

**CHRONIC POVERTY AND ECONOMIC INEQUALITY
IN UTTAR PRADESH: A CASE STUDY OF
THREE DISTRICTS**

**A Thesis Submitted to the University of Hyderabad in Partial Fulfillment
of the Requirements for the Award of the Degree of**

DOCTOR OF PHILOSOPHY

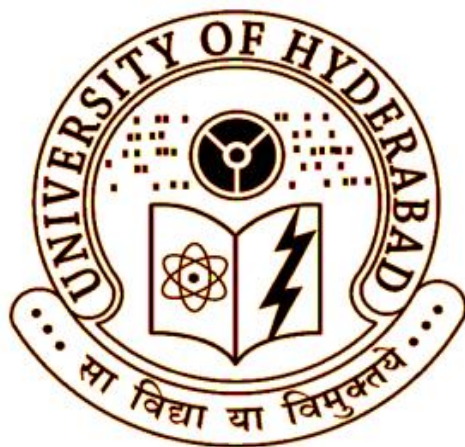
IN

ECONOMICS

By

SUBHASH CHANDRA

(Enrolment No. 14SEPH22)



**SCHOOL OF ECONOMICS
UNIVERSITY OF HYDERABAD
HYDERABAD-500046, INDIA
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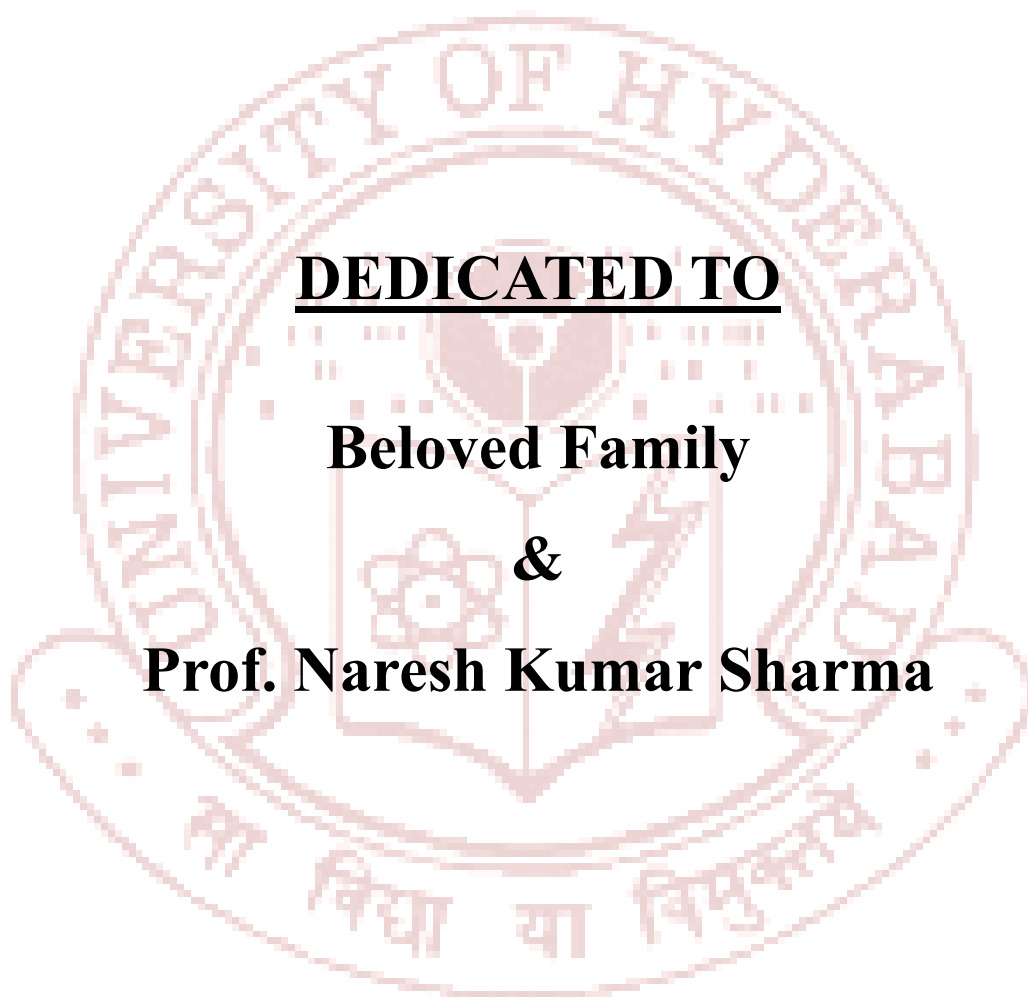
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Under the Supervision of

Prof. Naresh Kumar Sharma



**SCHOOL OF ECONOMICS
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HYDERABAD-500046, INDIA
NOVEMBER 2021**



DEDICATED TO

Beloved Family

&

Prof. Naresh Kumar Sharma



DECLARATION

I, Subhash Chandra, hereby declare that the research embodied in the present dissertation entitled ***“Chronic Poverty and Economic Inequality in Uttar Pradesh: A Case Study of Three Districts”*** is an original research work carried out by me under the supervision of Prof. Naresh Kumar Sharma, School of Economics, for the award of Doctor of Philosophy from University of Hyderabad. I also declare to the best of my knowledge that no part of this dissertation is earlier submitted for the award of any research degree or diploma in full or partial fulfillment in any other university or institution.

Subhash Chandra

Place: Hyderabad

Subhash Chandra

Date: 30.11.2021

Enrolment No: 14SEPH22



CERTIFICATE

This is to certify that the thesis entitled “**Chronic Poverty and Economic Inequality in Uttar Pradesh: A Case Study of Three Districts**)” submitted by **Mr. Subhash Chandra** bearing registration number 14SEPH22 in partial fulfillment of the requirements for award of **Doctor of Philosophy** in the School of Economics is a bonafide work carried out by him under my supervision and guidance. This thesis is free from plagiarism and has not been submitted previously in part or in full to this or any other university or institution for award of any degree or diploma.

Paper related to this thesis has been published

A. PAPER PUBLISHED IN THE FOLLOWING PUBLICATION:

1. Chandra Subhash, Naresh Kumar Sharma (2016), Chronic Poverty among the Scheduled Castes in Rural Uttar Pradesh: A case Study in Mau District, Journals of Economic Policy & Research, ISSN 0975-8577 volume 11. No.2, April- September 2016, pp.85-93.
2. Chandra Subhash (2018) “Policies and Programmes for Poverty Reduction among the Scheduled Castes and Scheduled Tribes in Rural Uttar Pradesh”, The Empirical Economics Letter, A monthly International Journal of Economics, Bangladesh, ISSN 1681 8997, 17(4): April 2018, pp.551-562.

B. PRESENTED IN THE FOLLOWING CONFERENCES:

1. Presented a paper on “Chronic Poverty among the Scheduled Castes in Rural Uttar Pradesh: A case Study in Mau District”, in an International conference on Contemporary Global Economic Issues in Department of Economics, University of Allahabad, Allahabad, from 12 to 14 Dec 2014.
2. Presented a paper on “Policies and Programmes for Poverty Reduction among the Scheduled Castes and Scheduled Tribes in Rural Uttar Pradesh”, in 21st IPEA Conference Inclusive and Sustainable Development: Theoretical and Empirical Perspectives, IIT Delhi, 8-9 Dec 2016.
3. Presented a paper on “The Determinants of Poverty in Uttar Pradesh among the Social Group: An Inter-Regional Analysis” in 55th Annual Conference, Indian Econometric Societies, MISM and University of Mumbai, January, 8-10, 2019.
4. Presented a paper on “Analysis of Poverty and Inequality among the Social and Religious Groups across Regions in Uttar Pradesh”, in 23rd Annual IPEA Conference on Political Economy of Nexus between State, Big Corporations and Development in India, Punjabi University, Patiala, November 8-9, 2019.
5. Presented a paper on “Poverty and Inequality among the Social and Religious Groups in India: A Case Study of Three District of Uttar Pradesh" in 56th Annual Conference of the Indian Econometric Society (TIES), The School of Economics, Madurai Kamaraj University, Madurai January 8-10,2020.

Further, the student has passed the following courses towards fulfillment of the coursework requirement for Ph.D./was exempted from doing coursework (recommended by Doctoral Committee) on the basis of the following course passed during his M.Phil. Program and the M.Phil. Degree was awarded:

Sl. No.	Course Code	Name	Credits	Pass/Fail
1.	EC701	Advanced Economic Theory	4	PASS
2.	EC702	Social Accounting and Data Base	4	PASS
3.	EC703	Research Methodology	4	PASS
4.	EC751	Study Area	4	PASS
5.	EC752	Dissertation	16	PASS


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Finally, I would like to add that I am alone responsible for the errors and omissions in the study and none other may be blamed for it.

By,

Subhash Chandra

Chronic Poverty and Economic Inequality in Uttar Pradesh: A Case Study of Three Districts

Abstract

The present study mainly focuses on poverty, chronic poverty, inequality, misidentification and villagers' perception of their own poverty condition and related issues. The objective of the study is to estimate the magnitude of poverty, chronic poverty, economic inequality, misidentification, mismanagement of the government policy & programme, and to analyze the perception of the villagers. The study is based on primary as well as secondary data. Descriptive statistics, cross tabulation, regression analysis, Gini coefficient, Lorenz curve, graphs, charts etc. are used as tools of analysis. The study reveals that overall incidence of poverty has declined among all the social groups as well as among all religious groups in U.P. over the period from 2004-05 and 2011-12. It is a matter of concern that inequality has increased for almost each category over the study period. The primary data shows that incidence of poverty is much higher than that suggested by the government estimates. We find higher income inequality in the 'Other' category than in SC, ST, and OBC category. Income inequality in ST group is much higher than in SC and OBC group. It may be noted that a section of ST group, namely ST Nayak, are those who were from Pandey caste but fraudulently changed to ST Nayak and they are economically much more prosperous compared to other ST people. We also find that that top 20% of the population has 60% of the total income. Most of the ST households are landless, while no ST Nayak household is found landless. We estimated that around 40% of the actual BPL household are misidentified as APL, and around 47% of the actual APL household are misidentified as BPL. For availing the government schemes, around 81% of the beneficiaries pay bribes. Primary survey results also show that the highest consumption inequality is in the 'Other' caste group and the lowest in the SC group in 2017. The results for the SC group in primary survey reveal that share of food consumption in overall inequality is 52.5 percent in 2017, whereas it is 36.4 percent in rural Uttar Pradesh in 2011-12 in NSS survey. The share of other items is the second-highest contribution in overall inequality. The share of education expenditure is 12.2 percent in 2017, whereas 6.1 percent in 2011-12. We find that around 64 percent respondents have a perception that it is harder today for a person to get out of poverty compared with the situation 15 years ago. Caste-based discrimination and untouchability persist in these study villages, but it has been declining. The study reveals that the respondents feel that the major causes of poverty are drug abuse, medical expenditure, inadequate availability of work, low wage rate, poor quality of education, less land, less education or illiteracy, and caste discrimination or untouchability. The social and economic status of the people, especially ST, SC and poor people has improved. Caste based discrimination is still an obstacle to improve the well-being of poor people, especially SCs and STs. The current social status shows that around 75 percent of the SC and ST experienced caste-based discrimination. The socio-economic condition of the poor SC and ST is not as good as people expect. Even higher caste poor people faced the social status problem, they also faced problems because of poverty. The present study recommends some important policy suggestions based on its finding such as provision for better education and health facilities, better employment etc.

Keywords: Poverty, Chronic Poverty, Inequality, Misidentification, Perception and Social group.

JEL Classifications: E31, Q11, E52, C22, E06, C40

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LIST OF ABBREVIATION

ABS	Ayushman Bharat Scheme
APL	Above Poverty Line
BPL	Below Poverty Line
CAG	Comptroller and Auditor General (of India)
CPI	Consumer Price Index
CPRC	<i>Chronic Poverty Research Centre</i> (of UK)
CSRE	Crash Scheme for Rural Employment (1972, government of India)
FWP	Food for Work Program
GC	Gini Coefficient
HCR	Headcount Ratio
IAY	Indira Awas Yojana
IHDS	India Human Development Survey
IRD	Integrated Rural Development Program
JRY	Jawahar Rozgar Yojana (1989)
MNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MPCE	Monthly Per Capita Expenditure
NCAER	National Council of Applied Economic Research
NFSA	National Food Security Act (2013)
NITI	National Institution for Transforming India
NPC	National Planning Committee
NREP	National Rural Employment Program
NSS	National Sample Survey
NUGP	Northern Upper Ganga Plains
OBC	Other Backward Castes
PDS	Public Distribution System
PHH	Priority Household
PIREP	Pilot Intensive Rural Employment Project
PMGAY	Pradhan Mantri Gramin Awaas Yojana
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PMUY	Pradhan Mantri Ujjwala Yojana
PRA	Participatory Rural Appraisal
REC	Rural Electrification Corporation
RGGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RLEGP	Rural Landless Employment Guarantee Program
SBA	Swachh Bharat Abhiyan
SC	Scheduled Caste
SGRY	Sampoorna Grameen Rozgar Yojana
SGSY	Swarnajayanti Gram Swarozgar Yojana
ST	Scheduled Tribe
SUGP	Southern Upper Ganga Plains
UNDP	United Nations Development Programme
UP	Uttar Pradesh

Chapter 1: Introduction: The Problem of Poverty

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“Like slavery and apartheid, poverty is not natural. It is manmade, and it can be overcome and eradicated by the actions of human beings. And overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right- the right to dignity and a decent life. While poverty persists, there is no true freedom.”

– Nelson Mandela

1.1 Introduction

Right to freedom, right to equality, right to against exploitation, right to freedom of religion, cultural and educational rights, and right to constitutional remedies are fundamental rights, the rights guaranteed by the Constitution of India. The right to equality (Article 15) guaranteed prohibition of discrimination on the grounds of religion, race, caste, sex or place of birth. It also guaranteed access to shops, restaurants, hotels, and public places of entertainment, use of wells, tanks, bathing ghats, roads and public places. Article 17 abolishes ‘untouchability’ and prohibits its practice in any form and makes the practice of untouchability in any form an offence punishable by law. However, still, most of the rights are denied to the poor people, especially, in case of the Scheduled Castes (SCs) and Scheduled Tribes (STs) in practice.

Poverty is a very complex problem, and life in poverty may be unhappy or sad, and it is also hurtful to society especially for those who have been experiencing poverty (Sen, A. 1982). Poverty is different from inequality, although both the problems of poverty and inequality are closely related (Sen, A. 1992, Alcock, P. 1997). The vital difference between poverty and inequality is that poverty is a prescriptive concept and inequality is a descriptive concept (Alcock, P. 1997). There are two kinds of arguments about the level of inequality. Green (1990) argues strongly that “certain levels of inequality should be acceptable and indeed desirable” and Field (1989) argues that “significant inequality is unacceptable and even destructive”.

The prevalence of poverty persists among all the social groups, and most terrible fate is faced by poor or chronically poor or low-income people. Education, health, clean drinking water, electricity, sanitation, housing and clothing are the basic needs but these basic needs are denied in case of poor people. Elementary education is essential for human development, and its help make life worthwhile and pursuing knowledge has intrinsic value. It also develops a variety of social goals including social, economic and demographic change, democratic practice and

social equity etc. It may be said that low priority attached to primary education in the twenty-first century India is an enormous blunder. Several studies argue that Indian education system is unable to deliver universal elementary education. Many studies show that *“students who fail to achieve basic skills by the end of class three learn very little in subsequent years even if they are enrolled in school.”* There is undoubtedly an enormous complication of appropriate quality of primary education across Uttar Pradesh. (Drèze, 2019; Banerjee, 2019).

The government primary schools are for all children, but it is found that very few children are enrolled in the government schools, and most of these enrolled children are from a poor background in which most of the children are from SCs and STs. The reality of primary education system is that, only low-income family and economically deprived people have been sending their children to a government school because they can not afford the high fee charged by private schools in the name of quality of education. The people from privileged background and even government primary teachers send their children to private schools. The government of India has been expending huge money on primary education than private. The quality of education is missing for the poor people.

The life of the people would be straightforward if people care about other human beings and help each other in society. The responsibility of a good society is to take care of the poor and low-income people. Many people think that problem of poverty is insoluble, and suggest that previous solutions were ineffective and failed; and some of the people think that previous efforts at poverty eradication worsened the condition of the poor people. Some of the people proclaim that assisting the poor and low-income people produces a “poverty culture” and increases the dependency, and leads to persistence of chronic poverty from one generation to the next generations. Some of the people blame the poor people themselves and assert that the poor are poor because they are lazy, shiftless, unintelligent, or even parasitic. (Kotler & Lee, 2009).

A further question arises: what will be the gain of rich people if the lives of the poor people are improved? The answer is that not only the poor, but also non-poor, are impacted by poverty. These are cited as some reasons: “Wasted lives that may have contributed to family, friends, communities, and society; Spread of illnesses and health problems; Untapped market potential; potential to follow demagogues; Crime; The collapse of failed states that then require our resources and; Illegal immigration into the developed state” (Kotler & Lee (2009).

Many terrible condition are experienced by poor people. During the fieldwork, I have seen the faces of the hungry, unhealthy, unemployed, and homeless people among all the social groups. I know about mothers who experience their children die young from various diseases like Pneumonia, Dengue, and Diarrhea. This study focuses, in its fieldwork, on aspects helpful to understand specific problems of hunger, inadequate schooling, family planning, disease, inadequate or foul water, and other problems contributing to poverty. There is a need to accelerate progress in fight against poverty. This study begins with a brief picture of poverty, answering the questions: Who are the poor and chronically poor? Why are they poor and chronically poor? Where do they live? How many are poor and chronically poor? How many people are misidentified as poor and non-poor?

Poverty is not a simple phenomenon. There is a need to define poverty by adopting the correct approaches to poverty. The various studies have advanced several different arguments, and see it differently such as: is poverty a big phenomenon or a small phenomenon; social problem or individual problem; and growing issue or declining issue. Thus, it is important to understand how these various versions and perceptions overlap, and what the implications of different definitions and approaches are. The different definitions of poverty may indicate different answers. But all need some answer about what to do about the challenges of poverty (Alcock, P.1997; Banerjee. A, et al. 2019).

Poverty continues to be a big problem, especially among the SCs and STs in rural Uttar Pradesh. The academics and activists, and politicians defined poverty, and based on it made policies and programs to eradicate poverty. Yet, the prevalence of poverty remains much higher in SCs and STs among all the social groups. There is a need to have a deep understanding of the problem of poverty and determine to identify who is poor and chronically poor, how poverty is experienced and how poverty may be eliminated.

The magnitude of poverty indicates the social, economic and political status of the country. The purpose of measuring the magnitude of poverty is for various reasons to identify and know the percentage of the population that lives below the poverty line in rural as well as in urban area among the different social groups; and to know whether the incidence of poverty is increasing or decreasing, and based on aforesaid to make anti-poverty programs and policies for poverty eradication. (Kotler & Lee, 2009).

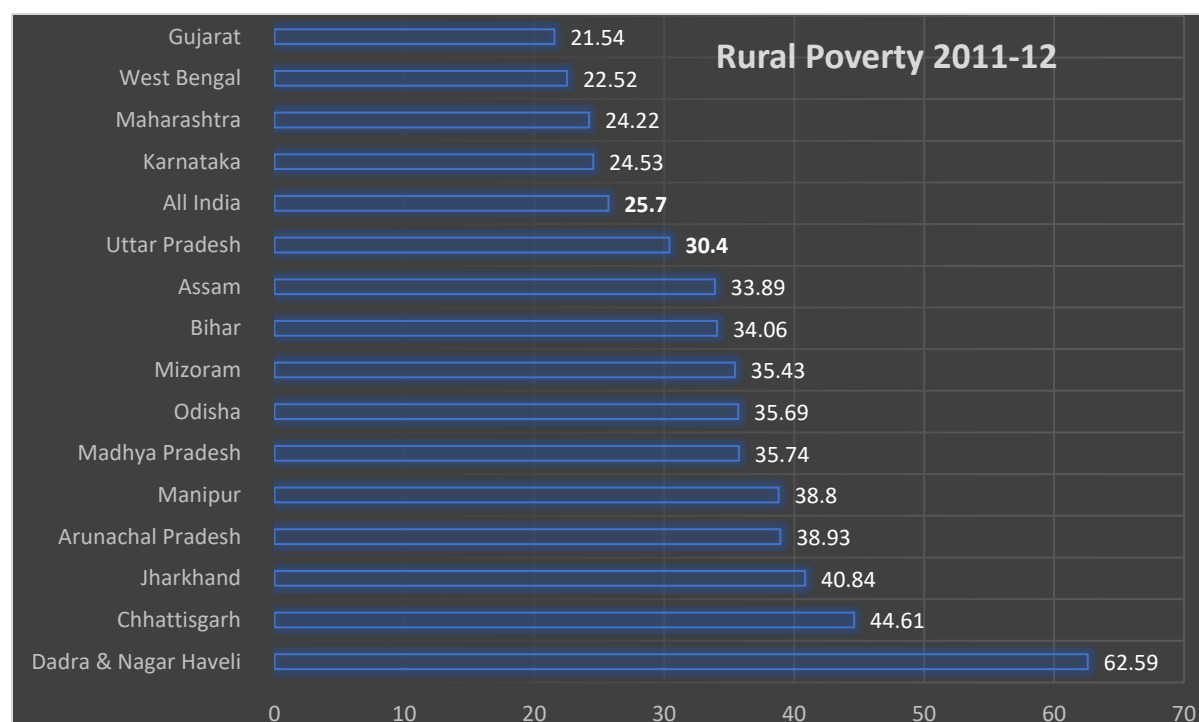
Poverty is associated with social and economic ills, and the problem of poverty has been much higher in the rural areas as compared to urban areas. In Uttar Pradesh, most of the poor people

live in the villages. Each village has its own characteristics. Some of the villages and sub-villages are established in the name of a caste and so are known as “Chamarawati” (Where Chamar Caste people live) or Ahirawati (where Yadav people live) or “Thakurahan” (Where Thakur caste people live) etc. Most of the SCs and STs live in a separate village or sub-village. Most of the lower caste, poorer households do engage as self-employed and casual labour in agriculture. “Caste is an important feature of the village society, not only from a sociological but also from an economic point of view..... Caste often exercises a strong influence on economic behavior and outcomes, independently of other standard household variables such as occupation education, ownership and demographic composition” (Drèze, & Sharma, 1998).

