Dynamics of poverty and household economic development among the socially excluded groups in the bio-diversity hotspot of Wayanad, Kerala

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Being one among the four climate change hotspots of Kerala, Wayanad is an important Watershed Terrain of the Western Ghats region of the state. Encompassing thirteen environmentally sensitive areas (ESAs), this region acts as the agro bio-diversity epitome of Kerala. Livelihood of the people in this region is highly dependent on the sustainable bio-diversity. Outside intrusion in the pretext of development has led to large scale environmental degradation which is posing severe livelihood threats to the poor, forest-dependent communities. Their immiseration has culminated in a vicious circle of poverty, which in turn has contemporaneous characteristics. Various confirmatory, normative, institutional policy options have been adopted to protect the environment, confer forest rights on the dependent communities as well as enhance their livelihood options. Though it is possible to understand this complex situation through statistical and econometric models, the path involved is very intricate and complicated especially if analyzed in a social class dimension within a conventional theoretical and empirical framework. This is particularly true in the case of short-run, mezzo and long-run adjustment processes as each one of these levels exemplifies different situations and solutions. Poverty estimation on an aggregate gives inspiring statistics. However, the result is seemed to repel from realities in the case of the tribes and several other marginalized social groups living in certain pockets of the state. In Kerala, the Wayanad district which has distinct dissimilarities with respect to poverty and other human development indicators is one such region. The state has been profusely spending huge amounts of money to fund programmes aimed at uplifting the poor, specifically in the areas of social welfare, housing, education, infrastructure development, public distribution and health provisions. But the sad reality is that poverty levels are surging ahead instead of declining. The pertinent question in this respect is how to bring to light the real

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poverty of the marginalized communities in the social groups. The article is an attempt to identify such factors and explore the various possible policy options within an inclusive development framework.

**Theoretical framework and literature:** The study tries to establish a linkage between poverty and historical factors with high prominence on material assets as well socio-cultural advantages. Once this is established, the role of institutional interventions that have a profound influence on the entry into and exit from poverty of households and individuals is analyzed. This is done to identify poverty at three different levels: individual, household and community. The spiraling dynamic propagation of poverty is embedded with a vector of inter-linked factors. Hence it becomes difficult to disentangle or even make a hierarchy. Educational backwardness tethers them to low profile jobs which bring in only meager earnings. This paves the way towards low levels of material attainment. Poverty, hence, moves forth unabated and even gets transmitted over generations. Akin to education, health and health care provisions too have the potential to enhance the productive capabilities of the poor. Along with this, social nesting and other allied interventions are also significant in the path of transition. Poverty and poverty reduction have always been the key research agendas of many international agencies like the World Bank, UN, DFID, etc. Most of these studies are centered on the concept, measurement, and trends of poverty in an absolute and relative sense. Poverty trap hypothesis, inter-generational transmission (IGT) of poverty, poverty dynamics, insecurity and vulnerability together with poverty gap and its trends between population groups have been core areas of these investigations. Bird (2007) tries to bond the poverty status of individuals and households with its ubiquitous dimensions in an intergenerational framework. The study by Nidhi and Bhide (2011) unravels a negative correlation between village level infrastructure and poverty. The study by Panagaria and More (2013) assumes importance in this respect in understanding poverty dynamics and its link in taking policy actions. Poverty is rampant in the lower ladder of the social class hierarchy, such as in the case of the Scheduled Castes (SCs) and the Scheduled Tribes (STs). Pertinent reasons quite often stated for this sorry state of affairs are educational backwardness, low occupational mobility, social and physical exclusion, land alienation, deprivation and malnutrition (Mutatkar, 2005; Sreenivasan and Mohanthy, 2008; Gang et. al, 2008; Sundaram and Tendulkar, 2003 and Thorat, 2007).

