

Is Growth in India Exclusive?
Analysis of Persistence of Poverty
among *Adivasis* in India

Amaresh Dubey and Arjan de Haan

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This presentation

- Economic growth, poverty and inequality
- Inequality in India: vertical and horizontal
- Socioreligious structure
- Inter-group inequalities in consumption and poverty
- Summary and conclusions



Economic growth, poverty and inequality

- Growth-poverty relationship well established in literature
 - ▣ Growth on average considered good for the poor (Dollar and Kray, 2002), in Indian development strategy role of growth in poverty reduction recognised by NDC in 1930s
- But role of inequality critical: Ravallion (1997, 2001), WDR (2006)
- Several WB reports have articulated this view, WDR 2001 argued that political participation is necessary for equity driven economic participation.



Growth and inequality in India

- Indian experience: pre-1991 mostly sluggish growth and stagnant inequalities (Bhagawati 1998)
- Post 1991 growth episode
 - ▣ Consumption inequalities relatively stagnant,
 - ▣ Growing concerns with vertical and horizontal inequalities (Debroy and Bhandari, 2007)
- Inequality
 - ▣ Vertical--- CE Gini coefficient around 0.35
 - ▣ Income Gini coefficient in the range of 0.50 to 0.52 (independent income surveys)
 - ▣ Focus on inter-regional and inter-group inequalities (IIDS on SCs, GOI 2007 on Muslims)



Measurement issues in inter-regional and inter-group inequalities

- ▣ Socioreligious structure
- ▣ Primarily Indian NSS CES data, 50th (1993-94) and 61st (2004-05) round
 - Spatial and inter-group disparities: Groups considered are Adivasis or Scheduled Tribes (STs) and Others excluding Scheduled Caste (SCs)
 - Indicators: consumption expenditure, poverty incidence



Socioreligious structure: e estimated population shares (NSS, 04-05)

Group	Hindu	Muslims	Christians	AORM	Total
STs	7.6	0.1	0.7	0.3	8.6
SCs	18.2	0.1	0.2	1.1	19.6
OBCs	35.0	5.0	0.5	0.5	41.0
Others	21.4	7.6	0.7	1.2	30.8
All	82.2	12.7	2.1	3.1	100.0

In the rest of the paper, OBCs and Others clubbed as
OTHERS



Incidence of poverty among different social groups : 1983, 1993-94 and 2004-05	Social Groups	1983	1993-94	2004-05	Change ('83-'93)	Change ('93-'04)	Change ('83-'04)	
	Rural							
	ST	63.9	50.2	44.7	-13.7	-5.5	-19.2	
	SC	59.0	48.3	37.1	-10.6	-11.2	-21.8	
	OTHERS	40.8	31.2	22.7	-9.6	-8.5	-18.1	
	All	46.5	36.9	28.0	-9.6	-8.8	-18.5	
	Urban							
	ST	55.3	42.9	34.2	-12.4	-8.7	-21.1	
	SC	55.8	49.7	40.9	-6.1	-8.9	-15.0	
	OTHERS	39.9	29.6	22.6	-10.3	-6.9	-17.3	
All	42.3	32.8	25.8	-9.5	-7.0	-16.5		
Total								
ST	63.3	49.6	43.8	-13.7	-5.8	-19.5		
SC	58.4	48.6	37.9	-9.9	-10.7	-20.6		
OTHERS	40.5	30.7	22.7	-9.8	-8.1	-17.9		
All	45.6	35.9	27.5	-9.7	-8.4	-18.1		

Devil in the detail?

- ❑ 1980s: growth with 'equity', largest decline in consumption poverty for STs
- ❑ 1990s: growth not trickling down?
- ❑ Is poverty *identity-based*? Are there persistent income differences among SGs?
- ❑ Devil is in details?
 - ❑ Distribution of STs: over 4500 distinct groups
 - ❑ 'dominance' plays any role?--- empowerment and participation in growth



ST Population across Districts (Census 1991)

Pop Share of <i>Adivasis</i> or Scheduled Tribes (STs), in %	Number of districts
Nil	94
0.1 to 5	165
5 to 10	44
10 to 20	52
20 to 50	47
50 to 75	21
More than 75	30



Sample size and population share (NSS)

Share ST in Pop (%)	2004-05			
	ST	SC	OTH	Total
0 (0)	0	2,088	8,450	10,538
1.7 (1)	900	10,682	45,001	56,583
9.1 (2)	1,159	2,658	12,376	16,193
16.0 (3)	1,930	2,428	10,547	14,905
36.6 (4)	4,616	1,951	8,356	14,923
52.5 (5)	7,805	254	2,275	10,334
Total	16,410	20,061	87,005	123,476



Mean consumption (in INR)