The study finds that the incidence of poverty among SCs and STs is much higher compared to other social groups. There are three union territories where the incidence of poverty is higher in the urban area in comparison to rural area [Tendulkar report, (2011-12)].

Thus, given the complexity of the problem of poverty and its continued persistence in India, further studies are needed to enrich an understanding of the problem and to find lasting solution to the problem. Further, there is also a need to understand the problems and difficulties in implementation of the poverty alleviation/eradication programmes, including the problem of identification of the poor.

Figure No.1.1: The top fifteen states representing the highest rural poverty of India



Source: Author’s own estimate, “NSSO Unite level data 68th round (2011-12).”

1.2 Research Aim and Questions

1.2.1 Research Aim

Eradicating poverty and reducing economic inequality effectively requires a context-specific knowledge about the causes of moving into and out of poverty. There is a need for various policy interventions to solve the problem of poverty and improve the well-being of people. Poverty and inequality reduction policies and programs not only have to focus on the prevailing poverty but also at need to focus on non-poor households that may become vulnerable and enter into poverty in future. Thus, it is essential to gather micro-level evidence to better understand the problem of poverty and economic inequality, and the nature of causalities and determinants. Why some people remain poor or move into poverty over time? Why some of the poor people are capable of moving out of poverty? And what is the status of inequality? For that reason, the main purpose of the study is to know the magnitude of poverty, chronic poverty and economic inequality in rural Uttar Pradesh among the social groups, especially SCs and STs.

1.2.2 Research Questions

1.2.2.1 Question of Poverty and Chronic Poverty

This study attempts to produce a diagnosis of the broad nature of the problem of poverty and its trend across the region among the social groups, relying primarily on household survey data of three district of Uttar Pradesh. India is one of the faster-growing country; the question arises, why poverty has not been declining faster in the fastest-growing states. It is imperative to investigate who is experiencing poverty among social groups in three districts of rural Uttar Pradesh. It is essential to analyze and see whether the distribution of poverty and economic inequality is similar or dissimilar in different societies. These are some of the questions based on a perusal of the vast literature;

- Why is the incidence of chronic poverty much higher among the STs and SCs across different social groups?
- Why some people remain poor or move into poverty over time?
- Why some of the poor people capable of moving out of poverty?
- What is the reason for the slow reduction of poverty among SC and ST?
- Are misidentification and corruption a big problem leading to the slow reduction of poverty?
- What are the trends and determinants of poverty?
- What are the perceptions of the people about poverty, economic inequality, discrimination etc.?

1.2.2.2 Question of Economic Inequality

The wealth distribution and income distribution are one of the most widely discussed and controversial issues today. Inequality has been increasing consistently, and the benefits of the growth are not reaching the poor people. Plato said that in an ideal society the income those on top (Rich) and those on the bottom (Poor), the income of the richest person would not be more than four times of the poorest person. We see that inequality is far more than that which Plato recommended. Some pertinent questions concerning economic inequality are:

- Do technological advances, government policies and welfare programs help to increase the well-being of the people and reduce economic and social inequality?
- Is the inequality increasing because of the concentration of wealth in ever fewer wealthy hands?
- Is the inequality higher in Other Category than the SCs and ST?
- Why has inequality been increasing over time?
- What are the perceptions of people about economic inequality and discrimination?

1.3 Theoretical Background of Poverty and Inequality

There are many theories of poverty, but this study discusses here two main theories. The first theory says poor individual is accountable for his or her own poverty – **Blame the Victim**. Second kind of theories say poverty is produced and reproduced by structural forces- **Blame the System**. The study will briefly discuss these one by one.

Blame the Victim: There is a history of social arrogances that proclaim that the poor individual is answerable for his or her own disadvantageous condition, poor people are not able to succeed because of lack of skill, lack of physical healthy, lack of motivation, being lazy, unintelligent, shiftless and even parasitic. Those poor people who fight against above individual causes of poverty deserve to be out of poverty. Many examples are available in the society, to show the people who worked hard and succeed, and other poor people, who did not work hard, remain chronically poor. So the success and failure depends upon the person (Giddens, 2017).

Murray (1984, American Sociologist) argues that “there was an emerging underclass who must take personal responsibility for their own poverty”, and Murray exempts “those who are poor through ‘no fault of their own’ such as disabled people and widows”. These ideas of

Murray do not show the reality of poverty in case of oldest and youngest, they may be not able to do work and legally prevented from the work.

Blame the System: The second set of theories proclaim that it is the social process which produces conditions of poverty. It is very difficult for poor people to overcome poverty. There are structural forces within and between the society, for instance caste, class, religion, gender, occupation position or ethnic groups, unequal distribution of available resources etc. Because of this, there is lack of ambition among the poor people which often leads toward dependency culture. But it is said that it is one consequence of the people's constrained situation, it is not a cause of poverty (Giddens, 2017).

Tawney (1964) argues that poverty is a feature of social disparity and it led to extremes of poverty and wealth and both are dehumanizing. Extreme poverty led to mere subsistence life and while extreme wealth led to a rich standard of life. **Hickson** (2004) argues that extreme poverty and extreme wealth are disgraceful. There is a need to reduce structural social inequality which will help to eradicate poverty. So, there is no need to blame poor people for their situation. Eradicating poverty is not a matter of changing people's outlooks; it is essential to make appropriate policy and programs which can distribute resources and income equally among society.

The two broad perspectives (blame the individual and blame the system) represent the two sides of debates in economics and sociology, and both examples persist and are seen in India.

1.4 On Poverty and Inequality in India

India is one of the fastest-growing large economies, the second-highest populous country and one of the most massive poverty country in the world, having grown an average of around 7 percent for the last twenty-five years (Banerjee. A et al 2019).

What is India's status and performance on poverty and inequality? Systematic efforts have been made to reduce poverty and inequality over the past seven decades and, poverty declined from 55 % in 1973-74 to 22% in 2011-12, and, the number of the poor has also declined (321 million in 1973-74 to 269 million in 2011-12) (CPR, 2014-15).

Poverty can be defined in a general sense that poverty is the lack of basic necessities such as clothing, food, shelter, and medical care, clean drinking water etc. The vast literature defines that poor people are those who do not have a primary facility such as basic dietary food, cloth,

housing, clean drinking water, sanitation, health care and electricity facility etc. In other words, those who do not have adequate income or consumption, or education, health care, power, and political freedoms. The necessity of one person is not the same a necessity of others. The needs may be relative, and this possibility is based on past experience and social definition (Sen, 1999). “Poverty is an economic and social disease that affect all the groups within the population, but poverty does not affect equally to all the groups” (Mankiw). “Poor are those people whose per capita consumption expenditure standards fall of a poverty line or income fall below the given the poverty line or norms” (Sen, A. 1982). Poverty as “pronounced deprivation in the well-being” (World Bank 2000). The World Bank Report (2008) defines poverty: “a person is considered poor if his or her consumption expenditure declines some minimum level of poverty threshold necessary to meet basic needs”. Poverty means expending on less food consumption, on clothing and on heating (Oppenheim and Harker, 1996). The basic needs vary across the society, states or country and time. In India, each state and sector (rural and urban) uses a poverty threshold to measure the incidence of the poverty line. “Poverty is a call to action –for the poor and the wealthy alike – a call to change the world so that much more may have enough to eat adequate shelter, access to education and health, protection from violence, and a voice in what happens in their communications”- The World Bank (2008).

1.4.1 Absolute Poverty and Relative Poverty

Economists and sociologists usually make a distinction between two types of poverty; Absolute poverty and relative poverty. Absolute poverty is related to the idea of subsistence- the basic needs that must be accessible in order to sustain a physically healthy life. Persons who are unable to access the fundamental necessities- like food, clothing and shelter can be said to live in absolute poverty (Rowntree, 1901, Hagenaars, 1985). Many studies accept that it is not possible to identify a universal standard of absolute poverty, and they discuss the idea of relative poverty which connects deprivation to the overall standard of living in a specific society. People’s wants are not the same everywhere but vary both within and across societies. Relative poverty generally is connected with the general standard of living in a society. Poverty, as measured by an absolute poverty line, may be eliminated by economic growth. If poverty is measured by relative poverty can only be reduced by a reduction in income disparity.

1.4.2 Official Measurements of Poverty

Some studies argue that the official measurement of poverty does not give an accurate picture of poverty (Patnaik, 2013). The extensive studies show that the incidence of poverty is much

higher in SCs and STs among the social groups in rural Uttar Pradesh. Even it is essential to see who is facing more or fewer problems of poverty among social groups. It is also necessary to know whether the incidence of poverty is similar or different among the social groups or society and whether it differs within one social category to others over time. In some cases, people socially excluded because of caste even they are not below the poverty line. The identification of poverty needs appropriate policy action to respond against the incidence of poverty.

1.4.3 History of Poverty Estimation in India

Pre-independence poverty estimates: Dadabhai Naoroji¹ “set the first estimate of poverty line ranging from Rs.16 to Rs.35 per capita per year, based on 1867-68 prices. ‘National Planning Committee (NPC) in 1938 estimated a poverty line ranging from Rs.15 to Rs.20 per capita per month’. Later NPC also formulated poverty line based on a ‘minimum standard of living perspective’ in this estimation, and nutritional requirements were implicit. In 1944, Thakurdas et al.² recommended a poverty line of Rs. 75 per capita per year”.

Post-independence poverty estimates: Working Group 1962; Rs.20 per capita per month rural areas and Rs.25 in urban areas at the national level. Task Force 1979 (Alagh); Rs.49.09 per capita per month rural areas and Rs.56.64 in Urban areas in India. Expert Group 1993 (Lakdawala); “the expert group did not redefine the poverty line. It retained the one defined by the Task Force (Alagh) which was at the national level in rural and urban areas”. Expert Group 2009 (Tendulkar), if per capita per day expenditure of the peoples is less than Rs.32 for urban areas and Rs.26 for rural areas at the national level they are to be considered as BPL. The earlier methodology, devised by Tendulkar, had defined “the poverty line at MPCE is Rs.816 for rural area and Rs 1,000 for urban area , based on the NSSO data for 2011-12 (Expert Group: Tendulkar, 2011-12).Tendulkar methodology uses implicit prices derived from quantity and value data collected in household consumer expenditure surveys for computing and updating the poverty lines.” The Planning Commission in May 2012 had constituted the expert group under chairman C Rangarajan to review the Tendulkar Committee methodology for estimating poverty. This new poverty line thus work out to MPCE of Rs.972 in rural areas and Rs.1,407 in urban areas in 2011-12 (The Expert Group: Rangarajan, 2012).

¹ “Poverty and the Un-British Rule in India”. “The poverty line proposed by him was based on the cost of a subsistence diet consisting of ‘rice or flour, dhal, mutton, vegetables, ghee, vegetable oil and salt”

² Authors of the ‘Bombay Plan’ (Thakurdas et al 1944)

1.4.4 Inequality

There have been huge disparities in the living standards among the social groups in India. Thus, there is a need for much more public discussion as well as political engagement. There is a need to develop social and physical infrastructure that lead the socio-economic development such as quality of life of the people (supply of water, electricity, education, health, public transport, drainage, garbage disposal and others). Hence there is an urgent need to address the crucial issues of inequalities, poverty, unemployment, and deficiencies.

Valentine (1968) says that “the essence of poverty is inequality. In slightly different words, the basic meaning of poverty is relative deprivation.” Prof. Simon Kuznets, in his famous empirical work “Economic Growth and Income Inequality” argues that income inequality is more in low developing countries than in developed countries.

“We have this liberty in order to reform our social system, which is full of inequality, which conflicts with our fundamental rights.”- Dr. B.R Ambedakar

“Equality simply means that everybody should have enough for his or her needs. The contrast between the rich and the poor is a painful sight”- Mahatma Gandhi

As we know India in recent times has been one of the fastest growing countries in the world, and also one of the unequal country. Economic inequality has been increasing sharply. The rich people are becoming richer at a much faster pace, while the poor people are still facing a huge problem to earn a minimum wage and access basic necessities of life such as quality education, healthcare facilities, clean drinking water, electricity etc.

“What is particularly worrying in India’s case is that economic inequality is being added to a society that is already fractured along the lines of caste, religion, region and gender.” Prof. Himanshu (OXFAM, 2018)

1.5 Literature Review

Above section discussed theoretical foundation of poverty and economic inequality. This section will deal with a short review of studies related to chronic poverty, poverty and economic inequality. The section is further divided in four parts:

1.5.1 Literature Review on Poverty

A Sen (Sen, 1984, 1987, 1992, 1999, 1993) developed human capabilities approach, where he argued that “human development needs to be seen as a process of expanding the capabilities of the people” and the real problems of poverty can be identified in terms capabilities approach. He makes a distinction between the capability poverty and income poverty, and argues that capability poverty is more important and it refers to lack of access to opportunities, entitlements and choices.

Sen proposes development as freedom and it incorporates education as well, which increases the capability of the individuals. He also argues that the relationship between the low capability and low income varies among the social groups and from person to person. The quality of education can very meaningfully influence the capability poverty and income poverty. The reality is that lack of access to quality of education is itself capability poverty. Capability poverty eradication can be possible through enhanced investment in quality of education for the poor individuals.

Sen rightly points out that eradication of income poverty alone can not be the goal of anti-poverty policies. The quality of education creates a part of individual freedom and individual capability. He also recognizes the public good nature of education, especially basic education, which is possible through public investment. The educational advancement constitutes and provides as the right and entitlement to everyone.

The important strength of both the approaches (human capital and human development) lies in their policy implications for our development thinker and policy makers. Sen suggested very simple and straightforward policy implications: the quality of education for everyone should be given a main concern in development agenda as the quality of education is development and it contributes social, economic and political development. This progress and development is true for the individuals, households, communities, social groups and nation as well (Sen, 1999).

Kotler, P. et al., (2009), The people of India facing huge problems – corruption, crime disease, hard drugs, environmental sustainability, unemployment, inflation, illiteracy – among these poverty is most persistent and shameful, and it generates greatly to the other difficulties. The various studies highlight that the poor people suffer more health and unemployment related issues because of a hard life, hopeless, and social problems lead into more complicated lives, and poverty transfers its poison on the rest of humanity. The anti-poverty programs started in the nineteenth century and they continue today.

Banerjee, and Duflo, (2011), In India, around 400 anti-poverty programs has been running and it continues today but still incidence of poverty persist. Understanding the lives of poor people is a big task.

Dandekar, V. M., & Rath, N., (1971), argued that the slow development, unequal distribution of income, and unequal distribution of gains of development is the main problem in India specifically for the poor people.

Patnaik, U. (2007) argues that the prevalence of absolute poverty is much higher in India (2004-05), and that the neoliberal policies impacted adversely on poverty. The method used by the Planning Commission and other academics have rendered irrelevant the question of nutrition norms and thus it shows that poverty has declined. She claims that her study proves that these estimates of poverty as well as poverty comparisons at all India levels are invalid. The official estimates of poverty show that the incidence of rural poverty was 28.3 percent, and her estimate of poverty shows that 87 percent of the persons are below the poverty line in rural India 2004-05. So her study reveals the huge differences and higher poverty.

Patnaik, U. (2013) updated earlier poverty measurements and did a comparative analysis of MPCE and associated calorie-intake data of official poverty figure 2004-2005 to 2009-10, and found that people are unable to reach minimal required calories intake through their MPCE on goods and services. She suggested that the higher prevalence of poverty must seen in the context of neo-liberal policy, global recession, high food inflation, rise in unemployment and drought of 2009-10. She also talks about some positive developments such as MGNREGS. Finally she proclaimed that the decline in the official poverty ratio is spurious.

Bradshaw, T.K. (2006) discusses five challenging theories of poverty. The most rural development policies and programs aim to eradicate poverty. The five theories of poverty are the following: first is individual deficiencies theory, second is cultural belief systems theory, third is political and economic distortions theory, fourth is geographical differences theory and fifth is cumulative and circumstantial origins theory. Then this study tried to find out how each theory has some similar policy-related discussions and programs for community development which may help to eradicate poverty. He also proclaims that no one theory of poverty explains all the cases of poverty. This paper tries to show that the community development program is more effective to eradicate poverty compared to other programs and policy.

Sengupta, A. (2010) analyses poverty eradication from a human right perspective. He defines extreme poverty in terms of a combination of human development, poverty, income poverty and social exclusion, which show the extreme vulnerability of one section of the poor people.

This paper also sees the significance of extreme poverty in terms of human rights and the role of anti-poverty programs. There is a need for empirical and theoretical studies to improve and refine the rights-based process is to fight for poverty reduction.

Tilak (2002) Poverty is conventionally well-defined in terms of expenditure in India and other country, and poverty is measured in terms of the inadequacy of monthly per capita consumption expenditure (MPCE) needed for a basic minimum amount of diet for survival. An important goal of the central and state governments of India has been the eradication of poverty, and many international development organizations such as UNICEF and World Bank also have been continually working on this issue. Various government policies and programs towards eradication of poverty involve direct and indirect measures such as providing food, pension for poor, employment, education, health and other services, which help poor people to increase their well-being and get out of poverty trap.

One important approach sees in human capital approach an important source of poverty eradication. This approach recommends that investment in education leads to a human capital formation such as productive knowledge and skills, and more valuable human capital, and this increases the output and income of the people, which is one of the significant sources of financial and social development. Furthermore, many studies found that there is a positive relationship between level of quality education and earnings (Tilak 2002; Sengupta, A., 2010) In the basic needs approach, level of education is recognised as a basic need in itself that assist in completion of the other elementary necessity, and helps to improve the well-being of the people. Human capital approach was developed during the mid-1970, “Education is itself a basic need and equality of access to educational services, particularly in rural areas, is, therefore, an important ingredient of a basic needs strategy” (ILO, 1977).

Various studies found that the “systematic change often should start from the bottom up rather than the top-down”. Education is the great equalizer, so poverty can be reduced through the power of education. Quality education is one of the very important instruments to eradicate poverty through fulfilment of the basic necessities of life such as shelter, better utilization of health services, clean drinking water, sanitation and so on, and it is also bringing changes in the human behaviour (Tilak 2002; Jeffery and Basu 1996; Abhijit Banerjee, 2019). The World Bank (1980) has discussed that achievement of one of the basic needs can be helpful to the fulfilment of others basic need, and equally, lack of one of the basic needs has an adverse effect on fulfilment of other basic needs such as health, nutrition, clean and clea drinking water, education shelter.

The literature investigated suggests that extreme poverty is not only a low incomes problem, but that poverty is a multidimensional obstacle that provides fewer opportunities for developing education and human capital (World Bank, 1994). Hence, the government should focus on investment in human capital, especially in the quality of education as a means to eradicate poverty. The prevalence of human poverty is more than income poverty. The denial of human rights itself constitutes poverty, and educational deprivation becomes a part of human poverty (UNDP, 1997).

A Sen (1999) developed Human Capabilities Approach (HCA) where he argued that “human development needs to be seen as a process of expanding the capabilities of the people and the real problems of poverty can be identified in terms capabilities approach”. He makes a distinction between the capability poverty and income poverty and argues that capability poverty is more important and it refers to lack of access to opportunities, entitlements and choices. Sen proposes the development as freedom which incorporates education as well, which increases the capability of the individuals. He also argues that the relationship between low capability and low income varies among the social groups and person to person. The quality of education can influence the human capability poverty and income poverty. The reality is that lack of access to quality education makes society incapable of poverty reduction. Poverty eradication can be possible through enhance investment in the quality of education for poor individuals (Sen, 1984, 1987, 1992, 1999, 1993).

Sen rightly points out that eradication of income poverty alone can not be the goal of anti-poverty policies. The quality of education creates a part of individual freedom and individual capability. He also recognizes the public good nature of education, especially basic education, which is possible through public investment.

The important strength of both approaches (human capital and human development) lies in their policy implications. Sen suggested some straightforward policy implications: the quality of education for everyone should be the main concern in development agenda as the quality of education is development and it contributes social, economic and political development. This progress and development holds true for the individuals, households, communities, social groups and nation as well (Sen, 1999).