**Materials and methods:** 300 samples from 15 clusters spread across the Meenangady and Meppady Panchayaths in the Sultan Bathery and
Kalpetta Taluk of the Wayanad district have been drawn based on multistage random sampling technique. Community/caste-wise categorization has been considered while drawing samples. This is done so as to get a clear picture of poverty levels within an intra/inter community framework.

The extent of poverty is measured by means of the conventional method of Head Count Ratio using the official poverty line as specified by the Planning Commission of India for Kerala. The Foster-Greer-Thorbecke (FGT) is a comprehensive metric measure of the level of poverty in a region which would immensely help to understand their weighted shortfall from the poverty line. These are further corroborated inter-temporal scenarios so as to distinguish the dynamics involved in the process. Factor Analysis helps to understand the dynamics of the asset holdings, amongst the surveyed social classes. In order to identify the influencing factors that determine the probability of being in each income category, Multinomial Logistic Regression is used.

**Results and discussion:** The employment and livelihood options indeed play a pivotal role in determining the socio-economic contour of an individual. Though the unemployment rate seems to be less than one percent, if the household members are taken as a whole or even when the most vulnerable sections of the society like the SCs and the STs are considered, the fact remains that those who are employed are mainly engaged in activities which are seasonal in nature. The most important among them are the farmers and the labourers in the agricultural sector. The community-wise categorization of livelihood pattern also shows the similar pattern with some difference. Evidently, most of the household members among the Forward Communities (FCs) and the Forward STs are self-employed in the agricultural and allied sectors. But the share of the SCs and the Backward STs in this regard appears to be negligible.

**Inter-temporal shifts in assets:** Factor analysis (FA) has been used to unearth the differences in asset holdings for five time spans namely the current year, the last year, 5 years ago, ten years ago and 20 years ago. The asset change analysis has a similar inter-temporal recall bias. The FA analysis result confirms the existence of a negative trend during the period 2003-13 with regard to agricultural tools and equipments vis-à-vis the current period. As an important asset group, agricultural tools have moved from the second position to the fourth position in terms of hierarchy in the last ten years. However, the luxury goods and the expensive consumable items have been found to have moved from the third position to the first
position during the same period. The social group-wise inference with regard to the luxury or high valued assets, either inherited or created, during 1993-2013 shows that the household asset holding pattern is the best for the FCs and the worst for the STs with considerable difference even between the forward and the backward tribes.

**Inter-temporal poverty:** The poverty estimates add up to 15.3 percent at the household level and 18.40 percent at the individual level. Accordingly, 43.3 percent of the backward ST households fall below the poverty line. Inter-temporal analysis shows a 50 percent decline in poverty in the current year in comparison with the last year. The poverty level of the SCs and the STs steadily declined from 1993 to 2003. Thereafter, in the next phase between 2003 and 2009, it rose up again. Then, all over again, it is showing a declining trend during the 2009-13 phases. Most of the forward ST households were able to escape from the vicious clutches of poverty by 2013. However, the percentage of the poor among the SCs and the Backward STs is still close to the 10 year back figures of 22.2 percent and 44.1 percent respectively.

**Poverty estimates:** The incidence of poverty is high among the backward STs and comparatively low among the FCs. Appraising the depth (PGI) and severity of poverty (SPGI) is important in designing plans aimed at reducing the number of people living below the poverty line. It has been noticed that both are grimmest in the case of the SCs, if all the tribes are taken together as a single entity. Also, when the STs are disaggregated into forward and backward categories, the backward STs appear to be on the darker side. This signifies the need for special attention on the part of the policymakers while designing welfare programmes for the various social groups.

FGT analysis worked out based on household level for the five time periods (viz. current year, last year, five years ago, 10 years ago and 20 years ago) clearly evinces that the STs stand first with the highest poverty indicators. They are closely followed by the SCs. However, in the present year, both severity and depth of poverty are the highest for the SCs. But the disaggregation of the STs into forward and backward categories throws light on the fact that in the current year the backward STs are in a more wretched situation in terms of both severity and depth of poverty compared to the SCs. On the contrary, the forward STs have shown tremendous improvement in the last 20 years. Their poverty incidence, relative incidence, depth and severity are higher than that of the SCs at the 20th and 10th year levels. But, for the other three time spans, they are better
off than the SCs. All along, the backward STs remain at the lower end of the ladder irrespective of the time spans. Poverty analysis done at individual level also spawns a similar supposition. Social group-wise inter-temporal poverty analysis based on FGT is a useful instrument for policymakers in designing welfare programmes.

