of poor people to engage fully in the development process. During the 1980s, the exponents of the economic growth school of thought gained the ascendancy, and international agencies encouraged governments to cut public expenditure, while focusing on economic growth as a poverty reduction strategy. Short-term adverse impacts on the poor needed to be dealt with by limited social safety nets, designed to protect the poorest households, until the benefits of liberalization started to take effect.

Individualistic Theories of Poverty

Individualistic theories of poverty present a multifaceted set of explanations that focus on the individual as being responsible for their poverty situation. Politically conservative theoreticians blame poverty-stricken individuals for the creation of their own problems, and argue that - with harder work and better choices - the poor could have avoided their problems. Other variations of the individual theory of poverty ascribe poverty to the lack of genetic qualities, such as intelligence, that are not so easily reversed. Neo-classical economics reinforces individualistic sources of poverty. The core premise of this dominant paradigm, for the study of the conditions leading to poverty, is that individuals seek to maximise their own well-being by making choices and investments. When some

people choose short term and low pay-off returns, economic theory holds the individual largely responsible for the choices they make, which will lead to better paid jobs in the future. A less widely critiqued version of the individualistic theory of poverty comes from the American values of individualism, which state that any individual can succeed by their skills and hard work, and that motivation and persistence are all that are required to achieve success.

Progressive Social Theory of Poverty

Progressive social theory of poverty looks not at the individual as a source of poverty, but to the economic, political, and social system, which causes people to have limited opportunities and resources to achieve income and well-being. Much of the literature on poverty suggests that the economic system is structured in such a way that poor people fall behind, regardless of how competent they may be. Part of the problem is that minimum wages do not allow families to be economically self-sufficient. Tobin (1994) stated that the problem of the working poor is increasingly seen as a level of wage problem, linked to structural barriers, preventing poor families from getting better jobs, which is further complicated by the limited numbers of jobs near workers and a lack of growth in sectors supporting lower skilled forms of employment. The elimination of structural barriers to better jobs has been the focus of extensive manpower training and other programmes. These training programmes have generated a substantial level of success, but there have also been perceived failures. However, in spite of the importance of education, funding per student - in less advantaged areas - lags behind figures that are spent on richer students; teachers are less adequately trained; books are often out of date, or in limited supply; amenities are few; and the culture of learning is under siege. Levels of low achievement, the low rate of graduation, and low enrollment numbers for higher education among the poor, are the after effect of this system failure (Chubb & Moe, 1996). A parallel barrier exists within the political system, in which the interests and participation of the poor is either impossible, or is deceptive. Studies have confirmed the linkage between wealth and power, and have shown how poor people are less involved in political discussions, their interests are more vulnerable in the political process, and they are excluded at many levels. Coupled with racial discrimination, poor people lack influence in the political system that they might otherwise use to mobilize economic benefits and justice. Another system flaw, associated with poverty, relates to groups of people living in an environment where social stigma abounds because of race,

gender, disability, and/or religion, which lays the path for limited opportunities, regardless of personal capacities. As per this theory, no treatment of poverty can be complete without acknowledging that groups - against which discrimination is practiced - have limited opportunities regardless of legal protection.

The process of gaining stronger rights for minority groups is an ongoing one. Those involved in creating legal initiatives, and public policy reform, must continue in their endeavor to change public attitudes.

Geographical Disparities based Theories of Poverty

Geographical disparities based theories of poverty postulate the fact that people, institutions, and cultures - in certain areas - lack the resources needed to generate well-being and a good level of income for the people. The reasons behind the lack of economic base in certain areas include disinvestment, proximity to natural resources, population density, diffusion of innovation, and other factors (Morrill & Wohlenberg, 1971). In an exhaustive review of the literature on rural poverty, Weber and Jensen (2004) note that most literature presents a 'rural differential' in poverty, but that the 'spatial effect' is not as clearly isolated from 'individual effects' as is needed for confident progress in that area. Goldsmith and Blakely (1992) offer a comprehensive perspective on the link between development and poverty in an urban context. They argue that the joint process of the movement of households and jobs - away from poor areas in central cities and rural regions - creates a separation of work, residence, and economic, social, and political life.