The access to quality education is denied to many people certain social groups such as SCs and STs in rural Uttar Pradesh, and this study also found that many STs and SCs people are illiterate. Most of the people among the STs and SCs who had passed High School, Intermediate and Graduation, do not know, what is the use of such types of degrees. The people

think that they blame the education system did not provide good quality education. Studies find that those who educated less likely to be poor.

1.5.2 Literature Review on Inequality

In India, vast literature is available on income inequality- actually most of it deals with consumption expenditure (Swaminathan and Rawal, 2011). Some studies have estimated income inequality and found high-income inequality in rural India. These studies were based on NCAER (National Council of Applied Economic Research) data. Azam and Sharif (2009) found that the “Gini Coefficient” for rural incomes increased from 0.46 (1993-94) to 0.50 (2004-05). One other important study (Nanneman and Dubey 2010) used the same dataset and they found similar result. Although these two studies used the same dataset but they found different measure of income inequality. These studies give a rough idea that the magnitude of income inequality is high in rural India. Swaminathan and Rawal (2011) found extremely high income inequality in their study based on a village survey.

The economic inequality and wealth distribution are one of the most widely discussed issues today. There are two important opinions among the scholars, one opinion suggests that inequality has been increasing, and these fundamental disparities permit one section of the society access to policy-related material choices, while denying another section of the society those very same choices. This is becoming unjust for one section of society. Another view is that inequality is naturally shrinking or that harmony will come automatically (Thomas Piketty 2014).

Poverty, starvation and economic inequality have been in existence for many centuries, and it has been a big challenge to fight against these obstacles for the developing countries. Many economists have argued that India has been achieving fast growth in comparison to other developing countries, but the benefits of the growth have not equally reached to the poor people, and the income of the poor people has increased at much slower than the average (Kakwani, 1993; Ahluwalia et.al.,1979).

Kakwani N (1993) analyzed that the degree of destitution depends on two essential factors, one is the “average level of income”, and second is the “degree of inequality” in the income distribution. Poverty declines when there is an increase in the average income, and an increase in inequality increases poverty. There can be a possibility to reach a situation where an increase in inequality may have no impact on poverty, although such conditions are highly improbable.

The economists have a general impression that “poverty has continued at a higher level, mostly due to the worsening income inequality” (Ahluwalia, 1974).

1.5.3 Literature on Uttar Pradesh

Poverty is the failure to achieve basic capabilities (Sen 1999). Chronic poverty is disgraceful, dishonourable and unjust condition that disturbs humankind. Most of the people see the problem as unsolvable. Many of the poverty eradication programs have already failed to make a significant difference. People sometimes also point out that earlier remedies have further aggravated the condition of the poor. Some argue that assisting the poor increases the dependency and produce a culture of poverty that persists from one generation to other generation. Generally people blames that the poor are poor for their own created problems. The poor are poor because some of the poor are shiftless, lazy, and foolish or even parasitic (Kotler and Lee, 2009). Poverty leads to an intolerable waste of talent. As he rightly puts it, “poverty is not just lack of money; it is not having the capability to realize one’s full potential as a human being” (Sen, 1982).

The magnitude of the misidentification of the poor is tragic in rural and urban Uttar Pradesh. Many of the rich (APL) people are taking the benefits usually meant for the poor as provided by the government. Similarly, many of the eligible poor people are not identified as BPL, and so they are left out of all facilities or schemes provided by the government. The misidentification could be a main cause of the failure of the government policies. Poverty reduction is the main goal of the policy makers but progress towards this goal is rather slow. Of course, there are many areas in which the central, state governments and the private sector have done excellent work and contributed to the country’s general prosperity. One of the major issues in development debates is how to tackle poverty, especially rural poverty among the Scheduled Castes and Scheduled Tribes. The incident of poverty differs significantly across all social and occupational groups. Rural poor and low income people have limited access to productive assets and possess low capabilities in terms of education, health, and social capital. The social segregation, initial inequality, unemployment, low growth rate, failure of the government policy, illiteracy and corruption are the important causal factors for poverty in India. The Scheduled Caste and Scheduled Tribe are worst hit by the problem of poverty.

The Constitution of India provides the basic premise for undertaking the public policy but in practice, there are several other factors which are influencing such policies. For example, most

of the public policies and programs are initiated at the time of elections in order to gain the vote banks by making the poor people realize that the government is populist in the actual operatives.

The fact is that the incidence of poverty varies considerably between rural as well as urban areas, among the different regions and the different social and religious groups. There is no doubt that some achievements have been made in reducing the incidence of poverty in the country but it has not attained the levels as targeted by the Governments. The Head Count Ratio (HCR) is obtained by using urban and rural poverty lines as specified by the National Institution of Transforming India Aayog (NITI Aayog) which are applied to the monthly per capita expenditure (MPCE) distribution of the states.

In rural Uttar Pradesh, the availability of Government health facilities near the village is negligible. It's available either at the Block level or at District level. The availability of private and unqualified (*Jholachhap*) doctor is 24x7. Sometimes it may be suitable for seasonal and normal disease and bad in the sense of huge fee and test charges in the name of chronic and another killer disease. The people do not want to go to government hospital because of long distance and non-availability of doctor and medicine. The huge expenditure on sickness of the family members, marriages, social ceremonies, education of the children and other expenditure ate up entire saving and borrowing. Due to tough and long process of institutional credit, poor people borrow money from informal sources: it is good in short-run but in the long run it becomes a huge problem because of high interest and most of their earning goes for debt payment. Most of the heavy expenditure of rural households incurred in food and non-food items because of hard work. Because of large expenditure, poor household is not able to accumulate savings for further future large expenditure, so borrowing is the only source for meeting large expenditures. For the Rural households, a single large non-institutional debt is enough to push down into vicious circle poverty. Because of aforesaid, it very difficult to come out from vicious circle of poverty. There is need for some new and good source of income that can break the vicious circle of poverty. **D M Diwaker (2009)** says that with the transfer of centralizing power from the British, the government of India adopted a decentralized and mixed (private and public) approach to address the tasks for reconstructing the economy.

Ojha, R. K. (2007) study is based on the primary data. This paper argues that the incidence of poverty has declined in all the regions and highest reduction is for in the SCs among the social group. This study reveals that some APL households became BPL (7%) due to various reasons

such as large expenditure on illness, marriage and other social ceremonies, job loss, crop failure etc. Around 39% of the household remained poor (Chronic poverty).

Many poor households had come out of poverty because they helped themselves and worked very hard to come out of poverty. The literature reported that there were many factors becoming the ladders of escape from poverty such as migration, trade, business, taking up of animal husbandry and dairy, general stores, electronic shop, bicycle repairing, flour and rice mill etc. The study found that no households could escape of poverty through wage employment programs run by the government (Ojha, R. K. 2007).

The caste system in Uttar Pradesh is seen as a problem which always crosses the path of social, economic and political development. The caste system is more harmful to the poor people if people belong to the SC and ST; more the casteism prevails, more the poverty. In India, the caste system was based on the occupation, higher castes people were having an opportunity to choose a top occupation and lower caste, especially from SC and ST were assigned lower and difficult occupations.

The literature highlights that caste in India continues to play a significant role in the social, as well as economic life in the village India. Especially the people, belonging to the Scheduled castes and Scheduled tribes (Dalits) has faced caste discrimination and untouchability for many centuries, and are excluded in terms of social and economic advantages. (Rawal and Swaminathan, 2011). There are many theoretical and empirical studies available on the caste discrimination against SCs and STs, and their socio-economic status in comparison to other higher caste and social groups (Deshpande, 2011; Thorat 2009).

1.5.4 Literature on Social Groups

The socio-economic condition of the Scheduled castes (SC) and scheduled tribes (ST) has been very poor *over long periods in the past*. In the constitution of India, there is provision for affirmative state action. The socio-economic status of the SC has been at the bottom of the pyramid of the Hindu social castes hierarchy, which is based on birth.

K Sundaram, Suresh D Tendulkar (2003) highlight that STs and SCs have been mentioned in the Constitution of India for affirmative state action. The SC and ST people are not only at the bottom of the social caste hierarchy but they also have been characterized in terms of low productivity. The society, institutions and castes hierarchy did not provide full occupational mobility. Because of this the socio-economic condition of this group remained at the bottom

of social caste hierarchy. The intensity of caste-based discrimination and untouchability practices varied in different states. In rural Uttar Pradesh, the SCs and STs people remained on the fringe of rural village society and economy. The social-economic condition of these groups has been improving with some exposure to educational opportunities.

In some parts of the Uttar Pradesh (Village –Chiutidand, Mau District), some ST people did not face social caste hierarchy because in fact they had changed their identity (Other categories to ST). The socio economic condition of the STs as well SCs in some traditional rural villages is bad because of lack of education attainment, and being excluded from the social mainstream.

Whereas some of the SC and ST people have benefited with technological advancement and educational accomplishment because they were excluded from their traditional occupation by birth, some other SC and ST people have been facing substantial economic problems because of technological advancement having excluded them from their traditional occupation. Nowadays, anyone from any caste can choose any occupation.

The literature highlights that caste in India continues to play a significant role in the social, as well as economic life in the village India: especially the people belonging to the scheduled castes and scheduled tribes (Dalits) have faced caste discrimination and untouchability for many centuries, and are excluded in terms of social and economic advantages. (Rawal and Swaminathan, 2011). There are many theoretical and empirical studies available on the caste discrimination against SCs and STs, and their socio-economic status in comparison to other higher caste and social groups (Deshpande, 2011; Thorat 2009).

In India, many people have been experiencing greater socio-economic inequality and caste based discrimination in their daily life. Rural as well as urban areas where a few people have a lot of wealth and at lot of people have almost nothing, and in this condition if you are born chronically poor you will almost live and even die poor. It has been happening because where people do not have access to equal opportunity and good quality education, poor people trapped in the vicious cycle of poverty and transfer their poverty generation to generation.

Many studies suggest that poverty can be eradicated through the power of education and providing the poor people with several basic goods and services: food, housing, clean drinking water and sanitation, electricity, health care and free education. There are three important strategies required for success of poverty eradication. First, financing must be appropriate to make sure that the goods and services needs can be distributed at costs affordable to the poor. Second, service setups are required to distribute these services in the forms suitable for

consumption by the deprived, specially in identified the areas where the poor live (Perkins, 1992). Third, there is an urgent need to take appropriate action against caste-based discrimination, fraudulent change of identities (from general category to STs and SCs) and untouchability. Under the basic need programmes, the goods and services must be subsidized. Otherwise, it will not work because the poor people will either expend more incomes on the basic goods and services or not take advantage of it at all, so it would be very difficult to break the chain of the vicious circle of poverty (Nurkse, 1953). It can be only be broken by the huge investment on those poor who has been living at the bottom of the pyramid. The massive investment in human capital will improve the well-being of the people. Access to education, health care, housing, electricity, road, clean drinking water and other social expenditures can improve the quality of life (Perkins 1992; Banerjee 2011; Drèze 2019). As Kofi Annan put it, “poverty is intolerable in a world full of plenty.”

1.6 The Context and Justification of the Study

Uttar Pradesh (UP) is one of the most populous state of India. Poverty continues to be a major problem in many parts of India. Among Indian states, Uttar Pradesh alone accounts for 18.9% of India's total poor. Uttar Pradesh is India's biggest state and also one of the poorest state. Despite recent signs of development, UP still faces significant challenges in sinking poverty in its several economic and non-economic dimensions and improving safety and well-being for all citizens. The poor are a heterogeneous group, they are underprivileged not only in material terms, but also have low human development, and live in an uncertain and sometimes threatening environment. Lower caste men and women face particular difficulties. Poverty is caused by low levels of assets (public, private goods, services, and social capital) coupled with low and uncertain returns.

1.6.1 Research Gap and Contribution of the Study

This study analyzes the secondary data of NSSO 61st and 68th round unit-level data. NSSO has used a stratified multi-stage sampling design, and the sample size for the different strata has been in ‘proportion to the population’ as per census. Total population of the STs in UP is 0.6 percent as per census 2011 (see Table 2.1). This study analyzed the unit level data of two NSS rounds and found that sample size of STs is very small or even zero at the district level and so, it does not allow to obtain useful results of incidence of poverty and other important problems. The sample size of ST (see Table 1.1) is one of the important gaps.

Table No.1.1: Sample size: The NSSO 68th round, Uttar Pradesh

Sample Size Taken by NSSO 68th round, Uttar Pradesh										
Azamgarh					Mau			Ballia		
Group	Groups	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
ST		0	0	0	0	0	0	7	0	7
SC		249	20	269	142	0	142	171	0	171
OBC		511	134	645	239	109	348	352	136	488
Gen		95	44	139	10	11	21	67	55	122
Total		855	198	1,053	391	120	511	597	191	788

Source: Author's estimate from "NSSO 68th round unite level data" (2011-12)

There is a big gap between the constitutional provision to equitable development and an unhappy report card on the fight to end poverty and reduce inequality. Another important gap is paucity of studies on misidentification & identity change on the one hand and 'perception based' study of poverty, chronic poverty, economic inequality and caste discrimination on the other hand. To enrich our understanding of the problem, this study tries to understand the perception of poverty, misidentification, chronic poverty and economic inequality among the various social groups.

1.7 Objectives of the Study

The specific objectives of the study are as follows;

- I. To estimate the magnitude of poverty, chronic poverty and inequality between and within the social groups.
- II. To estimate the magnitude of misidentification of the rural poor.
- III. To identify the socio-economic factors associated with persistence of chronic poverty and economic inequality among the STs and SCs, in the light of the nature of historical exclusion.
- IV. To analyze the perception of the people on chronic poverty, economic inequality, caste based discrimination & untouchability, and social protection schemes and social status among the social groups.
- V. To identify the factors or determinants of poverty in rural areas and estimate their impact on STs and SCs.

1.8 An Outline of the Thesis

The thesis has eight chapters.

The first chapter “Introduction: The Problem of Poverty”, deals with the background of the study, literature review, research objective, research questions and gap of the study. Besides this chapter also has a discussion on theoretical background and definition of poverty and inequality. Second chapter is devoted to research methodology, database and area of fieldwork and it also presents detailed description of primary as well as secondary data sources and sampling design, as well as about the econometric model (Logistic Regression Model) used later. Third chapter focuses on an analysis of poverty and inequality among the social and religious groups across regions in Uttar Pradesh. Fourth chapter on Chronic Poverty in Uttar Pradesh: An Empirical Analysis provides estimates of incidence of poverty, and chronic poverty. Fifth Chapter puts forward a “Logistic Regression Model” to Identify Important Determinants of Poverty in Uttar Pradesh. Sixth Chapter presents an analysis of inequality in Uttar Pradesh and also decomposition of the Gini by expenditure sources. Seventh Chapter is concerned with a study based on the Villagers’ Perceptions of Chronic Poverty and Inequality in these study villages of Rural Uttar Pradesh. The Eighth Chapter is the concluding chapter of this study and it focuses on the main findings of the study, its policy implications and limitations of the study. It also suggests areas for future research.

Chapter 2: Research Methodology, Database and Area of Fieldwork

“We need to ask the moral questions: Do I have a right to be rich? And do I have a right to be content living in a world with so much poverty and inequality? These questions motivate us to view the issue of inequality as central to human living.”

- Amartya Sen (2004)³

2.1 Introduction

The research methodology and data sources guide and motivate to answer of the raised research questions. This chapter provides a basic understanding of the rationale behind the selection of study area of three districts Azamgarh, Mau and Ballia in rural Uttar Pradesh, explains the methodology, data sources, sample design for household survey, instrument of the primary data collection and methods of empirical analysis. It also provides a brief introduction to the area (villages and districts) chosen for this study.

This study is in the nature of a Case Study Research (CSR). The case study is an inquiry which highlights, describing, predicting and achieving a deep understanding of the household or individual activities (Woodside, A. G., 2010). “A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, spatially when the boundaries between phenomenon and context are not clearly evident” (Yin, R.K., 1994). This study has used two important ‘Schedules’ for data collection from the household survey: First is a schedule on ‘Consumption Expenditure, Profile and Other Details of the Households’ and the second ‘schedule’ is a perception questionnaire related to ‘Poverty, Inequality, Castes Discrimination and Social Status’ (attached in Appendix 1). Data is collected through these ‘schedules’ from 447 and 210 households respectively.

2.2 Selection of Study Area

The selection of the study area is a challenging task for the researcher, and it is an essential thing in the study on primary data. The selection of study area has to keep in view the insights

³ Barsamian, D. (2004). Louder than Bombs: Interviews from the Progressive Magazine. South End Press.

gained from the vast available literature on ‘poverty and inequality’ and sources of secondary data. The ‘Eastern Region’ of Uttar Pradesh shows substantially high population of the SCs and also some population of STs. There is incidence of persistent poverty in this region. The existing literature highlights persistence of caste hierarchy, caste discrimination and untouchability in Uttar Pradesh, seen as significant obstacles to development of the poor people, especially STs and SCs.

Further knowing local language (Bhojpuri, Hindi) and availability of economic, political, cultural, social information and an understanding of local issues was a facilitating factor for selecting Azamgarh, Mau and Ballia districts for current research.

2.3 Design, Sample Size and Primary Data Collection

Azamgarh, Mau and Ballia districts are administratively divided into 22 blocks, 9 blocks and 17 blocks respectively. As per the census 2011, in these three districts, more than one crore people reside. The population of the Scheduled Tribes is very small in all the three districts (Azamgarh - 0.2%, Mau-1%, Ballia-3.4%) as well as in Uttar Pradesh (0.6%) as a proportion of the total population, in comparison to the other social groups. This study focuses on rural households. Around 78% population of Uttar Pradesh lives in the rural areas, and in these three districts this percentage is higher than the average rural population [in case of Azamgarh (rural-92%), Mau (77%) and Ballia (90%) district] (Table 2.2).

Given the estimates of prevalence of poverty in Uttar Pradesh, this study has estimated adequate sample size required of the study of poverty in Rural Uttar Pradesh by using the sample size determination formula i.e.

$$n = \frac{Z^2 \cdot p (1 - p)}{e^2}$$

Where, Z is z-value for 95% confidence level (or 5% significance level); p = proportion of BPL population; and e = acceptable margin of error. Z-value = 1.96; and for purpose of determining a minimum sample size, we take approximate value of p = 0.4 and e = 0.05. Thus, we have

$$n = \frac{1.96^2 \times 0.4 \times 0.6}{(0.05)^2} = 370 \text{ (rounded)}$$

The sample size and number of households selected from each village is presented in Table 2.1. The total of five villages were selected from the three districts.

2.3.1 Selection of Villages

The multi-stage sampling procedure followed in the selection of the villages and households. We used stratified random sampling for selecting villages and then households within villages. The names of the selected villages and sample size is as follows (Table 2.1)

Table No.2.1: Village Wise Sample Size (Number of Households)

District Name	Block / Tehsil	Name of the Villages	Sample Size	Percent
1. Azamgarh	Palhani	Unchagaon	125	28
	Palhani	Salarpur	19	4.3
2. Mau	Badraon	Chiutidand	51	11.4
	Fatehpur Madaun	Dubari	129	28.9
3. Ballia	Murli Chhapra	Sonbarsa	123	27.5
		Total	447	100

Source: Author's own work for Primary Survey.

Table No.2.1.1: Sample Size by the Social Groups.

Social Groups	Sample		Population	
	Number	Percent	Number	Percent
Scheduled Tribe	115	25.73%	675	23.4
Scheduled Caste	127	28.41%	787	27.3
OBC	111	24.83%	796	27.6
Other	94	21.03%	626	21.7
Total	447	100	2884	100

Source: Author's own work for Primary Survey.

The sample distribution by the social groups is provided in Table 2.1.1. This also provides the population size (total number of households) in each social group and it is seen that the sample is broadly representative of the population in terms of their respective proportions of the total number of households in these five villages.