Multinomial logistic regression is used for predicting the probabilities of the different possible outcomes of a categorically distributed dependent variable, given a set of independent variables which may be discrete-valued, binary-valued, categorical-valued etc. The results give the inference that the number of household members and earning members are the fundamental factors that determine the poverty/low income levels of a household. They provide assistance to the households in their quest towards attaining higher levels of income. An increase in the number of household members would imply that the probability of being in lower income categories is very high. Land holdings as a factor in this model is insignificantly related. There is a high probability for those in the lower strata of MPCE Quartile between Q1-Q2 to fall below Q1 if there is an additional member in the household. Similarly, the chance of moving out of an income category to a comparatively superior category is higher in the case of an additional earning member. This shows the importance of livelihood security in alleviating poverty and reducing income inequality.

**Poverty alleviation measures:** Inter-temporal comparison shows that the households who have benefited from these schemes were able to make a favorable shift in terms of household poverty levels during the last five years. Though the total number of beneficiaries is less, the positive impacts of some of these schemes are more visible in the case of the FCs and the OBCs in comparison with the other communities. Though these schemes function at a snail’s pace, they have been able to act as a rousing factor in alleviating poverty and deprivation. Also, the fact that some of the beneficiary households have escaped the poverty trap is indisputable. The question is whether this shift is permanent or temporary. The risk factor associated with these households going back to poverty needs periodical evaluation cum corrective policy measures.

**Conclusion:** The study elicits many important features of the income and livelihood aspects of the inhabitants of the Meenangady and Meppady Panchayaths. The elevated reliance of the backward STs and SCs on the agricultural and non-agricultural sectors as wage earners makes them highly vulnerable in the matter of income earning capacity. The differences in income have been found to be the direct off-shoot of the
differences in the occupational pattern, which *ipso facto* determines the inter-community differences. This can be attributed to the unstable nature of the jobs in these sectors. Consequently, the younger generations start considering farming and agricultural labour (especially the FC households) as futile and unappealing jobs. Poverty analysis for the five time periods (viz. current year, last year, five years ago, 10 years ago and 20 years ago) clearly evinces that the STs stand first with the highest poverty indicators. They are closely followed by the SCs. However, in the present year, both severity and depth of poverty are the highest for the SCs. But the disaggregation of the STs into forward and backward categories throws light on the fact that in the current year the backward STs are in a more wretched situation in terms of both severity and depth of poverty compared to the SCs. On the contrary, the forward STs have shown tremendous improvement in the last 20 years. Their poverty incidence, relative incidence, depth and severity are higher than that of the SCs at the 20th and 10th year levels. But, for the other three time spans, they are better off than the SCs. All along, the backward STs remain at the lower end of the ladder irrespective of the time spans. Comparison of the households that are beneficiaries of the government programmes/schemes with their income, expenditure and poverty status throws light on the fact that there has been a shift in the poverty levels in the last five years. Consequently, there is a continuous decline in the number of the poor. It is an indisputable fact that some of beneficiary households have indeed escaped the poverty trap. The question is whether this shift is permanent or temporary. The risk factors associated with the households going back to poverty needs to be identified and analyzed in tandem with the role and relevance of these policy factors in poverty eradication. Hence inter-temporal poverty analysis presents a wide range of challenges for policy makers and therefore proffers possibility for governmental intervention.

**Keywords**: Poverty, Social-Groups, Head-Count-Ratio, Monthly-Per-Capita-Expenditure, Inter-Temporal-Shifts

**References**


