



How can asset accumulation strategies be meaningful for *Adivasis* in Southern India?

Ten years of poverty: what have we learned since 2000 and what should we do 2010-2020?

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The Context

- Asset based approaches to poverty reduction (Bebbington, 1999; Moser and Dani, 2008; Gindling, 2005; Schelzig, 2005)
- South Indian state of Kerala with highly acclaimed social factors- human capital, social movements and support led growth strategy
 - *Adivasis* remain ‘adversely’ incorporated into this model with socio-economic deprivation
 - High levels of asset poverty eg land struggles, starvation deaths

Table I: Selected Indicators of Adivasis in Kerala and India

\$- Presented as number of persons per 1000, and includes usual principal status and subsidiary status. Source: NSSO (2001); GOK (2008)

	Kerala		India	
	General	ST	General	ST
Total ST Population (2001)		1.1 %		8.2 %
Sex ratio females \$ (2001)	1058	1027	933	978
(Below-Poverty Line 55thRound NSSO)	9.4 %	24.2 %	27.1 %	45.8 %
Literacy Rates	89.8 %	57.2 %	52.2 %	29.6 %
Work Participation rates +	50.4 (15.3)	55.14 (36.9)	51.9 (25.7)	53.2 (44.8)



Aims of the paper

- **Hypothesis:** The occurrence of household shock is related to the particular type, number and combination of asset ownership.
- Research questions :
 - (1) Do the *type and number of assets* lead to household experience of shock incidence? and if so,
 - (2) Do *particular interactions of assets* influence the probability of incidence of a shock?
- Cross-sectional data of 165 adivasi households during June 2005-January 2007.
- *Heterogeneity among adivasis*-Four groups with distinctive occupational strategies and asset base. from the districts of Waynad and Palakkad

Methodology

- We estimate a binary probit model of household experience of a shock incidence
 - Three steps
 - Composite classification of assets and interactions
 - Number of assets
 - Type of social assets and interactions
- Households that had experienced at least one of either idiosyncratic or covariate shock in the 12 months preceding the data collection were assigned the numeric value one; and otherwise, zero.

Explanatory variables

- (1) Physical assets (denoted by ownership of material assets such as dwellings, cycle, goats, sewing machine); (2) Financial assets (measured by savings balance on accounts); (3) Social assets (membership of one or more networks); (4) Human assets (level of education); (5) Natural assets (ownership of land); (6) Number of members of household employed in paid work; (7) Gender of person who has control over assets; (8) Tribe (9) Locality (defined by panchayat).

(I) Nature of assets and incidence of shock

- Physical assets, financial assets, number of members employed, location, gender in the household reduce the likelihood of shock.
- Social capital, *per se*, does not decrease the chance of shock.
- Interaction between physical and social assets reveals a lower incidence of households experiencing shock, i.e. there is a 23 percent likelihood of reducing a household shock.



(2) Pattern and number of networks

- Transition from no-network/connectedness to 1 and from 1 to 2, show an increasing probability of shock incidence.
- In reverse pattern, sharp decline showing a lower probability of a shock incidence is observed, as the number of network/connectedness increases from three through to five.
 - More gains from multiple networks



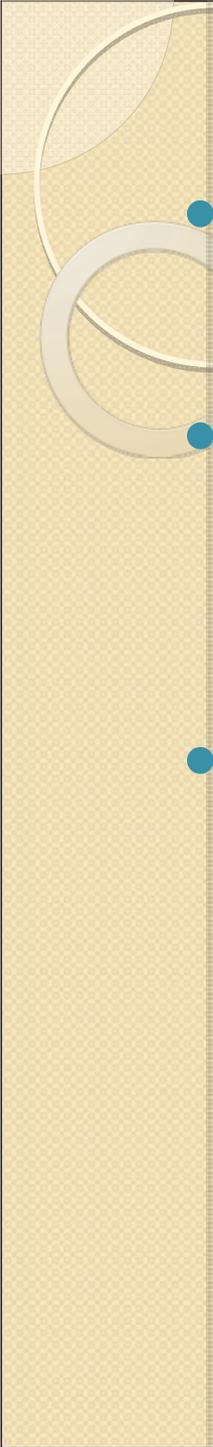
(3) Interactions between assets

- Specific dimensions of social networks, and interactions that is significant in explaining the incidence of shock.
- Role of other networks (eg religious)
- Interaction between NGOs and women's networks
 - Political networks led to household shock.



Conclusions and Policy Implications

- Social policies that address shocks and vulnerabilities need to focus on *appropriate asset accumulation strategies* (not welfare)
- Not all assets may provide a positive outcome in terms of reducing shocks, and *the sequencing of assets matter*.
 - Role of specific policies that strengthen the accumulation of social, financial and physical assets

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- *Role of women* in asset-building strategies as shock absorbers and asset builders.
 - *The role of institutions* – state, private and NGOs – to strengthen social and physical assets (eg Panchayats; Kudumbashree)
 - *Participation in multiple networks* seem to have a more positive impact on reducing shocks, of households.