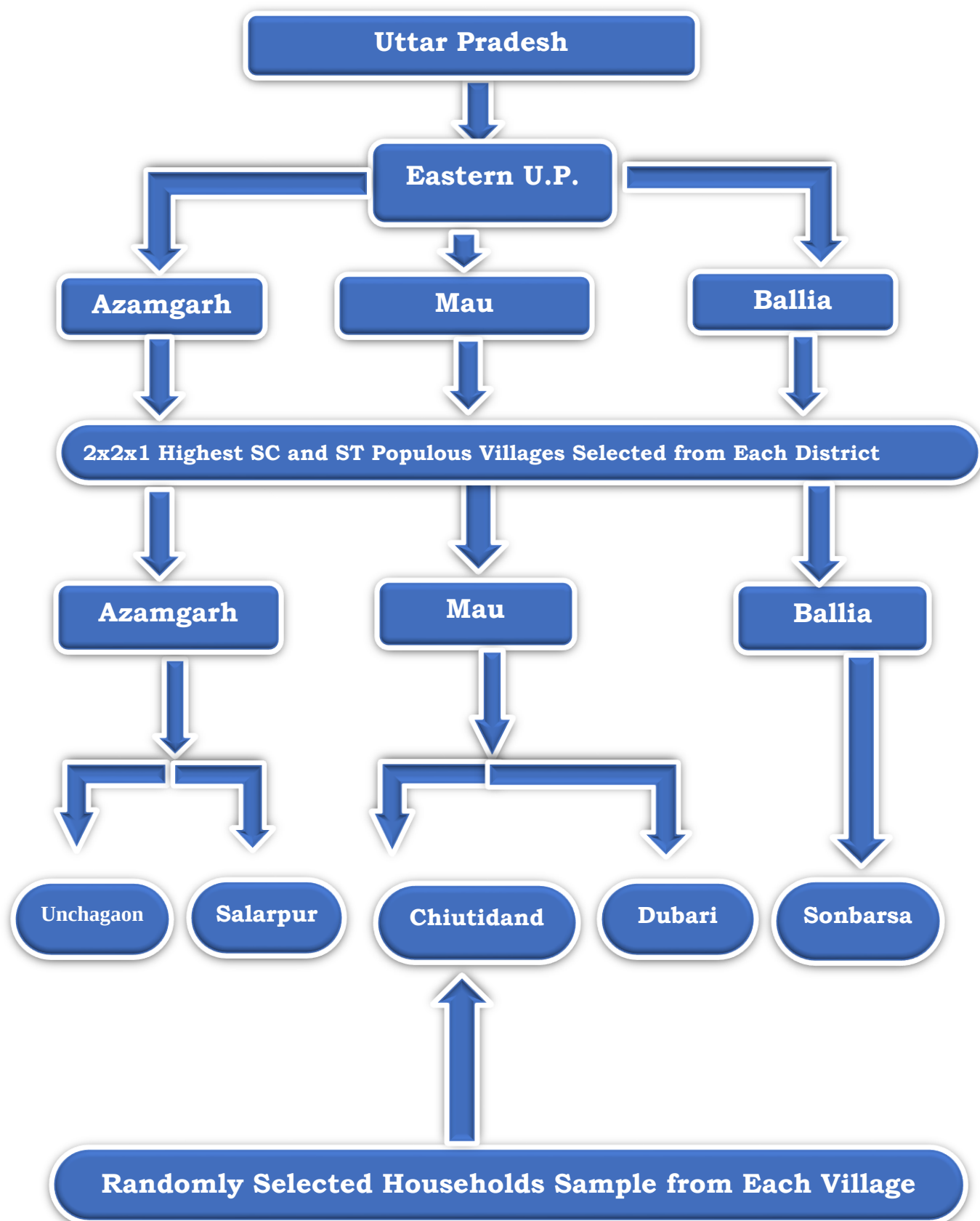
Table 2.2 shows the profile of three districts of Uttar Pradesh, with the details of the rural-urban and total population, sex ratio, literacy among the SCs and STs of three districts of UP, it shows that around 78 percent of the population lives in the rural areas. The total population of SCs and STs is 23 and 0.6 percent of the total population of Uttar Pradesh respectively. The literature highlights the importance of education for the well-being of the people and as a factor to reduce poverty. Among the poor people who belong to SCs and STs, a few people are educated. We see that the illiteracy rate is much higher among the SCs and STs in comparison to the OBC and Others.

Table No.2.2: Social Profile of the State and Selected Districts

District	Azamgarh			Mau			Ballia			Uttar Pradesh		
Blocks	22			9			17			821		
Villages	4101			1610			2361			106774		
Population	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
Total Population (Absolute)	4613913	4220512	393401	2205968	1706760	499208	32,39,774	29,35,665	3,04,109	199812341	155317278	44495063
Total Population (%)	100	91.5	8.5	100	77.4	22.6	100	90.61	9.39	100	77.7	22.3
Scheduled Castes Population												
Population of SC (Absolute)	1171378	1123453	47925	474,537	422,657	51,880	4,94,698	4,66,723	27,975	41357608	35685225	5671381
Population of SC (%)	100	95.9	4.1	100	89.07	10.93	100	94.34	5.66	100	86.29	13.71
% of SC of Total Population	25.4	26.6	12.2	21.5	24.8	10.4	15.3	15.9	9.2	20.7	23	12.7
Scheduled Tribes Population												
ST population (Absolute)	9327	8276	1051	22,915	21,302	1,613	1,10,114	99,178	10,936	1134273	1031076	103197
Population (%)	100	88.7	11.2	100	92.97	7.03	100	90.07	9.93	100	90.91	9.09
% of ST of Total Population	0.2	0.2	0.3	1	1.2	0.3	3.4	3.4	3.6	0.6	0.7	0.2
Sex Ratio (Females/1000 Males)												
Sex Ratio	1019	1026	945	979	987	951	900	901	893	912	918	894
Literacy Rate (%)												
Persons	70.9	70.3	77.3	73.1	71.8	77.5	70.9	70.2	77.6	67.7	65.5	75.1
Males	81.3	81.2	82.6	82.5	82.3	82.9	81.5	81.2	84.1	77.3	76.3	80.4
Female	60.9	59.9	71.7	63.6	61.3	71.8	59.8	58.6	70.4	57.2	53.7	69.2
Literacy Rate Scheduled Castes (%)												
Persons	63.9	63.9	65.6	68	68.2	65.9	65.1	65.3	61	60.9	59.8	67.5
Males	75.9	75.9	74.8	78.8	79.3	74.6	77.6	77.9	72.4	71.8	71.1	75.6
Female	52.4	52.3	55.5	56.8	56.9	56.3	51.5	51.7	48.3	48.9	47.3	58.2
Literacy Rate Scheduled Tribes (%)												
Persons	70.3	69.2	79	73.9	73.5	79.6	66.8	66.7	67.7	55.7	54.5	67
Males	80.6	80.9	86.9	83.6	83.4	86.8	78.1	78.3	78.3	67.1	66.2	74.8
Female	59.1	57.6	70.6	64.5	63.9	71.8	54.9	54.5	58.6	43.7	42.3	58

Source: Census 2011

Figure No.2.1: Sample Design for the Primary Data Collection



2.4 Sources of Data

The study is based on primary as well as secondary data. In addition to quantitative data, there was also collection of qualitative data based on a perception survey.

2.4.1 Primary Sources

The primary data is collected from sample households with the help of structured schedules. This study has used two types of structured Schedules; the first Schedule is ‘Socio-economic Survey: Consumer Expenditure’ and the second Schedule is ‘Socio-economic Survey: Perception-based’.

The household level and individual level survey was designed and carried out during the February - December 2017. The main focus of the survey is to collect information on household characteristics, demographics, occupation, earning, consumption expenditure (food-nonfood), assets of households, amenities, health services, availing of Government Schemes, self-observation/assessment of poverty and related issues, social status, and perceptions of households regarding the sufficiency of food. The perception related questions were also framed and asked to understand the socio-economic condition of the people, compared with 15 years ago, mainly on the issues of poverty, chronic poverty, inequality, caste discrimination, untouchability, social and moral values, availability of jobs, major and minor causes of poverty, the financial situation today, and government welfare schemes.

2.4.2 Secondary Sources

This study obtained secondary data from various sources. “NSSO 61st round: July 2004-June 2005 and 68th round: July 2011- June 2012”. This two-round unit-level data has been used. This 61st and 68th round of NSSO data are on Household Consumer Expenditure in India, which also provide data on household characteristics, demographic and another particulars of household members, and expenditure on level of education and health etc.

The other important sources of secondary data is ‘India Human Development Survey’ (IHDS), 2004-05 and 2011-12 on consumption expenditure, income from other sources, ration card and other programs, level of education, and wage and salary work etc. to understand the social and economic condition of Uttar Pradesh. This study also used District Census Handbook of Azamgarh, Mau and Ballia, Census of India 2011.

NSSO is one of the vast sources of information in India. However, it has same limitations with respect to objective of the present study. NSSO has been collecting various information in

different rounds on consumption expenditure at India level. The sample size of STs selected by the NSSO is very less in rural Uttar Pradesh, because of proportionate population sampling. Some significant information is not available in any data source. There are various other information and a deep understanding of the villages that is required for understanding the problem of chronic poverty and other important characteristics for this study to meet the objective of the study. This kind of information is not available in NSSO data, in particular about income, chronically poor people, social status, discrimination etc. Thus, to get insights from the field and meet the objectives of the study there was a need to conduct a detailed household survey through structured 'Schedules' through intensive field work.

2.5 Data Collection Tools

The collection of data through filling the well-designed pre-tested structured 'Schedules' was started in February 2017 and concluded in December 2017. The pilot survey was carried out on 25 households from 'Kothiya' village (this village was not from the selected sample villages), and test the validity of the Schedule concluded in the last week of February 2017. The pilot survey helped to solve the unwarranted and some irrelevant questions which were related to personal information of the households. This study crosschecks and rechecks were done to minimize the errors and subjective biasness.

The study has adopted 'Personal Interview Method' to collect household-level data. Head of household was interviewed. Other important methods were used for collecting qualitative and quantitative (Mixed Method) information such as 'Unstructured Interview Method' and 'Focused Group Discussion Method' with Gram Pradhan, former Gram Pradhan, Kotedar and other senior and young male and female members of the villages, who have an understanding, and awareness of the social, economic, political and cultural issues of village affairs.

During the field survey, the time of structure interview (data collection), informal discussion and participant observation were adequately scheduled.

2.6 Problems Faced in the Study Villages

The collection of data from field survey is not an easy task. Many problems were faced by this researcher in collecting the data. The interview process was lengthy, the respondent sometimes took a long time (60–90 minutes) to answer some questions. During the field survey, I found that getting data from rich and 'higher' caste peoples was not always easy and, many

respondents declined to respond and some behaved rudely. The poor people and ‘lower’ caste respondent generally showed their desire to participate in the survey.

2.7 Research Methodology

Descriptive statistics including cross tabulation, regression analysis, graphs, charts, etc. are used as tools of analysis. SPSS, STATA and Excel statistical packages have been used for estimation and tabulation.

2.7.1 Simple Frequency Tables Figures and Charts

This study has used simple frequency tables, bar diagrams, pie chart, and cross-tabulation. The study also analyzed the magnitude, characteristics and pattern of poverty and inequality among the social groups, religion and across the regions of Uttar Pradesh using the NSSO unit level secondary data and Primary data.

2.7.2 Logistic Regression Model

The study used a logistic regression model to find out the determinants and probability of poverty. The binary logistic regression model is used for secondary unit level NSSO data of 61st (20014-05) and 68th (2011-12) rounds by sector (rural, urban and total), and among the social and religious groups. In Economics, this econometric model can be followed to analyze an event in terms of certain independent variables. The dependent variable has dichotomous responses.

The logistic Regression Model is given by

$$\text{Logit}(p) = \ln\left(\frac{p}{1-p}\right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + \varepsilon$$

Where p = probability of happening, $1-p$ = probability of non-happening, $X_1, \dots, X_n$ = predictor variables, and ε is random error term.

This study has used a Logistic Regression Model to compute a dichotomous variable to assess the probability of a household being poor or not. That is

$$\text{SES} = \begin{cases} 1, & \text{if household is poor} \\ 0, & \text{otherwise} \end{cases}$$

Where SES denotes Socio-Economic Status of the household.

This study has used the following Logistic Regression Model

$$\text{Logit}(P_i) = \beta_0 + \beta_{1j1} X_{1j1} + \beta_{2j2} X_{2j2} + \beta_{3j3} X_{3j3} + \beta_{4j4} X_{4j4} + \beta_{5j5} X_{5j5}$$

$$+ \beta_{6j6}X_{6j6} + \beta_{7j7}X_{7j7} + \beta_{8j8}X_{8j8} + \beta_{9j9}X_{9j9} + \beta_{10j10}X_{10j10} + \beta_{11j11}X_{11j11} \\ + \beta_{12j12}X_{12j12} + \beta_{13j13}X_{13j13} + \beta_{14j14}X_{14j14} + \varepsilon$$

Where,

Pi= Poor (i= 1 poor, 0 non-poor)

X_{1j1}= Age of the worker. X₁₁ = under 25 years, X₁₂ = 25 – 59 years and X₁₃ =60+ Years. J1=1, 2, 3.

X_{2j2}= Sex. X₂₁ =Male headed household and X₂₂ = Female headed household. J2 = 1,2.

X_{3j3}= Household has Regular Salary. X₃₁ =Yes and X₃₂= No regular salary J3=1, 2.

X_{4j4}= Caste. X₄₁= Other Castes, X₄₂= SC, X₄₃= OBC and X₄₄=ST. J4=1, 2, 3, 4.

X_{5j5}= Land Own. X₅₁=Yes and X₅₂=No land. J5=1, 2.

X_{6j6}=Household Size. X₆₁=1-2, X₆₂= 6-10 and X₆₃=11-39. J6=1, 2, 3.

X_{7j7}= Religion. X₇₁= Hindu, X₇₂= Muslim and X₇₃=Others. J7=1, 2, 3.

X_{8j8}=Education. X₈₁= Illiterate, X₈₂= Primary to middle, X₈₃=Secondary to Higher Secondary X₈₄= Graduation and above. J8=1, 2, 3, 4.

X_{9j9}=Household Types. X₉₁=Self Employed, X₉₂=Regular wage/salary Earning X₉₃=Casual Labour and X₉₄= Others. J9=1, 2, 3, 4

X_{10j10}=Ration Card. X₁₀₁= No and X₁₀₂= Yes. J10=1, 2.

X_{11j11}=Marriage Status. X₁₁₁= Married, X₁₁₂= Current Married X₁₁₃=Widowed and, X₁₁₄ = Divorced or separated. J11=1, 2, 3, 4.

X_{12j12}=Ownership of House. X₁₂₁= Owned, X₁₂₂= Rent and X₁₂₃= Others. J12=1, 2, 3.

X_{13j13}= Cooking Energy. X₁₃₁=Coal, firewood, chips, Gobar gas, X₁₃₂= LPG X₁₃₃=Kerosene and electricity, X₁₃₄ = Dung cake and X₁₃₅ = All others J13=1, 2, 3, 4, 5.

X_{14j14}= Survey round. X₁₄₁= 1st, X₁₄₂= 2nd, X₁₄₃= 3rd and X₁₄₄= Others. J14=1, 2, 3, 4.

ε = Random error term

2.8 Socio-Economic Profile of Area of Study and Field Observations

Study Area: State –Uttar Pradesh, **Division-** Azamgarh

District Name	Block / Tehsil	Name of the Villages
1. Azamgarh	Palhani	Unchagaon
	Palhani	Salarpur
2. Mau	Badraon	Chiutidand
	Fatehpur Madaun	Dubari
3. Ballia	Murli Chhapra	Sonbarsa

Total Sample Size =447 (SCs, STs, OBCs, and Others)

The sources of secondary data include Census of India, NSSO, NITI Aayog and others.

2.9 Uttar Pradesh- Some Observations

Uttar Pradesh is the most populous (19.98 Crores, Census, 2011)⁴, and also one of the poorest (40% below poverty line population in-2011-12)⁵ state of India. Despite the recent signs of progress, Uttar Pradesh still faces significant challenges in eradicating poverty. Many attempts have been put in for the development of the state. However, poverty has remained a major problem in the rural areas, especially for SCs and STs. Hence, the main challenge for Central Government, State Government, Multilateral Institutions and Policymakers is to devise the appropriate policies and programs targeting poverty alleviation, particularly in rural areas. The literature shows that SCs and STs, and rural people are seriously sidelined in terms of the basic necessities of life. Most of the rural people do not have safe drinking water, sanitation, healthcare and medical facility, electricity, house, land and good motorable road etc. Lack of health-related awareness and quality of education has resulted in high population growth, high illiteracy, maternal and infant mortality in rural areas.

In Uttar Pradesh, exclusion revolves around social processes and institutions that exclude, discriminate, isolate and deprive some groups based on caste, class and ethnic identity. In the case of the lower caste untouchables, prohibition resulted in severe deprivation and poverty. These are the people who were historically denied access to education, civil rights, property rights, and many sources of livelihood. Caste-based exclusion of SCs and STs involves the

⁴ See table 2.2: Social Profile of the State and Selected Districts

⁵ “Expert Group (Rangarajan Method- 2014) method for the year 2011-12”.

failure of right to economic, civil, cultural, and political rights to varying degrees. The government has been providing equal opportunity in civil, educational, economic, and political spheres and developmental and empowering measures, particularly in economic, education to overcome the deprivation of the SCs and STs. “The focus of these general pro-poor policies for the SCs and STs have been adopted to improve the private ownership of fixed capital assets like agricultural land, non-land capital assets, education, skill development, and improved access to social needs like housing, health, drinking water and electricity” (Thorat, Sukhadeo, 2007).

2.10 Brief Profiles of Azamgarh, Mau and Ballia Districts

2.10.1 Azamgarh District

1-Villages - Unchagaon and Salarpur

Unchagaon and Salarpur villages are located 8 km south of the district headquarter Azamgarh. The villages are multi-caste, where Chamar, Dhobi, Lahar, Kohar, Teli, Badhayi, Noniya, Thakur, Pandit, Yadav, and Koyiri have been living. This village is divided into various caste-based Mohallas like Chamarawati, Ahirawati, Bharawati etc. Chamar and Mushar Castes have separate Mohallas or sub-village, and the distance from the village (other mixed higher caste people) is approximately one km. Generally in Rural Uttar Pradesh, STs and SCs have separate caste-based Mohallas because they are considered as of lower castes.

Table No.2.3: Social Profile of the Selected Village-Salarpur

Census Parameter	Village - Salarpur (Census 2011)
Total Population	1378
Total No of Houses	216
Male Population	50.9%
Female Population	49.1%
Total Literacy rate	60.58%
Male Literacy rate	72.22%
Female Literacy rate	48.51%
Scheduled Tribes Population	0.29%
Scheduled Caste Population	17.85%
Working Population	31.34%
Main economic activity	Agriculture, livestock, wage employment
Main crops	Sugarcane, wheat, rice, vegetables, pulses
Main public amenities	Primary School, polytechnic college and nursing college, wells.

Source: Census 2011

Table No.2.4: Social Profile of the Selected Village- Unchagaon

Census Parameter	Village- Unchagaon (Census 2011)
Total Population	2983
Total No of Houses	408
Male Population	52.69%
Female Population	47.30%
Total Literacy rate	73.03 %
Male Literacy rate	84.35%
Female Literacy rate	56.97%
Scheduled Tribes Population	3.55%
Scheduled Caste Population	27.58%
Working Population	30.17%
Main economic activity	Agriculture, livestock, wage employment
Main crops	Sugarcane, wheat, rice, vegetables, pulses
Main public amenities	Primary School, polytechnic college and nursing college, wells.

Source: Census 2011

Scheduled Caste and Scheduled Tribes

The questions arise why Chamar and Mushahar have separate Mohallas or sub-village and why they are economically poor and educationally backward and socially enslaved? They have their own separate Mohalla because of other higher caste people like Brahmin and Thakur practice untouchability and discrimination with Chamar and Mushahar castes people. An old man of this village said about untouchability and caste discrimination, *‘Vo Is Liye Chhuachhut Karate Hai ki Hum Jat Se Chamar hai, Aj Bhi Hamare Bartan Me Pani Nahi Pite Hai, Aur Hum Logo Se Gali- Galouj Dekar Hi Bate Karate Hai, Is Liye Ki Hum Garib Hai Aur Chamar.’* ‘They discriminate because of Chamar Caste, they do not use our pot and glass even now, and they talk rudely because we are poor and Chamar’. A Brahmin widow lady (her husband was police officer) also agreed that caste discrimination and untouchability persist in the society, especially with Chamar, Mushahar and lower caste people because they live very dirty and in unclean place. Because of that upper caste people do not go to Chamar and Mushhar’s homes when Dalits give invitation to the Upper caste people to attend their marriage and other rituals. When I enquired from the Upper Caste people, they said, ‘We go to attend the marriage ceremony, but most of the upper caste do not eat’. However, the living standard and quality of life of the low caste people have improved today compared to that fifteen years ago. And poor and low caste people agreed that caste-based discrimination and practice of untouchability are declining day by day.

Education

Most of the Scheduled Caste and Scheduled Tribe people are educationally more backward than the OBCs and Others. This study found just one B.A. pass woman and one 10th pass girl among the STs. In this village, there are two primary schools and many private schools. The distance from the village to a private school is around one km. The children of the Mushahar and Chamar castes go to primary school (Government) only, whereas the OBC and Other Caste children go to private schools. In a government school, most of the children go to the school when the government provides a free uniform. The villagers say students go to the government school to avail a free uniform and mid-day meals. Some poor household children do not go to the school regularly because their parents go out for Job and the children take care of the cattle, goat and pig etc. In both villages, this study found that a single child of STs is not enrolled in private school because they can not afford high fee of private schools.

Although, the government is spending funds to provide free uniform, books and meals in the primary School, however, people are reluctant to send their wards to the government schools due to the lower quality of education, scarcity of teachers and inadequacy of other important resources. Even the teachers who are working in a government school, they send their children to private schools instead of government schools.

Some of the SC children go to the government school, some others are enrolled in private school, and some of the children of the poor and low-income households are taking care of family cattle only. The educational status of SC is better than the ST. However, some SC and ST households can not afford the education fee of their children due to poverty. When I enquired about education, one of the respondents replied, *“Padh Likh Kar Kya Hoga, Naukri Kaha Mil Rahi Hai, M.A., and B.A. Aur Master Ki Padhayi Karke Ghar Baitha Hai Ladake.*’ (What is the use if we send our children to School, there is no job, even the students who have completed B.A., M.A., and B.Ed. are sitting at home jobless).