Share ST in Pop	1993-94				2004-05 (at 1993-94 prices)			
	ST	SC	OTH	Total	ST	SC	OTH	Total
0 (0)		244	336	316		287	384	362
1.7 (1)	274	265	367	344	317	303	437	406
9.1 (2)	261	244	337	314	263	286	390	358
16.0 (3)	227	252	320	290	264	303	379	346
36.6 (4)	228	266	371	306	224	296	414	330
52.5 (5)	337	275	279	304	423	352	354	390
Total	247	258	353	325	265	298	416	379



Disparities in consumption

Share ST in Pop	1993-94		2004-05	
	ST as % OTH	Gini	ST as % OTH	Gini
0 (0)	0	0.307	0	0.335
1.7 (1)	74.7	0.340	72.5	0.360
9.1 (2)	77.4	0.316	67.4	0.321
16.0 (3)	70.9	0.286	69.7	0.327
36.6 (4)	61.5	0.329	54.1	0.376
52.5 (5)	120.8	0.237	119.5	0.242
<i>Total</i>	<i>70.0</i>	<i>0.326</i>	<i>63.7</i>	<i>0.351</i>



Average annual change in mean consumption

Share ST in Pop	2004-05 / 1993-94			
	ST	SC	OTH	ALL
0 (0)		1.6	1.3	1.3
1.7 (1)	1.4	1.3	1.7	1.6
9.1 (2)	0.1	1.6	1.4	1.3
16.0 (3)	1.5	1.8	1.7	1.8
36.6 (4)	-0.2	1.0	1.1	0.7
52.5 (5)	2.3	2.5	2.4	2.6
<i>Total</i>	<i>0.7</i>	<i>1.4</i>	<i>1.6</i>	<i>1.5</i>



Poverty incidence and OTH-ST gap in HCR

Share ST in Pop	HCR 2004-05			HCR 1993-94		
	ST	OTH	Gap: OTH- ST	ST	OTH	Gap: OTH- ST
0 (0)		26.0	na		32.2	na
1.7 (1)	32.8	21.1	-11.7	46.0	29.9	-16.1
9.1 (2)	40.6	21.5	-19.1	47.6	30.4	-17.2
16.0 (3)	39.5	25.1	-14.4	54.1	33.4	-20.7
36.6 (4)	56.5	28.0	-28.5	53.4	29.0	-24.4
52.5 (5)	7.5	19.9	12.4	25.3	42.3	17.0
<i>Total</i>	<i>43.8</i>	<i>22.8</i>	<i>-21.0</i>	<i>49.7</i>	<i>30.7</i>	<i>-19.0</i>



Disaggregated analysis (details in the paper)

- Districts within category 4 and 5 identified
 - In category 4, districts are located in CHH, GUJ, JHA, MPR, MAH, ORI, RAJ
 - Number of districts covered: about 63 (2001 census)
 - In category 5, districts are located ARP, ASS, MAN, MEG, MIZ, NAG, SIK, TRI
 - Number of districts covered: about 59 (2001 census)



Decomposing change in poverty

- How much growth has helped in reducing poverty?
Does growth mean different things to different population groups?
 - ▣ This can be answered by decomposing changes in poverty into effects due to income growth and distributional changes
- In recent times there have been several attempts to achieve this.
 - ▣ Jain and Tendulkar (1992), Datt and Ravallion (1992) with residual, Kakwani (2000) exact decomposition



Decomposition of poverty incidence

Share of ST Population	ΔH (actual)	Mean effect (calculated)	distribution effect (calculated)
STs			
1.7 (1)	-18.89	-13.64	-5.25
9.1 (2)	-4.06	0.29	-4.35
16.0 (3)	-12.29	-15.13	2.85
36.6 (4)	3.73	5.11	-1.39
52.5 (5)	-13.21	-15.40	2.19
Others			
1.7 (1)	-13.65	-24.11	10.46
9.1 (2)	-14.01	-19.71	5.70
16.0 (3)	-11.57	-27.24	15.67
36.6 (4)	-6.62	-13.91	7.29
52.5 (5)	-16.87	-30.69	13.82



Conclusions

- Population group disparities exist, STs as a group continue to be at the bottom of the pyramid, large proportion of chronic poor in India are possibly STs.
- Post-1991 growth phase: condition of STs worsening, regions with less than majority ST experienced decline in expenditure
- Persistence of abnormally high level of poverty incidence among districts located in major states. ST-OTH disparities in expenditure highest in the high growth areas.



Conclusions (continued)

- ❑ Empowerment could have been helpful---districts located in Schedule VI and Schedule V areas best performers, virtually no poverty.
- ❑ Distributional changes helping STs only marginally.
- ❑ The analysis also shows that the extent to which STs benefit from growth depend on what can be called 'group dominance', as measured by their population share.



Conclusions (continued)

- Why STs are not benefiting
 - Differences in livelihood?
 - Differences education?
 - Large scale leakages in redistributive intervention?