The theoretical perspective on spatial concentrations of poverty comes from the 'economic agglomeration theory', which explains the emergence of strong industrial clusters that attract supportive services and markets, which further attract more firms. The propinquity of poverty and the conditions leading to poverty or the consequences of poverty generate more poverty, whereas competitive areas attract business clusters, drawing away from impoverished communities making the coexistence of development paradox. The 'central place theory' highlights that rural areas are often the last stop for technology, low wages, and competitive pricing, which dominates production. The lack of infrastructure that allows the development of human resources limits economic activity that might use these resources (Hansen, 1970).

Cumulative and Cyclical Interdependence Theory of Poverty

This theory looks at the individual and their community as one that is trapped in a spiral of opportunity and problems. Once problems dominate, they close other opportunities and create a further cumulative set of problems that make any effective response nearly impossible (Bradshaw, 2000).

The cyclical interdependence explicitly looks at individuals' situations and community resources as being mutually dependent with a faltering economy, creating individuals who lack the resources to participate in the economy. This theory has its origins in economics, in the work of Myrdal (1957) who developed a theory of 'interlocking, circular, and interdependence within a process of cumulative causation' that helps to explain economic underdevelopment and development. Myrdal notes that personal and community well being are closely linked in a cascade of negative consequences, and that the closure of a factory or such other crisis can lead to a cascade of personal and community problems – including the migration of people from a community. Thus, the interdependence of factors creating poverty actually accelerates once a cycle of decline is started.

A lack of employment leads to the lack of consumption and spending due to inadequate incomes, and to inadequate saving, which means that individuals can not invest in training, and individuals also lack the ability to invest in business or to start their own business, which leads to lack of expansion, erosion of markets, and disinvestment, all of which contribute back to more inadequate community opportunities. Health problems and the inability to afford preventive medicine, a good diet, and a healthy living environment, become reasons why the poor fall further behind. The theory also states that people who lack ample income fail to invest in their children's education; the children do not learn as well in poor quality schools and they fall further behind when they go to get jobs (Sher, 1977). The lack of jobs and income leads to the deterioration of self-confidence, weak motivation, and depression among individuals. The psychological problems of individuals are reinforced by association with other individuals, leading to a culture of despair, perhaps even a culture of poverty under some circumstances. As a theory of poverty, the cyclical theory shows how multiple problems cumulate, and it allows speculation that if one of the linkages in the spiral were to be broken, the cycle would

not continue. However, the problem is that the linkages are hard to break because each is reinforced by other parts of the spiraling system.

Capability Approach to Poverty: Sennian Views

Sen introduced the capability approach in the 1980s with the view being that the ‘deprivation of capabilities’ is a more intrinsically important approach in the determination of poverty rather than the ‘poverty line approach’ which is subservient. He argues that the ‘capability approach’ ensures the measurement of real poverty rather than the ‘lowness of income’, which is not the only variable in the determination of poverty. The capability approach is a broad normative framework for the evaluation and assessment of an individual’s well-being and social arrangements, not to mention the design of policies, and proposals about social change in society. It is used in a wide range of fields, most prominently in development studies, welfare economics, social policy, and political philosophy. It can be used to evaluate several aspects of people’s well-being, such as inequality, poverty, the well-being of an individual or the average well-being of the members of a group. It can also be used as an alternative evaluative tool for social cost – benefit analysis - or as a framework within which to design and evaluate policies, ranging from welfare state design in affluent societies, to development policies by governments and non-governmental organizations in developing countries. The capability approach also provided the theoretical foundations of the human development paradigm (Fukuda-Parr and Kumar, 2003). It contains three main concepts: ‘functionings’, ‘capabilities’, and ‘agency’. Sen argues that our evaluations and policies should focus on what people are able to do and be, on the quality of their life, and on removing obstacles in their lives so that they have more freedom to live the kind of life that, upon reflection, they have reason to value. In the capability approach, the end results of well-being, justice, and development should be conceptualized in terms of people’s capability to function. The beings and doings, which Sen calls functionings, together constitute what makes a life valuable. Functionings include working, resting, being literate, being healthy, being part of a community, and being respected. Sen’s formulation of the capability approach holds the expansion of an individual’s freedom as being the central objective of social development, but a social conception of human wellbeing reinforces the view that these are always defined and realized through our relationship with others (Sen, 1992). The income variable appears as an insignificant determinant for a shortfall in the domain of functionings – education and health. Therefore, the approach to