The education status of the OBC categories is much better than the SCs and STs. There are Yadav, Lohar, Kohar, Teli, Badhayi, Nonia, Kayari, Rajbhar and Mourya. They send their children to both private and Government School. However, some of these households are also very poor. I found a family where one child goes to School in the morning and the evening goes for a part-time job, and his mother cleans the pots and mop the floor at a Thakur’s home for just Rs.300 per month.

The Thakur and Upadhyay are upper castes, and are rich because of large amounts of land. Many of them are in government jobs, and some are doing business. They send their children to Navodaya, Sainik School, and Private School. In this category, students have been pursuing higher education and also prepare for competitive exams.

We can conclude that the education system in rural areas is very dismal for poor people and standardized for rich people. Thus educational inequality is deeply rooted among the different castes there. It is true that the illiteracy rate has declined among all the social groups; however, the quality of education is bad among the poor.

Shelter

Most of the households have Kacha House and Huts, especially those who belong to Chamar and Mushahar Castes. On the other hand, the government employee and businessmen, mostly from upper castes, have Pakka House with attached kitchen. The government has built some Pakka House under the scheme of Indira Awas Yojana for the poor people. The quality of the Pakka houses (under Indira Awas Yojana) is inferior because of mismanagement by the local administration. Grampradhan of this village has taken money (Rs 2000 per household) as a bribe. Most of the OBC people have Pakka house with attached kitchen, and only a few such households do not have Pakka house. Some households could not afford a Pakka house due to huge expenditures they were required to make for health purposes. One of the respondent said that they have money and land, but due to some chronic disease of one of the family members, they could not make a house.

The socio-economic condition of the upper caste people is comparatively better, especially of Thakur's and Brahmin's in comparison to OBC, SC and ST among the social groups in this village. Several of them are big landlords. One does not find even a single Kaccha House among the upper castes. All houses are very well finished with attached a kitchen. Some of the houses are very old but are palatial.

Health Status

The availability of education and health in this particular village is very poor. There is one government clinic located in the Thakur Mohalla, but there is non-availability of doctors there. The government and private hospitals are in the city. The distance from the village to nearest Hospital is around 8 to 10 km. I found more unhealthy, sick and infected with the communicable disease among Mushahar and Chamar caste. When I was doing field survey in Mushahar Mohalla, that time many people were suffering from Chicken Pox diseases. The

health condition so poor that I also got infected because of the use of their pots. In the village, all the Mushahar households were working in the brick industry. It is a very tough job, and these people do work along with their children in dirt and dust most of the time. Initially, these people were engaged with leaf collection from the forests and the making of leaf plates. The people sell these plates and leaves in the market. Due to deforestation and the availability of substitute plates, they were forced to leave their traditional job and started working in the brick industry.

Poverty and Inequality

Finally, inequality is mainly found to persist among the upper castes and poverty is found among the lower castes. Poverty and inequality both exist in the case of SC's, ST's and OBC's. SCs and STs poor people blame the government for their misery, and they also consider government as a last resort to come out of their poverty. However, some of the SCs and STs people have tried to come out of their poverty through their efforts instead of waiting for the government to come to their rescue. The Socio-economic condition of the SCs, STs, OBCs, and Others has been improving but rather at slow pace.

Government Programmes and Policies

The Mahatma Gandhi National Rural Employment Act (MGNREA), Indira Awas Yojana (IAY), Public Distribution System (PDS), Ujwala, Food Security Act and other programs. It is observed that the programmes were poorly implemented and did not focus on the poor people in terms of design and implementation. For example, in this village, 12 free gas connections with stove were issued to the poor people, but village Pradhan and Gas Agency officer has collected Rs 2400 from each of beneficiary. Same things are happening with the other government schemes like IAY, PDS etc. So, there is massive corruption at the village level. There is a need to have a well-organised strategy of poverty alleviation policies and programs that can identify the poor people and provide them with social, economic, political and cultural justice.

2.10.2 Mau District

1-Village - Chiutidand

Village **Chiutidand** is located in Badraon Block in Mau District of Uttar Pradesh. It is located at a distance of 41 km North from district headquarter of Mau. This village is divided into two sub-village based on caste, namely 'Chiutidand Chamarawati' where only Chamar (SC) people

have been living and ‘Chiutidand’ where mixed castes (Gond, Nayak, Paswan, Dhobi, Ahir Maurya, Varma, Rawat, Jaiswal, and Upadhyay) people have been living.

Scheduled Castes

Most of SC men and women has been working in the village’s Brick Industry. The workers work very hard, but they are getting very low wage . The people those who are working in Brik industry, they spend half of the salary on liquor and therefore hardly manage the other expenses of the family.

Although the government has given the electricity facility, however, only a few households have an electricity connection since most of them are unable to pay the electricity bills. People mostly live in Kachcha Houses and Huts, and only a few people have benefited from the government scheme, Indira Awas Yojana. In this village, very few people have their own land for cultivation.

Scheduled Tribes

In this village, there are two castes (Gond and Nayak) under the ST category. We found that some of the ‘General’ category people (Banjar Brahmin and Ojha) changed caste identity (General to ST) and the last name (Pandey to Nayak) 15 years ago to take advantage of reservation in government jobs and other benefits of government programmes. Nayak caste is economically well-off with each household having one or two big buildings, government jobs, land, money, even a Car. Further, they follow all the Brahmin culture and rituals.

The economic condition of the ‘Gond Caste’ is relatively poor, and they do not have land or Pakka houses. The government has initiated various policies and programmes for the ST people. But misidentified people (those who are not STs but changed their identity to ST) are getting all the benefits provided by the government. The adverse consequences for the Gond caste is that all the 12th passed Nayak caste students got a government job, but the person belonging to the ‘Gond Caste’ are unable to get jobs, even those who have higher-level education, e.g. having M.A. degree.

Education

In this village, there is a government primary and middle School housed in the same building. The distance from the village to the School is less than one km. The literacy rate is low (69.9%), and in the SCs (Chamar) category, literacy is very low. In the ST Category, Nayak caste has a 100% literacy rate, and less than 50% literacy is observed in the Gond Caste. The literacy rate

of OBC and Others is relatively better than the SC Category. All the SC students go to government primary school. This study observed that ST, OBC, and Other category children are enrolled in better schools like Navodaya Vidhyalaya, Kendriya Vidhyalaya and some private Schools. The drop out ratio of SC students is much higher than the other categories. When I asked the respondent about the high drop-out ratio of SC student. The possible reasons are the existence of chronic poverty in this village.

Table No.2.3: Village- Chiutidand (Census 2011) Details Profile

Census Parameter	Village- Chiutidand (Census 2011)
Total Population	1146
Total No of Houses	169
Male Population	52.19%
Female Population %	47.81%
Total Literacy rate %	79.46%
Male Literacy rate	90.78%
Female Literacy rate	66.80%
Scheduled Tribes Population %	30.46%
Scheduled Caste Population %	10.12%%
Working Population	50.61%
Main economic activity	Agriculture, livestock, wage employment, Brick Industry
Main crops	Sugarcane, wheat, rice, vegetables, pulses
Main public amenities	Primary School, polytechnic college and nursing college, wells, river.

Source: Census 2011

Table 2.3 shows that the total population of the village was 1146 (2011 Census) and the total number of houses is 169, in which 30.5% are ST's, and 10.1% are SCs.

Shelter

Scheduled Caste: In this village, only one caste people (Chamar) are live in the sub-village known as 'Harijan Basti or Chamarawati Chiutidand'. The socio-economic condition of most of the SC is worse than other social groups. Many of the households have only huts, some of having huts and kachcha houses, in which they also keep livestock like goat, cow, buffalo, and pig. In this sub-village, only three households are government employees, and all the three have pakka houses with an attached kitchen. Although through IAY, some Pakka houses were constructed for the poor people, the construction of the house under the scheme is incomplete because of corruption by the local officers.

Scheduled Tribes: The socio-economic condition of the Gond caste (ST) is also poor, but they are relatively better than the Chamar caste (SC). In case of Nayak Caste, all the households

have pakka house with an attached kitchen. Their economic and social condition is better than ‘Other’ social groups. This village got noticed because 48 people got a job in a few months after changing their identity from General category to ST. The ST commission has booked a complaint in the high court against fake certificates in several districts in this region (Times of India, attached in appendix 2A).

General and Others: The socio-economic condition of the General and Other communities are good, and all the households live in Pakka House. However, some families are claiming that they are poor because they do not have a regular jobs.

2-Village- Dubari

Situation and Population

Dubari village is located in Fatehpur Madaun Block in Mau District. This village is situated around 40 km North from District headquarters Mau. Dubari is one of the biggest village (43 sub-villages in Dubari) of Mau district & Azamgarh Division. This village also is known for a good education. There are many government and private school. There are also polytechnic college and nursing college. The demographic composition and important features of this village are summarised in table no. 4.

Table No.2.4: Village- Dubari (Census 2011) Profile

Census Parameter	Census Data 2011
Total Population	19059
Total No of Houses	2808
Population Male%	51.1 %
Population Female %	48.9 %
Total Literacy rate %	71.4 %
Literacy rate Male	80.7 %
Literacy rate Female	61.8 %
ST Population %	4.2 %
SC Population %	23.5 %
Working Population %	35.4 %
Main economic activity	Agriculture, livestock, wage employment
Main crops	Sugarcane, wheat, rice, vegetables, pulses
Main public amenities	Primary School, polytechnic college and nursing college, wells, river.

Source: Census 2011

Education

This study found that Dubari village has a primary government school and many private schools. Most of the people send their children to the private schools where they pay a high fee in the name of quality of education. There is the perception that the private schools have been

providing better quality education because they have well-qualified teachers, fully furnished buildings, electricity, clean drinking water, and toilet and other essential facilities.

The quality of education of government primary school is low because of lower teacher availability. In this village's Primary School, there were only two teachers. There was no electricity and toilet facility in the Primary School. A very similar thing was found in most of the primary schools in the study village- there were only one or two teachers, and only poor and low-income household children take admission, and most of them are from ST and SC communities. The literature claims that there are less chances of being poor if you are well educated.

Socio-Economic Conditions of SC and ST

Caste is an important feature of the village society from an economic and sociological point of view, especially in a rural area. Caste often exercises, directly and indirectly, influences on socio-economic behaviour and outcomes such as education, occupation, land ownership and demographic composition. The social-economic condition of the SCs is very similar to the other study villages. In this village, Chamar caste (traditionally leather-workers) is the lowest caste, and they are a 'schedule caste. A few households have very small landholdings, most of them are landless and illiterate, and their socio-economic condition is poor. They work mostly as casual wage labour within and outside the village, aside from the cultivation of their small land.

The 'Vanvashi' are a 'Scheduled Tribes' in this village. Their socio-economic condition is very poor. Most of the households are landless, and only two households have small pakka houses and rest have huts. In this category, no one has a government job. In this village, only one female has B.Ed degree and most of the men and women are illiterate. Most of them do casual wage labour outside of the village and district. Many people want to open a small vegetable shop, cycle repairing shop, and fruits shop, but they can not open shop because other caste people will not purchase from their shop because they belong to a lower caste. When I suggested to a woman to open a small tea stall or vegetable shop, she said to me, "*Hamare Hath Ke Banawal Chay Duser Biradari Vale Na Pihien, Aur Na Hamare Hath Ke Chhual Sabji Kharidihen*" (No other caste people will drink tea prepared by my hand, and no one will purchase vegetable from my hands). Because of caste discrimination, many people are unemployed, and their general condition is one of extreme chronic poverty.

OBC and the Other Category

The socio-economic condition of the OBC is better than the STs and SCs, and lower than the 'Other' category in Dubari village. Most of the households have land for cultivation. Some of the people are government employees; their socio-economic condition is good. Some of the people are poor because they are landless and jobless and work as casual labour inside the village or outside the village. In the OBC category, only a few people have kachha houses and huts. Overall, it seems that this category has improved a lot in all the sectors.

The socio-economic condition of 'Other category' people is relatively better. Thakur, Brahmin can be seen in many respects as leading players of the economy and society in Dubari village. Thakurs are rich and take pride in themselves, and they do not compromise their respect in society. Many of the Thakur men and women aspire for political leadership. In this village, Thakurs have large land holdings for cultivation. Generally, they do not want to do manual work. These days, most of these people avoid manual labour altogether by leasing out land or hire labour to cultivate the land.

Thakur women and men are at the top end of the caste hierarchy. The new generation wants to oppose the caste hierarchy and caste-based discrimination. When I was doing this survey, 'I asked a woman, 'Do you believe in the caste system and practices of casteism with lower caste people? She replied, "*Hum Chhuachhut Nahi Karate Chhoti Jat Se, Hamare Liye Sab Barabar Hai ,Lekin Hamare Parivar Ke Kuch Log Aur Bujurg Log Karate Hai*" (I do not practice untouchability, for us all is equal, but some people of our family and elderly people do). She also told that lower caste people are afraid to take water from water machines and other sources.

Politically Thakur and Brahmin, and Bumihar are the most powerful castes in Dubari. These castes have the highest level of education in all the study villages. It is also perceived that Thakur caste are known for their short temper, and they are more easily excited into acts of violence than the other lower caste people. Yet, some of these people also treat lower caste people as equal, and believe that 'all are equal', and it is easy to find individual Thakur persons who are progressive, sociable and hard-working. Caste hierarchy has declined over the period of time. It is a good sign of a changing upper caste's personality. The quality of education can develop a new positive attitude in village society, and it may well be an indication of positive social changes.

2.10.3 Ballia District

Ballia District is a district in Azamgarh division, and there are six tehsils and 17 blocks. This district is situated in the eastern region of UP. The total population of the Ballia district is 3239774. The main source of income is agriculture. There is also and sugar and Cotton weaving industry in this district.

1-Village- Sonbarsa

Population

Sonbarsa is situated in Murlichhapra Block in Ballia District in Azamgarh Division of Uttar Pradesh. This village is located 39 km East from District headquarters Ballia. The total population of Sonbarsa Village is 20735 and 2759 household. Female Population is 46.6%. Village literacy rate is 59.3%, and the Female Literacy rate is 22.4%. (Census, 2011).

Health

Sonbarsa village is known as one of the best villages in Ballia District. This village is near to hospital, college, Tehsil, Block and market. The health facilities available are good, and most of the people are happy with the health facilities. The availability of doctors and medicine is 24x7 hours.

Table No.2.5: Village Profile Sonbarsa

Census Parameter	Village – Sonbarsa (Census Data 2011)
Total Population	20735
Total Household	2759
Population Male	53.39%
Population Female	46.6 %
Total Literacy rate	69.55%
Literacy rate Male	81.19%
Literacy rate Female	56.25%
ST Population	6.8 %
SC Population	15.3%
Working Population	30.7 %
Main economic activity	Agriculture, livestock, wage employment
Main crops	Sugarcane, wheat, rice, pulses, vegetables
Main public amenities	Primary School, polytechnic college and nursing college, wells, river.

Sources: Census 2011

Society

In many respects, Brahmin, Thakur and Lala and Yadav can be seen as central players in the village economy and society. In this village most of the Brahmin and Thakur have large land ownership and are rich. We also found that most of the upper caste people in this village are well educated and have a government job. The other castes (Mallah, Chaurasia, Mali, Prajapati, Kesari, Paswan, Nayi, Bari, Chamar, Teli, Gond, Dhobi, Turaha, Kankar) have less influence on the village economy.

Economy

Agriculture is the main basic economy of Sonabarsa Village. Agriculture is the primary source of employment and income of the people, especially for the people who do not have permanent and regular jobs in Sonabarsa Village. Many respondents say that agriculture as a source of income and employment has slowly declined over the period. It has declined because of a significant increase in wage rate and expansion of wage employment inside (MGNREGA) and outside the village.

In this village and other study villages, most of the land belongs to the upper castes (Thakur and Brahmin). In this village, most ST and SC households are landless, and a few people have some land for cultivation. In this village, one Chamar caste household owns Petrol Pump and well-furnished houses. The socio-economic condition of others of the same caste is not good. Most of the SC households have huts only.

Gram Pradhan of this village is from ST community. In this village, the socio-economic condition of STs is better than the other study villages. Some of the people in this category have small land, and some are landless. Most of the people work outside as well as inside the village as casual labour.

Education

Government and private school are very near (less than 1 km) to this village. However, the illiteracy rate is quite high among the SCs, STs in this village. When I asked respondents why you people are not sending their children to school, the general answer I got from the respondent was *“who will take care of the livestock like a goat, hen pig etc.”* Another explanation is poverty and low levels of income. Some of the people send their children to get the free school uniform and food under the mid-day meal scheme.

One day when I was doing a survey among some Muslim Households, I noticed that an old person was giving private coaching to the children; their age was less than ten years. Then I asked an 8-year student, do you know the multiplication table from 1-20 ? He was able to recite the multiplication table from one to twenty correctly. Thus we find that some of the poor and low-income people are sending their children to good schools and spending extra money on education. Such changes can eradicate poverty and bring prosperity in society.

This village profile is based on survey information and personal observations. Only some basic aspects of the socio-economic profile are presented as a background for the study of research problem undertaken. These will be taken up in the chapters to follow.

Chapter 3: Analysis of Poverty and Inequality among the Social and Religious Groups across Regions in Uttar Pradesh

“Poverty is a call to action for the poor and the wealthy alike-a call to change the world so that many more may have enough to eat, adequate shelter, access to education and health, protection from violence, and voice in what happens in their communities.”
-The World Bank (2008)⁶

3.1 Introduction

There is much literature available on poverty across the social and religious groups in Uttar Pradesh. But not many of them discuss about social and economic inequality among the social, religious groups and across the region (Ojha 2007; Kozel and Parker 2003; Himanshu 2008, 2007; Kapur, et al. 2010; Diwaker 2009; Akarsh and Singh 2015). Research on social groups reveals that the STs and SCs have been more poor and vulnerable than OBCs and Others. Further it is seen that economic progress of the STs and SCs have been very slow as compared to the other groups over time (Thorat and Dubey 2012; Sundaram and Tendulkar 2003; John and Mutatkar 2005). The caste and class-based hierarchy are a bad sign for the economic, social and political development, especially for the STs and SCs. It is a big problem especially for the lower castes (STs and SCs) and poor people. In other words, “caste is the monster that crosses the path, you cannot have economic and political reform unless, kill this monster” Dr B R Ambedkar, 1937 (Roy, A. 2017)⁷.

The first objective of this chapter is to analyze and understanding the regional patterns of poverty among the social and religious groups. The second objective is to estimate of economic inequality by region among the social and religious groups. To estimate the magnitude of poverty and inequality we have used secondary data. The source of secondary data is unit-level data of the 61st (2004-05) and 68th (2011-12) rounds of NSSO based on consumption expenditure survey to estimate poverty in terms of ‘head-count ratio’ (HCR is the proportion of the population that is counted as poor). Gini coefficient is used as a measure of inequality.

⁶ Kotler, P. T., & Lee, N. R. (2009). *Up and out of poverty: The social marketing solution*. Pearson Prentice Hall.

⁷Annihilation of Caste *the Annotated Critical Edition* by B.R. Ambedkar Edited by S. Anand Introduction by Arundhati Roy

3.2 Analysis and Results

3.2.1 Regional Incidence of Poverty among the Social Groups.

Uttar Pradesh is vast, and is divided into five regions of Uttar Pradesh (Northern Upper Ganga Plains, Central, Eastern, Southern, and Southern Upper Ganga Plains- NSSO 2011-12). It differs widely in social, economic and political terms. Earlier studies found that the majority of the upper castes households have larger resources that lead to higher living standards as compared to the lower castes (Diwakar, 2009).

Table 3.1 shows that the incidence of poverty is much higher in the Eastern part (50.7%) and Southern part (45.4%) then the rest. Particularly, the Eastern region was caught in the back-breaking rural poverty (51.9%) and urban poverty (41.24%). Among the social groups, the highest rural poverty was in SCs (68.91%) and STs (59.61%) in 2004-05 in this region. The results indicate that across the region, poverty is highest in the Eastern region of UP and lowest in the NUGP of UP. Coming to different social groups, we see that in all the regions, incidence of poverty is the highest among SCs and the lowest among the “Other” social group. Indeed, the incidence of poverty is more than double among the SCs compared to the “Other” social group, indicating that the former suffer great deal not only from poverty but also relative economic deprivation.

Table No.3.1: The Region-wise Incident of Poverty among the Social Groups in Uttar Pradesh (Percentage of the Population Below the Poverty Line, 2004-05).

Region-wise Poverty of U.P. (NSSO 61 st rounds data)							
Sector	Social Group	NUGP	Central	Eastern	Southern	SUGP	Total*
Rural	ST	0	0	59.61	0	0	41.99
	SC	41.23	46.09	68.91	71.4	47.57	56.48
	OBC	25.72	40.8	51.28	36.78	37.97	42.17
	Other	11.03	21.45	32.03	36.94	23.48	26.01
	All	26.33	38.59	51.91	44.66	37.22	42.67
Urban	ST	0	21.24	61	3.14	0	40.3
	SC	48.8	33.44	63.16	40.98	41.82	44.24
	OBC	42.07	28.23	46.98	57.27	43.86	42.71
	Other	18.45	17.42	19.25	37.62	26.1	20.85
	All	31.95	23.84	41.24	48.22	35.65	34.05
Overall	ST	0	7.01	59.81	0	0	41.68
	SC	42.3	44.2	68.59	63.08	46.78	55.06
	OBC	30.25	38.4	50.78	40.62	38.93	42.26
	Other	15.28	19.64	30.11	37.09	24.42	24.26
	All	28.2	34.92	50.75	45.43	36.89	40.98

Source: Calculated from NSSO 61st round data, Government of India, (2004-05) .