Thank you



Sources of HH livelihood (1993-94)

Share in ST Pop	SENA	ALAB	OLAB	SEAG	OTH
1	9.9	39.8	6.5	30.6	8.8
2	6.9	53.5	5.7	26.7	4.4
3	4.3	36.5	10.9	37.5	5.2
4	6.3	8.8	4.8	67.1	12.9
5	4.6	38.2	11.7	37.5	6.1
4+5	4.8	34.3	10.8	41.4	7.0
Total	5.7	37.6	9.7	37.3	6.7



Sources of HH livelihood (2004-05)

Share in ST Pop	SENA	ALAB	OLAB	SEAG	OTH
1	9.6	50.3	11.7	20.8	7.6
2	8.0	39.7	12.2	33.5	6.7
3	5.2	40.5	7.4	34.2	12.7
4	10.0	8.2	3.5	67.0	11.4
5	5.8	32.2	13.3	40.7	8.0
4+5	6.4	28.6	11.9	44.5	8.5
Total	6.7	34.9	10.9	38.5	9.1



Education level among STs (15yrs+, all)

Share in ST Pop	Illiterate	Lit up to Prim	Middle+ Sec	Above Sec
1	52.8	20.9	18.2	8.1
2	58.7	21.8	15.2	4.3
3	56.8	22.2	16.6	4.4
4	62.7	19.9	13.3	4.2
5	21.9	38.4	31.4	8.2
Total	55.6	22.5	16.7	5.2



Education level among STs (15yrs+, women)

Share in ST Pop	Illiterate	Lit up to Prim	Middle + Sec	Above Sec
1	65.1	15.0	13.5	6.4
2	71.8	15.1	10.6	2.5
3	70.3	16.1	10.4	3.1
4	76.0	12.6	8.7	2.7
5	28.8	37.5	27.7	6.0
Total	68.3	16.3	11.8	3.6



Education level among OTH (15yrs+, all)

Share in ST Pop	Illiterate	Lit up to Prim	Middle + Sec	Above Sec
0	36.6	21.8	27.5	14.1
1	31.8	22.3	29.7	16.2
2	34.2	23.4	28.1	14.4
3	37.0	25.0	26.2	11.9
4	32.1	22.7	27.9	17.3
5	28.9	31.5	30.2	9.4
Total	33.3	22.8	28.6	15.3



Education level among OTH (15yrs+, women)

Share in ST Pop	Illiterate	Lit up to Prim	Middle + Sec	Above Sec
0	49.8	19.7	20.6	9.9
1	42.3	20.8	24.5	12.3
2	46.1	21.4	22.6	10.0
3	50.3	21.4	20.8	7.5
4	45.0	20.4	22.6	12.0
5	38.2	30.0	25.3	6.5
Total	44.8	20.9	23.2	11.1



Worst performing districts

State Dist code	State	1993-94		2004-05		ST- OTH50	ST- OTH61
		APCTE- ST	APCTE- OTH	APCTE- ST	APCTE -OTH		
1402	MAH	309	635	249	632	48.7	39.4
1908	ORI	168	326	143	355	51.5	40.3
1309	MPR	224	424	234	579	52.8	40.4
1902	ORI	185	343	187	426	53.9	43.9
713	GUJ	322	416	312	630	77.4	49.5
2111	RAJ	237	427	227	454	55.5	50.0
1318	CHH	197	300	178	355	65.7	50.1



Best performing districts

State Dist code	State	1993-94		2004-05		ST- OTH50	ST- OTH61
		APCTE- ST	APCT- OTH	APCTE- ST	APCT- OTH		
1701	MIZ	442	698	603	601	63.3	100.3
1501	MAN	295	405	327	325	72.8	100.6
2202	SIK	356	345	556	531	103.2	104.7
302	APR	378	591	547	479	64.0	114.2
401	ASS	260	232	326	277	112.1	117.7
1702	MIZ	431	404	487	406	106.7	120.0
1801	NAG	499	499	778	618	100.0	125.9



Least poverty incidence districts

State	State dist code	61st		50th	
		HCR-ST	HCR- OTH	HCR-ST	HCR- OTH
MIZ	1701	0.0	0.0	3.4	0.0
NAG	1801	0.0	0.0	1.2	0.0
NAG	1802	0.0	0.0	2.3	0.0
MEG	1601	3.3	0.0	4.8	2.8
MEG	1602	3.6	0.0	35.0	41.9
MIZ	1702	3.7	0.0	6.2	0.0
ASS	403	4.5	6.5	32.1	37.8



Highest poverty incidence districts

State	State dist code	61st		50th	
		HCR- ST	HCR- OTH	HCR-ST	HCR- OTH
ORI	1902	70.5	15.3	72.7	30.9
CHH	1318	72.0	46.7	62.4	46.4
MPR	1306	73.1	30.2	58.3	22.7
CHH	1314	78.5	48.7	46.2	42.9
ORI	1907	79.1	63.6	75.7	57.0
ORI	1901	79.9	55.2	49.7	33.5
ORI	1908	84.7	43.9	78.1	47.7