*Total rural, urban and overall poverty of Uttar Pradesh

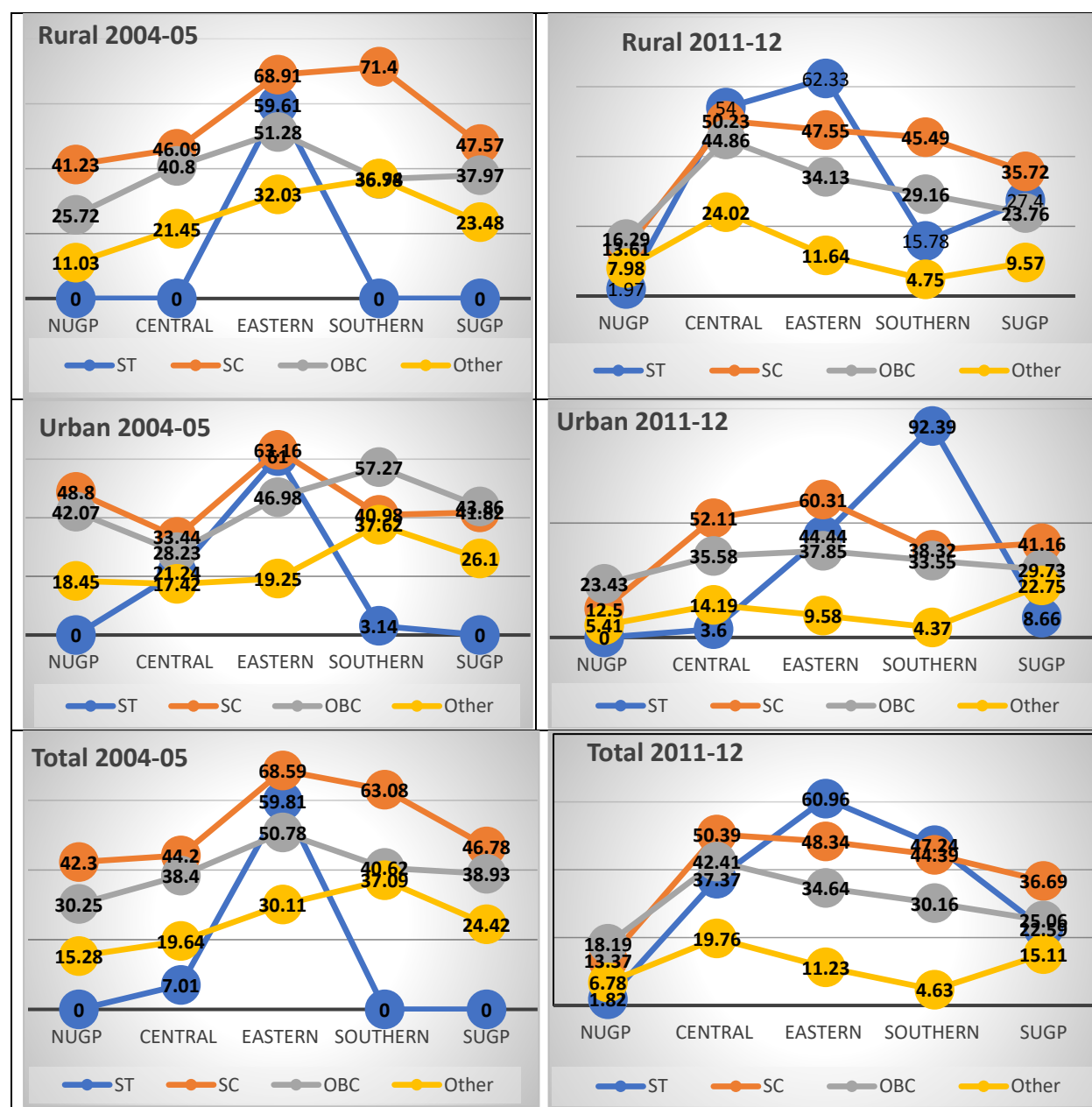
Table No.3.2: Region wise incident of Poverty among the Social Groups in Uttar Pradesh- the percentage of the population below the poverty line, (2011–12).

Region-wise Poverty of U.P. (NSSO 68 th rounds data)							
Sector	Social Group	NUGP	Central	Eastern	Southern	SUGP	Total
Rural	ST	1.97	54	62.33	15.78	27.4	27.01
	SC	13.61	50.23	47.55	45.49	35.72	41.11
	OBC	16.29	44.86	34.13	29.16	23.76	30.72
	Other	7.98	24.02	11.64	4.75	9.57	12.47
	All	13.14	42.48	34.57	30.22	24.93	30.4
Urban	ST	0	3.6	44.44	92.39	8.66	16.31
	SC	12.5	52.11	60.31	38.32	41.16	39.14
	OBC	23.43	35.58	37.85	33.55	29.73	32.31
	Other	5.41	14.19	9.58	4.37	22.75	12.77
	All	13.65	27.52	33.51	26.88	29.33	26.17
Overall	ST	1.82	37.37	60.96	47.24	22.59	25.6
	SC	13.37	50.39	48.34	44.39	36.69	40.87
	OBC	18.19	42.41	34.64	30.16	25.06	31.04
	Other	6.78	19.76	11.23	4.63	15.11	12.58
	All	13.3	38.56	34.43	29.47	26.02	29.5

Source: Calculated from “NSSO 68th rounds data, Government of India, 2011–12”.

Table 3.2 shows that overall the incidence of poverty has declined in all the regions, except the central region of Uttar Pradesh. The study found that more than half of the SCs was poor in the year 2004-05, which come down to 41% in 2011-12. Across the region, among the social groups, the prevalence of poverty is much higher among the SCs and STs households, and lower among the “Other” households in both the periods. However, it is seen that in 2011-12 the incidence of poverty become nearly half of the corresponding incidence in 2004-05 for the “Other” social group, whereas the decline was close to only about a quarter for the SCs. In both the periods and most of regions, the incidence of poverty was higher in rural areas compared to the urban area, overall. Similar rural, urban pattern is the incidence of poverty is also seen for SCs and “Others”, but it is a mixed picture for OBCs. These patterns and comparative picture is graphically shown in figure.3.1.

Figure No.3.1: The Region-wise Incident of Poverty among the Social Groups in Uttar Pradesh (Percentage of the Population Below the Poverty Line, (2004-05 and 2011-12).



Source: Calculated from “NSSO 61st and 68th rounds unite level data”.

This figure gives a clear picture and indicates that across the region, the prevalence of poverty is highest in the Central region of UP and lowest in the NUGP in 2011-12. However, across the region, the incidence of poverty was much higher in the Eastern region of UP in 2004-05. Across the region, the highest incidence of poverty was in the eastern region and lowest in NUGP region of the state (2004-05). Although, the incidence of poverty has declined among all the region, and now, the highest incidence of poverty is found in the central region instead of the Eastern region and lowest again in NUGP region of the state (2011-12).

Broadly, it may be concluded that region, social group and rural/urban belongingness are significant factors in determining the chance of a household to be poor.

3.2.2 Religious Pattern of Incidence of Poverty

In this section, the present study examines the prevalence of poverty among the three religious groups and across five regions of the state. The earlier study reveals that socially and economically excluded people among Dalit and Muslims made improvement in all the sectors, due to their efforts, poverty has declined (Jeffrey D Sachs 2005). Still, the incidence of poverty is much higher among the Muslims than Hindus, and lowest among the ‘Other’ religion (Christianity, Sikhism etc.) in UP. Tables 3.3 and 3.4 reveal that across the religious groups, the prevalence of poverty among Muslims is much higher in comparison to Hindus and Other groups in both rural and urban areas in 2004-05 and 2011-12.

Table No.3.3: Religion Wise Incident of Poverty in Uttar Pradesh- Percentage of the Population Below the Poverty Line (2004-05).

Incidence of Poverty by Religion, 2004-05							
Sector	Religion	NUGP	Central	Eastern	Southern	SUGP	Total
Rural	Hindus	22.6	38.2	51.9	42.8	34.9	41.92
	Muslims	35.7	42.1	51.4	83.2	51.9	46.85
	Others	0	0	67.1		57.9	45.39
	Total	26.4	38.6	51.9	44.7	37.2	42.67
Urban	Hindu	20.7	19	37.2	42.7	29.2	27.53
	Muslim	46.6	39.4	50.2	67	52.9	48.43
	Others	0	0	0	14.6	1.5	1.47
	Total	31.9	23.8	41.1	48.2	35.7	34.02
Overall	Hindus	22.1	34.1	50.6	42.8	34	39.62
	Muslims	40.4	41	51.2	73.6	52.3	47.4
	Others	0	0	60.6	14.6	14.6	17.87
	Total	28.2	34.9	50.7	45.4	36.9	40.97

Source: Calculated from “NSSO 61th round data, Government of India” (2004-05)

Across the region, Table 3.3 shows that the highest incidence of poverty (50.7%) was in the eastern region and lowest poverty (28.2%) in NUGP, and same thing happened in rural areas, but in case of urban areas, the incidence of poverty was highest in the southern region of UP in 2004-2005.

Table 3.4 shows that across the region, the highest prevalence of poverty is in the central region and lowest in NUGP region and even very similar results found in rural areas. However, in

case of urban areas, the highest incidence of poverty is in eastern region of UP and lowest in NUGP region in 2011-12.

Table No.3.4: Religion Wise Incident of Poverty in Uttar Pradesh (percentage of the population below the poverty line, 2011–12).

Incidence of Poverty by Religion, 2011-12							
Sector	Religion	NUGP	Central	Eastern	Southern	SUGP	Total
Rural	Hindu	9.6	38.9	34.8	30	23.8	29.83
	Muslim	20.2	64.5	33.2	39	35.3	34
	Other			0		0	0
	Total	13.3	42.5	34.6	30.3	25	30.44
Urban	Hindu	7.7	16.2	30.2	26.7	27.6	21.34
	Muslim	27	42.8	41.5	36.3	33.7	36.35
	Other	5.3	0	0	0	0	2.08
	Total	13.7	27.6	33.6	27	29.4	26.23
Overall	Hindu	9	34.6	34.3	29.2	24.5	28.37
	Muslim	22.2	53.2	35.3	38.3	34.4	34.88
	Other	5.3	0	0	0	0	1.44
	Total	13.4	38.6	34.4	29.6	26.1	29.54

Source: Calculated from “NSSO 68th rounds data, Government of India”, 2011–12

Coming to the incidence of poverty across religious groups, we see that cutting across regions, and rural-urban categories, incidence of poverty was highest among Muslims followed by Hindus and lowest among the “Others”– both in 2004-05 and 2011-12. The only exception was the rural Eastern UP, where the incidence of poverty among the Hindus was marginally higher than that among the Muslims.

3.3 Analysis of Inequality

In India, the issues of inequality and poverty has been much debated and received considerable attention in the recent past, particularly since the introduction of economic reforms in the early 1990s. There is some literature which does not consider inequality to be a major concern, for example, Pangariya (2008) and Bhagawati (2010), whereas various other studies (for example, Vakulabharanam 2010, Weisskopf 2011, Motiram 2012, and Singh 2012) argue that inequality in India has been rising and it might lead to social disturbance as well as the derailment of the economic growth process itself.

The issue of “economic inequality” in India is important because “inclusive growth” or “growth with equity” has been a key objective of the Eleventh Five-year plan reflecting the Indian government’s policies. Some of the studies available on Indian inequality in the last two

decades include, Deaton and Dreze 2002; Jha 2004; Sen and Himanshu 2005; Jayadev et al.2007; Singh 2012; Singh et al. 2012, 2015.

In this section, we analyze inequality among the social, religious and regional groups in Uttar Pradesh for 2005-06 and 2011-12. The Gini index measures the inequality prevailing. The value of Gini-coefficient ranges from 0 to 1, where 0 (zero) indicates perfect equality and 1 means perfect inequality.

3.3.1 Inequality in Uttar Pradesh

It might be convenient to remark that in the absence of income data for persons or households at the state level and national, this studies used monthly consumption expenditure data (NSSO, 2004-05 and 2011-12) as a proxy for income to estimate the region-wise inequality in Uttar Pradesh, and compare the changes in the inequality in both periods.

Table No.3.5: Region-wise Prevalence of Inequality (Gini coefficient) among the Social Group in Uttar Pradesh (2004-05).

Prevalence of Inequality by Social Group 2004-05							
Sector	S. Groups	NUGP	Central	Eastern	Southern	SUGP	Total
Rural	ST	0.143	0.025	0.161		0.186	0.205
	SC	0.212	0.247	0.202	0.228	0.205	0.222
	OBC	0.259	0.25	0.221	0.237	0.23	0.244
	Others	0.269	0.271	0.268	0.338	0.26	0.274
	Total	0.261	0.26	0.237	0.261	0.237	0.252
Urban	ST	0	0.236	0.352	0.018		0.381
	SC	0.304	0.308	0.27	0.247	0.223	0.283
	OBC	0.242	0.283	0.256	0.268	0.338	0.284
	Others	0.286	0.411	0.318	0.252	0.446	0.383
	Total	0.279	0.387	0.309	0.265	0.407	0.355
Overall	ST	0.15	0.242	0.213	0.018	0.186	0.276
	SC	0.235	0.275	0.211	0.255	0.211	0.24
	OBC	0.255	0.273	0.231	0.244	0.259	0.258
	Others	0.284	0.402	0.3	0.326	0.375	0.351
	Total	0.273	0.342	0.257	0.266	0.302	0.297

Source: Calculated from “NSSO 61st round data, Government of India” (2004-05)

Tables 3.5 and 3.6 provide measure of inequality (Gini coefficient) based on household monthly per capita consumption expenditure (MPCE) of 365 days in UP in 2004-05 and 2011-12. Across social groups, inequality increased in 2011-12 in comparison to 2004-05 in Uttar Pradesh. Moreover, the very similar result found across the religion that inequality increased in 2011-12 as compared to 2004-2005 in the state. Across the social groups, the highest

prevalence of inequality is in 'Other' category and lowest among the SCs. The study also finds that the prevalence of urban inequality is higher than the rural both in 2004-05 and 2011-12. Across the regions, Table 3.5 shows that the highest inequality was in the central region and lowest in eastern in 2004-05 and a different result is seen to prevail in 2011-12: the highest inequality in NUGP region and lowest in SUGP region. By region and religion, inequality is much higher in the urban areas as compared to the rural areas in both the study periods.

Table No.3.6: Region-wise Prevalence of Inequality (Gini coefficient) among the Social Group in Uttar Pradesh (2011-12).

Prevalence of Inequality by Social Group 2011-12							
Sector	S. Groups	NUGP	Central	Eastern	Southern	SUGP	Total
Rural	ST	0.172	0.361	0.193	0.092	0.165	0.25
	SC	0.257	0.212	0.203	0.21	0.189	0.221
	OBC	0.261	0.227	0.24	0.184	0.229	0.243
	Others	0.252	0.25	0.307	0.21	0.231	0.273
	Total	0.26	0.236	0.257	0.209	0.228	0.254
Urban	ST	0.283	0.144	0.363	0.096	0.231	0.368
	SC	0.326	0.261	0.274	0.325	0.207	0.315
	OBC	0.367	0.278	0.342	0.24	0.255	0.317
	Others	0.435	0.438	0.38	0.414	0.368	0.436
	Total	0.447	0.407	0.399	0.379	0.318	0.415
Overall	ST	0.246	0.413	0.234	0.214	0.214	0.311
	SC	0.299	0.221	0.209	0.254	0.196	0.243
	OBC	0.303	0.258	0.264	0.207	0.237	0.267
	Others	0.437	0.419	0.362	0.373	0.312	0.399
	Total	0.382	0.336	0.295	0.288	0.261	0.324

Source: Calculated from "NSSO 68th rounds data, Government of India" (2011-12)

3.3.2 Across the Religion Prevalence of Inequality among Social Groups

Some degree of inequality may not be a problem, but substantial and increasing inequality can be a serious the problem for a society. Table 3.7 and 3.8 show that inequality increased in 2011-12 as compared to 2004-05 across the regions as well as religious groups. Across most regions, the prevalence of inequality is higher among Hindus compared to Muslims and the 'Other'. Among the regions, the highest inequality in the central region and lowest in the eastern region in 2004-05. Across the religious groups, the highest inequality is observed in 'Other religions' compare to Hindu and Muslim, but in case of urban areas, highest inequality among the Hindu religion as compared to Muslim and Other in rural areas and overall in 2004-05, and very similar trend found in 2012-12.

Table No.3.7: Religion wise Prevalence of Inequality (Gini coefficient) in Uttar Pradesh (2004-05).

Prevalence of Inequality by Religion, 2004-05							
Sector	Religion	NUGP	Central	Eastern	Southern	SUGP	Total*
Rural	Hindu	0.262	0.255	0.237	0.259	0.238	0.254
	Muslim	0.237	0.285	0.233	0.217	0.205	0.241
	Other	0.054	0.103	0.113		0.376	0.291
	Total	0.261	0.26	0.237	0.261	0.237	0.242
Urban	Hindu	0.258	0.358	0.319	0.253	0.423	0.354
	Muslim	0.237	0.434	0.249	0.29	0.289	0.299
	Other	0.178	0.178	0.05	0.113	0.251	0.267
	Total	0.279	0.387	0.309	0.265	0.407	0.316
Overall	Hindu	0.274	0.332	0.26	0.262	0.306	0.300
	Muslim	0.239	0.372	0.243	0.292	0.25	0.271
	Other	0.235	0.229	0.239	0.113	0.303	0.337
	Total	0.273	0.342	0.257	0.266	0.302	0.281

Source: Calculated from “NSSO 61st round data, Government of India” (2004-05)

*Total Gini coefficient rural, urban and overall of Uttar Pradesh.

Table No.3.8: Religion Wise Prevalence of Inequality (G.C.) in U.P. (2011-12).

Prevalence of Inequality by Religion, 2011-12							
Sector	Religion	NUGP	Central	Eastern	Southern	SUGP	Total
Rural	Hindu	0.266	0.232	0.253	0.207	0.224	0.331
	Muslim	0.218	0.244	0.283	0.119	0.263	0.265
	Other			0.000		0.141	0.353
	Total	0.26	0.236	0.257	0.209	0.228	0.290
Urban	Hindu	0.413	0.415	0.424	0.383	0.345	0.252
	Muslim	0.277	0.268	0.261	0.305	0.229	0.260
	Other	0.288	0.029	0.017	0.086	0.203	0.138
	Total	0.447	0.407	0.399	0.379	0.318	0.260
Overall	Hindu	0.386	0.348	0.297	0.287	0.262	0.427
	Muslim	0.243	0.277	0.281	0.216	0.247	0.262
	Other	0.288	0.029	0.273	0.086	0.216	0.305
	Total	0.382	0.336	0.295	0.288	0.261	0.316

Source: Calculated from “NSSO 68th round data, Government of India” (2011–12)

3.4 Conclusions and Policy Implications

The findings of the present study tried to build an understanding of the regional incidence of poverty and income inequality among the social and religious groups in Uttar Pradesh. The study reveals that the overall incidence of poverty and region poverty has declined among the social groups as well as religious groups in UP, over the period from 2004-05 and 2011-12.

The prevalence of rural poverty is generally higher in comparison to urban poverty in both the periods. Nevertheless, the incidence of rural and urban poverty varies by the social, region and religious groups. Across the sector (rural, urban and overall), the prevalence of poverty is much higher among the SC households than ST, OBC and Others in both the study periods. Across the social groups, the highest poverty is observed among 'SC' and the lowest among 'Others' in both the study periods. Across social groups, the persistent urban poverty is slightly higher than the rural poverty in 'Other' (2004-2005), and OBC (2011-12). The study found that more than half of the SC household population was poor in the year 2004-05, which came down to 41% in 2011-12.

Across the regions, the highest incidence of poverty was in the eastern region and lowest in NUGP region of the state (2004-05). Although, the incidence of poverty has declined among all the regions, and the highest incidence of poverty is found in the central region instead of eastern region and lowest again in NUGP region of the state in 2011-12.

The prevalence of poverty and income inequality has been analyzed by social groups (ST, SC, OBC, and Other) and religion (Hindu, Muslim and Others) in five regions (NSSO 2004-05 and 2011-12). Although, the incidence of poverty among the social group, especially economically, socially and politically excluded section of the society witnessed a decline over the study period, however, an enormous chunk of poor household, who are bottom of the pyramid among the social groups, continue to be in the need of serious action, particularly in Eastern, Central, and Southern regions of the state, towards poverty alleviation.

It is also seen that there is significant inequality across all social or religious groups and across regions. Further it is a matter of concern that inequality has increased for almost each category over the study period. It may be noted that these estimates are based on consumption data. Usually there is greater income inequality compared to consumption inequality. Hence economic inequality presents as an issue of concern.

Hopefully, this analysis of the incidence of poverty and inequality among the social, region and religious groups would assist the policymakers in identifying critical regions with respect to socially and economically excluded and marginalized sections, so as to improve the well-being of the poor people, who are at the bottom of the pyramid in the state.

Chapter 4: Chronic Poverty in Uttar Pradesh: An Empirical Analysis

“Everyone is poor in a different way.”

—Anonymous

4.1 Introduction

During seven decades after the independence, India has made several efforts to eliminate poverty- firstly through increased economic growth and development, and by direct attacks on poverty using targeted government policy and welfare programs, land reforms, participatory and empowerment-based approaches and through important basic services (Mehta et al, 2003). Many economists have argued that though India did achieve fast growth in comparison to other developing countries, but the benefits of the growth have not equally reached to the poor people and the income of the poor people could increase at a slower rate than the average (Kakwani, 1993; Ahluwalia et., 1979). Rising income of the people undoubtedly will increase the well-being of the poor and probably also will shrink the proportion of the population living in poverty.

“The chronically poor are not simply a list of vulnerable groups, but people who commonly experience several forms of disadvantages and discriminations at the same time. Differing combination of structural factor-labour, and product markets, ethnicity, race, caste, gender, religion, class, disability, refugee status, geographic location,create and maintain the poverty of some, while giving others the chance to avoid or escape it.”- The Chronic Poverty Report 2004-05 (Poverty, G. C., 2004).

The recent literature suggests that poverty has declined and inequality has increased. The well-being of poor people has improved in terms of technological changes, educational attainments etc. Thus, we see that the incidence of poverty (head count ratio measure or proportion of population below poverty line) has declined from about 54.93 per cent in 1973-74 to 21.92 in 2011-12 (B S Minhas, L R Jain, S.D Tendulkar 1991; Government of India Planning Commission Report 2013).

4.1.1 What is Chronic Poverty and why does It Matter?

This study conceptualizes chronic poverty by using the consumption expenditure and duration of poverty. Chronic Poverty Research Centre (2004-05) has defined chronic poverty as the situation of poor people who remain poor for a long period and even pass their poverty from one generation to next generation (their children) (Poverty, G. C., 2004). Accordingly a household is identified as chronic poor if its consumption expenditure is below the poverty line (BPL) and the household remains poor for a long duration and may even pass this status of poverty to the coming generation. Chronic poverty, thus, describes the depth of the poverty that prevails for ‘a long duration’ possibly an entire life, and even passing from one generation to the next generation. Chronically poor households suffer from several deprivations, such as, lack of material assets, capability deprivation, and socio-economic and political marginality which in turn keep them chronically poor (Poverty, G. C., 2004)

The problem of chronic poverty, according to the Chronic Poverty Report (2008-09), is such that “Many chronically poor people die prematurely from easily preventable health problems. For the chronically poor, poverty is not merely about having a very low income: it is about multidimensional deprivation – hunger, undernutrition, illiteracy, unsafe drinking water, lack of access to basic health services, social discrimination, physical insecurity and political exclusion. Whichever way one frames the problem of chronic poverty – as human suffering, like vulnerability, as a basic needs failure, as the abrogation of human rights, – one thing is clear. Widespread chronic poverty occurs in a world that has the knowledge and resources to eradicate it” (Addison, T et al., 2008).

The objective of this chapter is to assess the status of SCs and STs among the social groups concerning persistent poverty and disparities in five villages of three district in rural Uttar Pradesh. Further an attempt is made to estimate the incidence of poverty, chronic poverty, and magnitude of misidentification among the social groups. It also tries to investigate the possible economic and social factors associated with persistently high chronic poverty among the social groups, such as the nature of historical economic and social exclusion, especially of STs and SCs, from access to land, access to wealth, occupations, education, housing and availability of government programs. This chapter focuses on these and other related factors to understand possible reasons for chronic poverty among social groups.

4.2 Findings and Analysis

4.2.1 Incidence of Poverty

The conventional approach to estimate or identify poverty requires determination of an adjusted ‘poverty line’, and a household is considered as poor if its level of income or monthly per capita consumption expenditure (MPCE) is below the poverty line. This approach of measurement of poverty is ‘Head Count Ratio’ (Fraction of the population identified as poor or below the poverty line) and has been generally used in empirical studies on poverty and deprivation. This conventional approach gives a neat and well-defined measure of poverty (Sen, A. K. 1995).

Education is essential for human development, and it makes life worthwhile. The pursuit of knowledge has intrinsic value, and it also helps realize a variety of social goals, including social, economic and demographic change, democratic practice and social equity etc. Thus, low priority attached, in particular, to primary education in twenty-first-century India is considered by many an enormous blunder. Several studies have argued that Indian education system has been unable to deliver universal elementary education. Many studies show that “students who fail to achieve basic skills by the end of class three learn very little in subsequent years even if they are enrolled in school.” There is also the issue of appropriate quality of primary education across Uttar Pradesh. (Drèze, J. 2019; Banerjee, A et al. 2019).

This study has used ‘Tendulkar Methodology’ to identify poor people. The poverty line for rural Uttar Pradesh was set at Rs 768.00 monthly per capita consumption expenditure (MPCE) in 2011-12. And this poverty line (Rs.768.00, 2011-12) updated for the year 2017-18 by using the Consumer Price Index (CPI) for agricultural labour for adjusting the different prices due to inflation. Since this study is using 2011-12 MPCE poverty line, it is necessary to change the poverty line due to inflation. The adjusted poverty line is estimated as follows:

$$PL_{(2017-18)} = \frac{PL_{(2011-12)} \times CPI_{(2017-18)}}{CPI_{(2011-12)}}$$

Where, $PL_{(2017-18)}$ = adjusted poverty line for 2017-2018, $PL_{(2011-12)}$ = poverty line of 2011-12, $CPI_{(2017-18)}$ = Consumer price index for agricultural labour for 2017-18 and $CPI_{(2011-12)}$ = Consumer price index for agricultural labour for 2011-12.

The given poverty line cut-off (2011-12) is Rs.768.00 for rural Uttar Pradesh, $CPI_{2011-12} = Rs.92.8$ and $CPI_{(2017-18)} = Rs 137.2$ (RBI).

$$\text{Thus, } PL_{(2017-18)} = \frac{768 \times 137.2}{92.8} = 1135.44$$

This study estimated adjusted poverty line Rs 1135.44 (2017-18) for rural Uttar Pradesh. Table 4.1A shows that the prevalence of poverty is much higher among ST, OBC and SC groups in comparison to other castes and ST Nayak.

In **Unchagaon and Salarpur** villages, all the ST households are landless, and no one has Pakka House, very few people have electricity for lighting. There is a government school near to this village, there is only one teacher, the surprising things in this school is that only ST and SC children are enrolled. Most of the children go to school to avail ‘Mid Day Meal’ food. In these villages most of them are illiterate, so they do not have other options of job opportunity instead of the brick industry or unskilled occupations. This study found that in **Unchagaon and Salarpur** village, the incidence of poverty among STs (98.33 percent) is much higher in comparison to other of the villages. A very similar condition is found in village Dubari in Mau district, where 82 percent of the ST are below the poverty line.

The study found that the incidence of poverty in ‘ST Nayak’ is very less (5.26 percent) than other social groups, and those are original ST, the incidence of poverty is much higher (80 percent) among the social groups. It may be recalled (see Chapter. 2) that ST, Nayak- are originally Brahmin caste people who dubiously changed identity to become STs. For this reason, they are shown in a separate category in Table 4.1A. For the evidence of identity change, see in *Appendix (Appendix 4A-1&2)*.

Several interesting points emerge from an examination of Table 4.1A. First, The incidence of poverty⁸ is much higher among the ST, SC and OBC in comparison to the Other and ST Nayak. The government report (Planning Commission, 2011-12) shows that the prevalence of poverty among SC and ST social groups is less than 50 percent. Second, ST Nayak are more educated, so the members of the family, those who want to work got government jobs. So poverty among the ST Nayak is negligible. Third, we see that the incidence of poverty in OBC is much higher than SCs and ST in Ballia District. But it shows the opposite result in case of Mau and Azamgarh districts. We will see later that most of the socio-economic indicators like housing, level of education, food quality etc. have improved over time in Uttar Pradesh.

⁸ This estimate is based on Monthly Per Capita Consumption Expenditure (MPCE)

Table 4.1B reveals that the magnitude of incidence of poverty show a sharp decline from 82 percent to 31.72 percent after merging ST Nayak with rest of ST social group for Mau district. At an aggregate level of the three districts, it comes down from 79.59 percent to 58.67 percent.

Table No.4.1A: Poverty among the Social Groups in 5 Villages in three Districts of U.P.

Social Groups	Azamgarh	Mau	Ballia	All
ST(Except Nayak)	98.33 (177)	82.00 (82)	61.95 (127)	79.59 (386)
SC	38.06 (110)	76.88 (246)	71.91 (128)	61.5 (484)
OBC	33.16 (65)	67.56 (227)	85.98 (227)	65.2 (519)
Other	8.68 (19)	5.61 (11)	(18.01) (38)	10.86 (68)
ST Nayak	-	5.26 (10)	-	5.26 (10)
Total	41.97 (371)	50.44 (576)	60.61 (520)	50.87 (1,467)

Source: Author's own calculations based on primary data, 2017-18.

Note: numbers of people below the poverty line in the parentheses.

Table No 4.1B: Poverty Among the Social Groups in 5 Villages in 3 Districts of U.P.

Social Group	Azamgarh	Mau	Ballia	Total
ST (Incl. Nayak)	98.33	31.72	61.95	58.67
SC	38.06	76.88	71.91	61.5
OBC	33.16	67.56	85.98	65.2
Other	8.68	5.61	18.01	10.86
Total	41.97	50.44	60.61	50.87

Source: Author's own calculations based on primary data, 2017-181

4.2.2 Chronic Poverty among the Social Groups

As Already mentioned, if a household is BPL for a long period - say, more than five years or one generation to another generation – then the household is identified as chronically poor (Dowling 2009, CPRC 2008). Thus, some of the households can be temporarily poor in case of temporary illness, unemployment etc. On the other hand, the chronic poverty can be severe or mild.

The question arises “Why are they chronically poor?” We shall see that the main reasons for chronic poverty are lack of employment and earning power, landlessness, discriminations, lack of quality education and skill, lack of access to capital and the problems in access to education, health, electricity, safe drinking water, sanitation and housing. Most of the chronically poor

people are not able to earn enough money to bring their families out of poverty. The illiterate and poorly qualified people are forced to do unskilled work as labourers getting low wages.

The two important studies, namely McCulloch and Baulch (1999) and Adam and He (1995) defined and identified chronic poverty: These are the households that are in the poorest quantile of income distribution for five or three successive years respectively. For estimates of chronic poverty in selected three districts of eastern Uttar Pradesh, see table 4.2A.

Table No.4.2A: Chronic Poverty Among the Social Groups in three districts of Uttar Pradesh, based on self-observation & household claim⁹ and estimate (MPCE).

Chronic Poverty among the Social Groups				
Social Groups	Azamgarh	Mau	Ballia	All
ST (except Nayak)	98.33	98	40.98	74.02
SC	67.82	48.75	69.66	60.48
OBC	48.98	31.25	21.59	32.41
Other	10.96	0	6.16	5.91
ST Nayak	-	2.11	-	2.11
All	55.77	31.79	32.4	39.32

Source: Field survey, 2017-18.

The estimate shows that the incidence of chronic poverty in all the study villages is 39.32 percent, but at the district level, the prevalence of poverty is much higher in Azamgarh and Mau district in comparison to Ballia district. By the social groups, the overall incidence of poverty is much higher in ST (74.02 percent) and SC (60.48 percent) among the social group.

Some of the interesting points emerge from the examination of Table 4.2 A. The incidence of chronic poverty is much higher among the ST and SC than the other category. In case of ST Nayak the prevalence of chronic poverty is very low (2.11%) compared to the ST (98%) in the Mau districts. The Gap of chronic poverty between ST Nayak and ST are very high. The misidentification either in caste identification or in government programmes is a big obstacle for poverty eradication. The benefit has not been reaching to needy persons, but to those who are ineligible for it, because of corruption at the district to the village level (see Table 4.11).

⁹ We see the household's economic condition, then asked 'How long have you been in the same condition?' And household also claim as BPL candidate for a long period, say, more than five years or one generation to another generation.

Table 4.2B estimate the incidence of chronic poverty among those who are already below the poverty line. The study found that ST household those who are BPL in Mau and Azamgarh districts, they all (100 %) are also chronically poor. But no ST Nayak household in Mau District is chronically poor.

Table No.4.2B: Chronically Poor among the Social Groups those who are Already BPL in Three Districts of Uttar Pradesh (based on BPL plus more than five years)

Chronically poor those who are already BPL				
Social Groups	Azamgarh	Mau	Ballia	All
ST (Except Nayak)	100	100	44.09	79.27
SC	55.45	53.25	10.16	62.19
OBC	47.69	33.48	19.38	30.64
Other	10.53	0	28.95	7.35
ST Nayak	-	0	-	0
All	73.05	50.17	23.85	52.56

Source: Field survey, 2017-18..

A Case Study (1) of Unchagaon Scheduled Tribes: 15 Year ago, the people of this village were making ‘Leaf Plates’. These leaf plates were used for serving food when any social functions (Marriage, birthday, death ceremony etc.) were organized by the people. It was a tradition, and all caste people bought these leaf plates and used on such occasions. Making and selling of leaf plate was the source of livelihoods of the ST households and it was traditional occupation of this community. A few years ago, technological advancement brought various types of plates (paper plate and foam plate and plastic plate etc.), to the village society. The production for these new types of plates required huge investment. And that much expenditure was impossible for the ST people. Technological advancement thus, ended their traditional occupational job and they had to leave their traditional occupation. Now all the villagers are searching employment in the brick kiln industry because of lack of education. The community of this village often struggles to make available adequate food for all the household members. The households often run out of money to pay for the essentials needs. Even the basic necessities such as clean water, free and quality of education, nearby healthcare, free housing, and free electricity are not available for the villagers.

4.2.3 Income Inequality

The “Gini coefficient” is one of the popular measures of “inequality” and it is derived from the “Lorenz curve”, and shows the cumulative proportion of income on the vertical axis, and the cumulative proportion of the population on the horizontal axis.

It is seen in chapter three that there is significant inequality across all social or religious groups and across regions. Further it is a matter of concern that inequality has increased for almost each category over the study period. Usually there is greater income inequality compared to consumption inequality. Hence economic inequality presents as an issue of concern. Here the measurement of income inequality sorts the sample population from “poorest to richest”, and reporting the levels or proportions of income that accrue to each level.

Table No.4.3A: Income Inequality of Sample Households.

Household Income	Gini coefficient
All the Household (447)	0.5567503
By The Social Groups	
ST (including ST Nayak)	0.5818752
SC	0.4678451
OBC	0.4343261
Others	0.5896576

Table No.4.3B: Income Inequality of Selected Households, as Measured by the Gini Coefficient among the Social Group (Excluding ST Nayak).

Household Income	Gini coefficient
All the Household (447)	0.5567503
By The Social Groups	
ST(Excluding ST Nayak)	0.4149145
SC	0.4678451
OBC	0.4343261
Others	0.5896576
ST Nayak	0.5053386

Source: Author’s calculations based field survey data, 2017-18.

Table 4.3A show the Gini coefficient of income of 447 household among the social groups. We find higher income inequality in ‘Other’ and ST (including ST Nayak) than the SC and OBC among the social group. Income inequality in ST is much higher than SC and OBC because of caste identity changes.

Table 4.3B shows that income inequality is lower in ST (Gini coefficient 0.414) than the other social group when we excluded ‘ST Nayak’ from ST, and highest income inequality in ‘Other’ category. We also find that that **Top 20 % of the population have 60% of the income of the total income (see figure 4.1A)**

Figure No.4.1A: Income Inequality of Selected Households, as Measured by the Gini Coefficient (Including ST Nayak)

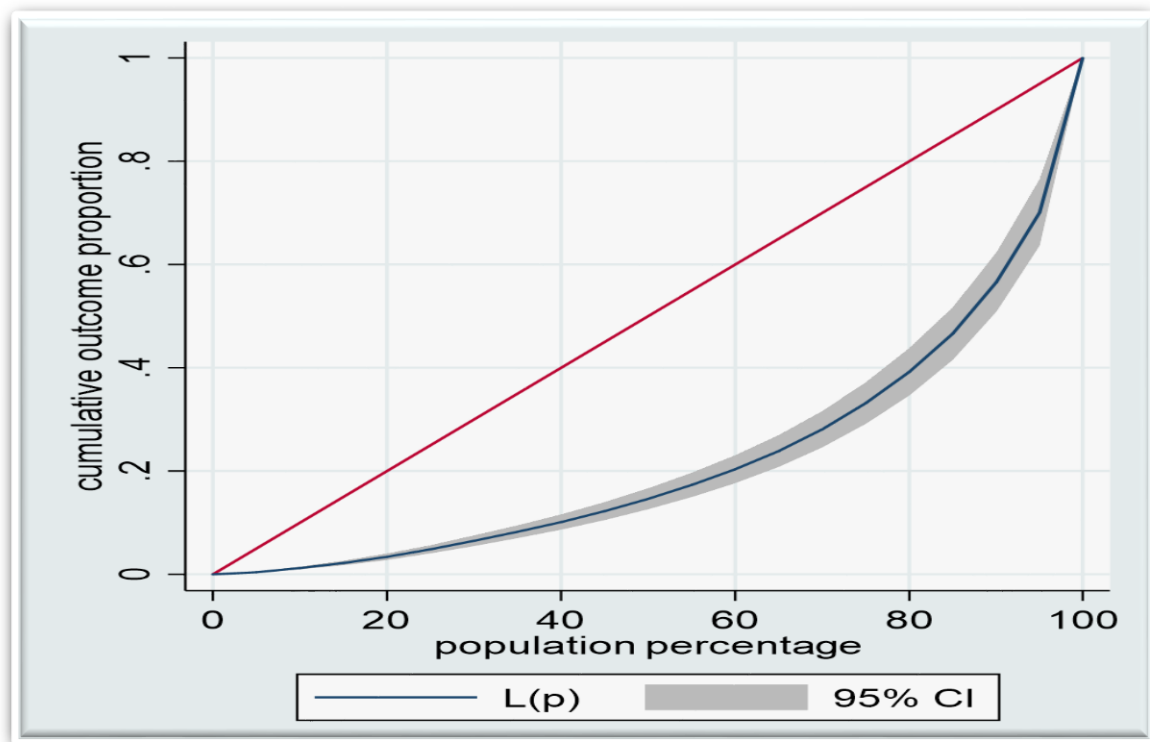
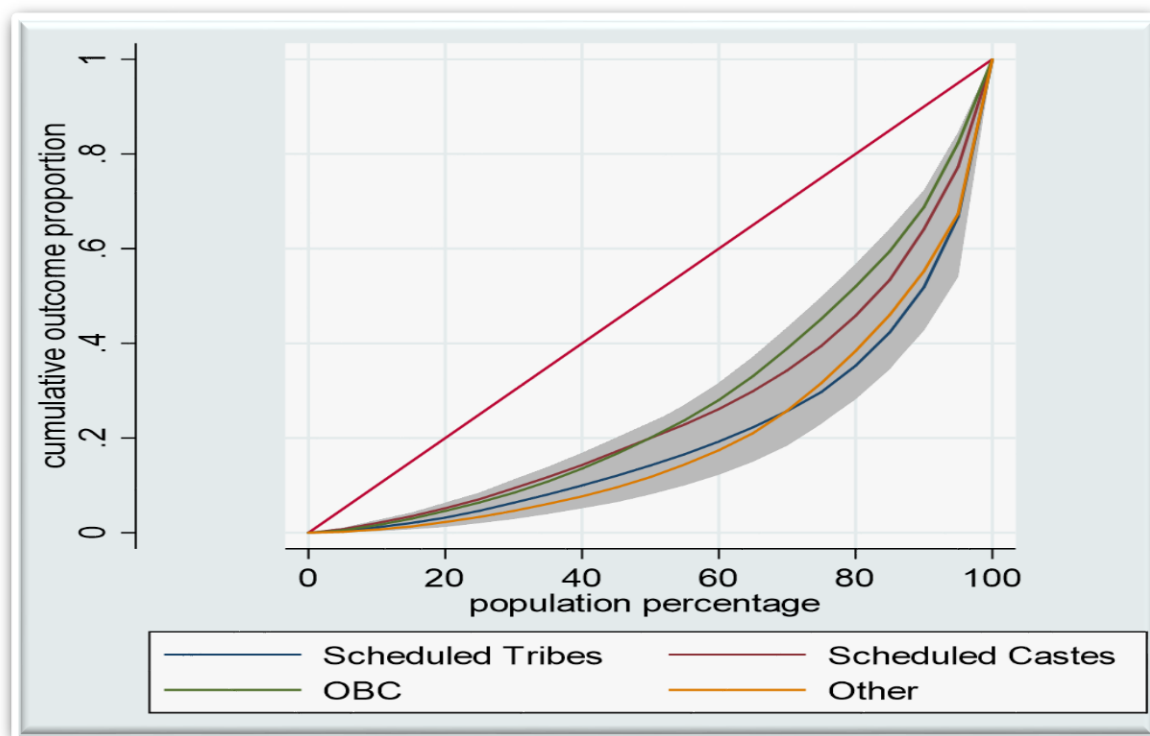
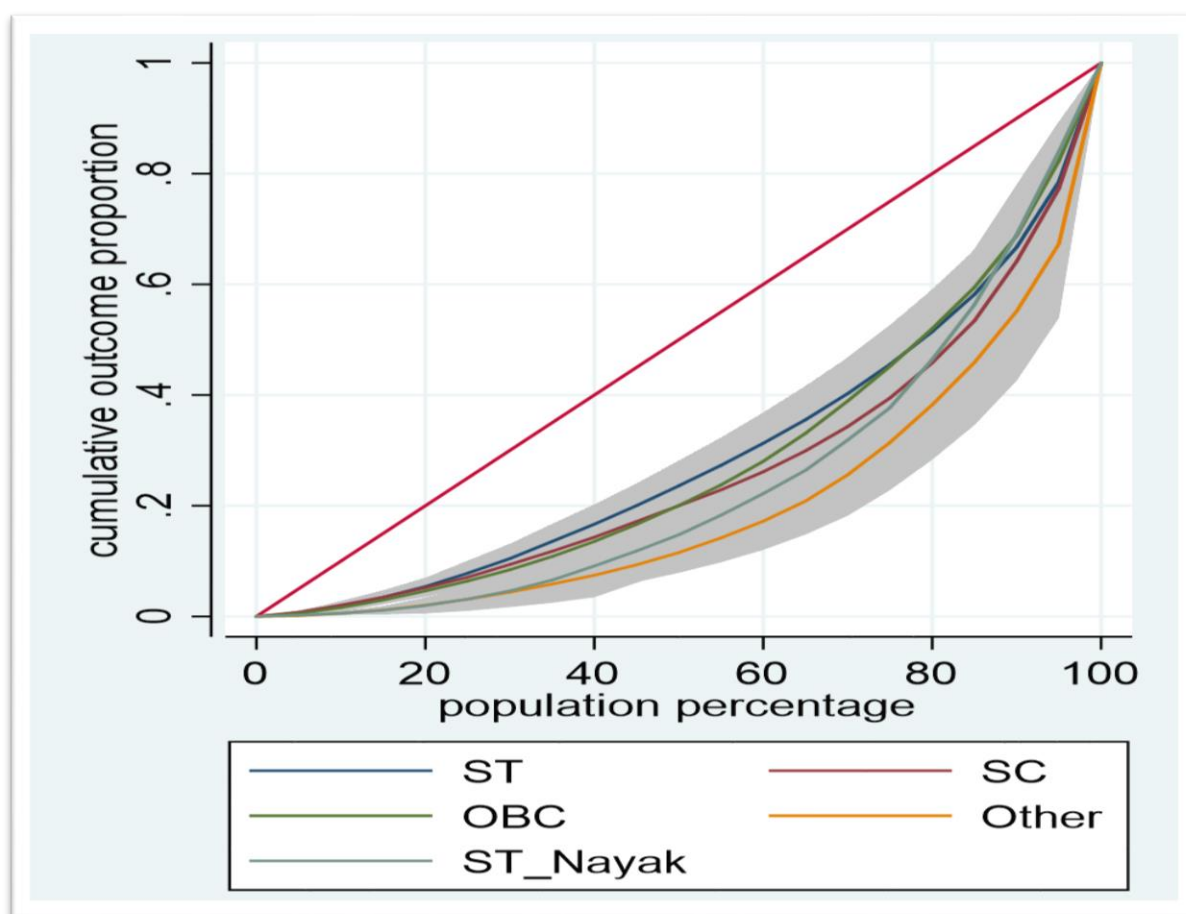


Figure No.4.1B: Income Inequality of Selected Households, as Measured by the Gini Coefficient (Including ST Nayak in ST)



Source: field survey (2017-18)

Figure No.4.1C: Income Inequality of Selected Households, as Measured by the Gini Coefficient (excluding ST Nayak from ST)



Source: Author's calculations based on primary data, 2017-18.

4.2.4 Level of Education

Education brings various benefits, and the most important part of the education is the advantage that it brings in terms of self-confidence, self-respect, self-recognition, and all the feeling of individual accomplishment (Kakwani, 2008). The good quality education is one of those resources that permit one to widen the choice to succeed in valued functioning and freedoms. Education expands skills or knowledge and it has the potential to make real changes in the society, especially for ST, SC and women. Education plays a direct role in poverty eradication. The poor education or lack of education leads to poor quality of life, loss of the individual's capability and freedom considered essential in modern society (Sen 1993, 1999; Tilak 2002, Kakwani, 2008). While wealth and income are essential to improve the well-being of the poor as well as non-poor individuals, self-respect is a very important thing that any rational individual is supposed to want for inner strength and self-confidence (Rawls 1971, O'Shea 1999,

Kakwani, 2008). The human development identifies the essential value of education especially as human rights, entitlement and opportunity (Sen 1993, 1999; Tilak 2002).

This study found that many children in the study area in three districts of rural Uttar Pradesh do not have access to quality of education because of poverty. The study investigated and found that there is still not a secondary school and middle school in the study villages and near the villages within 5 km. However, all the study villages have a government primary school, but the problem is that not many children go to a government school. The students who are enrolled in the government primary school, are mostly from the STs and SCs. The villagers say that this Government primary school is only for STs and SCs children, who can not afford the high fee charged by the private schools. This study also found that most of the rich people among the STs and SCs are sending their children to private schools.

Some interesting points emerge from an examination of Table 4.4A which estimates the level of education in the study villages of three districts of Uttar Pradesh. The prevalence of illiteracy is much higher among the ST (36.57%), SC (23.36%) and OBC (28.29%) than the Other (9.22%) and ST Nayak (8.22). The highest incidence of illiteracy is among ST (36.57%) and lowest among the ST Nayak (8.22%). There is a general perception that those who have graduation and higher education degree for them there is more chances to get out of poverty. This percentage is very less especially ST, SC and OBC than Other and ST Nayak. The study found that some of the graduates, postgraduate and higher educated people are also poor It appears that the rural people have not been getting good quality education and job-oriented education The literature suggests that poverty can be eradicated through the power of good quality education (Perkins et al., 1992; Banerjee et al., 2011; Drèze 2019).

Table No.4.4A: The Education Level of the Household among the Social Groups.

Social Groups	Illiterate	UKG, LKG	Below Primary	Primary	Middle	Secondary	Higher Secondary	Diploma	Graduate	Post Graduate	Total
ST*	36.57	2.49	8.96	10.45	17.91	12.19	7.21	0	3.98	0.25	100
SC	23.36	1.9	8.47	7.88	15.91	15.47	15.47	0.88	9.2	1.46	100
OBC	28.29	1.65	7.78	7.78	14.97	15.12	16.17	0.3	6.59	1.35	100
Other	9.22	1.42	5.5	3.9	13.48	15.25	18.09	1.24	23.4	8.51	100
ST Nayak	8.28	2.37	7.69	4.73	16.57	13.61	17.75	0.59	17.75	10.65	100
Total	22.59	1.85	7.64	7.15	15.47	14.67	15.07	0.64	11.45	3.46	100

*Source: Field Survey, 2017-18. *Excluding Nayak*

Table No.4.4B: The Education Level among the Social Groups those who are BPL

Social Groups	Illiterate	UKG, LKG,	Below Primary	Primary	Middle	Secondary	Higher Secondary	Diploma	Graduate	Post Graduate	Total
ST*	39.42	2.24	10.9	11.22	16.99	11.54	6.09	0	1.6	0	100
SC	23.36	2.92	9.25	7.79	18.25	15.09	16.06	0.73	5.6	0.97	100
OBC	29.91	1.87	7.01	9.35	12.15	15.89	17.99	0.23	5.61	0	100
Other	15.09	1.89	5.66	5.66	20.75	15.09	18.87	0	16.98	0	100
ST Nayak	14.29	0	0	0	0	28.57	28.57	0	28.57	0	100
Total	29.4	2.31	8.67	9.08	15.77	14.53	14.37	0.33	5.2	0.33	100

Source: Author's calculations based on primary data, 2017-18.

Note: *Excluding Nayak

Table 4.4B shows the level of education of those people who are BPL among the social groups. This study found that illiteracy rate is much higher in ST, SC and OBC than the 'Other' and ST Nayak. It also shows that illiteracy is much higher in poor than rich people. Many graduate and postgraduate degree holders among all the social groups are also living below the poverty line. Various studies investigated that poverty and education are inversely related, higher the level of education, lower the proportion of the poverty of the population. As the quality of education, information, awareness, skills and knowledge, these are directly related to higher wages and source of earnings (Tilak, 1986, 1994, 2002)

4.2.5 Sex Ratio in Study Villages

Table No.4.5: Sex Ratio of the Study Villages.

Social Group	Azamagarh		Mau		Ballia		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
ST (Inc. Nayak)	51.11	48.89	48.62	51.38	55.61	44.39	51.41	48.59
SC	57.09	42.91	57.81	42.19	56.74	43.26	57.31	42.69
OBC	53.57	46.43	50.6	49.4	56.44	43.56	53.27	46.73
Other	57.08	42.92	50	50	59.24	40.76	55.59	44.41
Total	55.09	44.91	52.01	47.99	56.99	43.01	54.44	45.56

Source: Author's own calculations based on field survey data, 2017-18.

The various studies proclaim that an imbalance in sex ratio may create several social and

economic consequences. The study found that male to female, ratio is 54.44 percent to 45.56 in study villages. Similar pattern is seen in each of the three districts and for different social groups, with minor variations. One significant departure is Mau district, where among STs, the female population is higher than male population and evenly balanced in the other category.

4.2.6 Land Owned By the Households

The two interesting points emerge from an examination of table 4.6A. The first, STs households are highest landless (91.13%) among the social groups, while no landless household found among ST Nayak. The second, the highest landholdings (large) are found only among the 'Other' category. The largest landless, small size of landholding and scarcity of land in ST and SC among the social groups are important conclusions that can be drawn from this analysis of the study. Distribution of land ownership holdings varies from district to district (See Appendix 4 B).

Table No.4.6A: Distribution of land Ownership Holdings by Social Group (in %).

Types of Land Holding							
S. Groups	Landless	Marginal	Small	Semi-medium	Medium	Large	Total
ST (Excl. Nayak)	91.13	8.87	0	0	0	0	100
SC	30.24	66.96	2.8	0	0	0	100
OBC	29.65	57.91	10.18	0.5	1.76	0	100
Other	9.42	30.19	18.37	16.77	20.77	4.47	100
ST Nayak	0	20.53	16.84	48.42	14.21	0	100
Total	33.81	43.65	8.67	6.97	5.93	0.97	100

Source: Author's calculations based on primary data, 2017-18. **Note:** "less than or equal to 0.002 hectares' as classified under 'landless' category, also includes plots where area is not reported, marginal landholding more than 0.002 but less than or equal to 1.000 hectares, small landholding more than 0.002 but less than or equal to 1.000 hectares, semi-medium more than 2.000 but less than or equal to 4.000 hectares, medium land holding more than 4.000 but less than or equal to 10.000 hectares and large landholding more than 10.000 hectares".

Table No.4.6B: Type of Land Owned by Social Groups.

Social	Azamgarh		Mau		Ballia		Total	
Groups	Home-stead	Homestead and other	Home-stead	Homestead and other	Home-stead	Homestead and other	Home-stead	Homestead and other
ST *	100	0	100	0	79.02	20.98	91.13	8.87
SC	22.49	77.51	12.5	87.5	74.72	25.28	30.24	69.76
OBC	3.06	96.94	15.48	84.52	69.32	30.68	30.28	69.72
Other	10.96	89.04	7.65	92.35	9.48	90.52	9.42	90.58
ST Nayak	-	-	0	100	-	-	0	100
Total	31.11	68.89	18.13	81.87	58.04	41.96	33.98	66.02

Source: Author's calculations based on primary data, 2017-18. **Note:*** excluding Nayak

Table 4.6B reveals that around 34 percent of the household have only homestead land and 66 percent homestead and other lands. In case of ST in Azamgarh and Mau district all the household have homestead land only, and in Ballia district, around 79 percent ST households have only homestead land. The study found that overall very few ST household have land for cultivation and while ST Nayak all households have more land than ST. This demonstrates extreme land inequalities in the land ownership among the social groups in the study area of three districts.

4.2.7 Primary Source of Cooking Energy

Cooking energy is essential to improving the well-being of the people, especially for women. Ten years ago, most of the households used wood, Kerosene and others as cooking energy. But nowadays most of the people use LPG as cooking energy. The cost of LPG cylinder (more than Rs 800 per cylinder) is found to be high & much more than the cost of the wood and other sources of cooking energy. The study found that people want to use LPG, but most people do not use because of the cost of refilling cylinder is very high, especially for poor people. Most of the poor people use wood and other sources of energy.

Table No.4.7: Primary Source of Cooking Energy among the Social Groups

Social Group	Azamgarh		Mau		Ballia		All	
	Wood & others	LPG	Wood & others	LPG	Wood & others	LPG	Wood & others	LPG
ST*	100	0	100	0	91.71	8.29	96.49	3.51
SC	87.2	12.8	84.69	15.31	86.52	13.48	86.02	13.98
OBC	84.18	15.82	72.02	27.98	69.7	30.3	74.25	25.75
Other	25.57	74.43	22.45	77.55	15.64	84.36	21.25	78.75
ST Nayak	-	-	7.89	92.11	-	-	7.89	92.11
Total	73.87	26.13	58.84	41.16	65.15	34.85	65.33	34.67

Source: Author's calculations based on primary data, 2017-18.

* Excluding Nayak

Table 4.7 reveals that for only 34 percent of the household, the primary source of cooking energy is LPG. This percentage is very low in the case of ST (3.51%), SC (13.98) and OBC (25.75 %) in comparison to 'Other' (78.75%) and ST Nayak (92.11%). It highlights the actual condition of the rural people. Most of the ST and SC women work as a casual worker, and they face a huge problem because when they come from work, they have to start cooking, so there is no time for women to relax. One interesting point emerges from an examination of Table 4.7. Pradhan Mantri Ujjwala Yojana (PMUY, 2016) has not been very effective because very

few people benefited from this. Many of the respondents who benefited from scheme and said that the first free refilled gas cylinder was used and after that, they could not refill the gas cylinder because of the high price of refilling gas cylinder.

4.2.8 Primary Source of the Lighting

“Rajiv Gandhi Grameen Vidyutikaran Yojana” (RGGVY) programme was launched in 2005, and it is dedicated to providing electricity to all rural households. The programme is funded 90% by the “Central Government” and 10% by Rural Electrification Corporation (REC). This scheme applies to all rural families living below the poverty line.

Electricity is one of the indispensable sources of production and source of energy for lighting. The villagers of three districts say that electricity facilities have improved the well-being of the people, it has various uses like for using the TV, refrigerator, washing machine, pump and other various uses. Under RGGVY most of the villages benefited from this program. The Government has given free electricity connection to the poor people, but there is a perception among the poor people that the Government will charge the bill, so some of the poor people did not take the connection.

Table No.4.8: Primary Source of Energy for Lighting

Social Group	Azamgarh		Mau		Ballia		All	
	Kerosene and Others	Electricity	Kerosene and Others	Electricity	Kerosene and Others	Electricity	Kerosene and Others	Electricity
ST*	12.78	87.22	16	84	3.9	96.1	9.69	90.31
SC	5.88	94.12	17.81	82.19	0.56	99.44	9.53	90.47
OBC	28.06	71.94	6.55	93.45	0	100	9.67	90.33
Other	0	100	0	100	1.42	98.58	0.48	99.52
ST Nayak	-	-	0	100	-	-	0	100
Total	10.75	89.25	8.32	91.68	1.4	98.6	7	93

Source: Field Survey (2017-18)

Note: *Excluding Nayak

An examination of Table 4.8, shows that 93 percent of households uses electricity as a source of lighting. Still, 7 percent of the households do not have electricity facility. They said that they did not take connection because the electricity charges are very high, and the availability of electricity in a day is very less (less than ten hours in 24 hours). This study finds that all five villages have electricity facility, the problem is only due to issue of lack of electricity availability continuously. People claim that they can start a small industry in the village if the

availability of electricity in the village is 24x7. The people in these villages accept that the poor and rich people's quality of life and well-being have improved due to electricity.

4.2.9 Regular Employment

Regular employment and fixed employment with salary have been seen as a good indicator of improving the well-being of the people in the society. In contrast, the casual labour is seen as a sign of economic vulnerability because casual labour is usually unstable (Drèze, J. (2019). Table 4.9 reveals that only 23.79 percent of the households have some member with regular employment in this five study villages, and this percentage is very low in the case of STs and STs. This study found that people are poor because they do not have regular employment, and no government programs provide regular employment. We see that those people have regular employment, they are not poor, and many people are out of poverty after getting regular employment. The study also found that the households with regular salary earners are 11.13 percent among ST households while among ST Nayak 72.63 households are with regular salary earners. There is a wide variation on this aspect between SC/ST households and the 'Other' households across all districts. This is indicative of economic vulnerability of the SC/ST households.

Table No.4.9: Household with a Regular Salary Earner

Social Group	Azamgarh		Mau		Ballia		All	
	Regular Salary Earner		Regular Salary Earner		Regular Salary Earner		Regular Salary Earner	
	No	Yes	No	Yes	No	Yes	No	Yes
ST (Excl. Nayak)	96.67	3.33	100	0	76.59	23.41	88.87	11.13
SC	82.7	17.3	96.25	3.75	80.34	19.66	87.67	12.33
OBC	95.41	4.59	69.35	30.65	93.56	6.44	83.79	16.21
Other	50.23	49.77	70.41	29.59	52.13	47.87	57.19	42.81
ST Nayak	-	-	27.37	72.63	-	-	27.37	72.63
Total	80.32	19.68	72.77	27.23	76.57	23.43	76.21	23.79

Source: Author's calculations based on field survey (2017-18)

4.2.10 Government Policies and Programs

The government approach is to directly target poverty through the rural employment programs adopted in the 1973s. In this period, several special employment programs for the rural poor people were undertaken by the Government. These are some important schemes : instance cash scheme for rural employment (CSRE), food for work program (FWP) integrated rural development program (IRDP), pilot intensive rural employment project (PIREP), national rural employment program (NREP), rural landless employment guarantee program (RLEGP, 1983),

Jawahar Rozgar Yojana (JRY, NREP and RLEGP merged into a single program as JRY in 1989), Swarnajayanti Gram Swarozgar Yojana (SGSY), Sampoorna Grameen Rozgar Yojana (SGRY), Nehru Rozgar Yojana (NRY,1989), Sampoorna Grameen Rozgar Yojana (SGRY,2001-JGSY and EAS were merged in SGRY) and “Mahatma Gandhi National Rural Employment Guarantee Scheme” (MNREGS, 2006).

India’s MNREGA builds on the very simple idea to guarantee hundred days of work per household a year. Under this Act, one important entitlement includes basic worksite facilities, payment of worker’s wages within fifteen days and allowance if work is not made available. This Act can serve various valuable purposes, such as enhancing economic security, creating productivity, promoting social equity, empowering rural women, activating villages, environment protections and discouraging distress migration (Drèze, J. (2019).

All these programs aim to eradicate poverty and improve the well-being of the poor people. These poverty eradication programs suffered from much specific inadequacy and corruption. Poverty alleviation schemes have generated additional income in the hands of the poor people for buying basic needs. However, these programs do not ensure that the poor people can get adequate income for basic needs all through the year.

Generally, people see and share their experiences and perceptions about poverty. It has been shown that many government policies and programs have been ineffective and poverty has been a major problem for society (Drèze, J. (2019). Some people argue that poverty is a multidimensional phenomenon and problem of poverty is not only economic problem, but it is also a social, political and cultural problem, and the social changes take time to solve the social problems.

4.2.11 Public Distribution System

The Public Distribution System (PDS) was launched in 1947, and it has been one of the most important food-based security programs for poor people. Under the Food Security Act enacted by the Parliament in 2013, the Government has targeted to cover 75 percent rural and 50 percent urban population under targeted PDS (NFSA, 2013). In Uttar Pradesh, around 80 percent of the rural and 64 percent of the urban population has been covered under the NFSA to provide food grains at highly subsidized price (MCA, 2013-14)¹⁰.

¹⁰ Annual Report (2013-14) Department of Food & Public Distribution (Ministry of Consumer Affairs, Food & Public Distribution), Government of India, New Delhi, Page-59.

The functioning of India's PDS has been beset with many problems, in particular about leakages from the system. Only a few states like Tamil Nadu and some other southern states had a well-functioning PDS, helping poor households (Drèze, J. 2019). The present study also finds that around 80 percent of the household pay bribes to get the benefit of PDS (Table 4.10A). There are various malpractices such as supplying less quantity, charging higher price than Government fixed price, in the name of transportation cost, and during some months inadequate supply etc.

'Kotedar aur Pradhan badi Jat k haven saheb – hum sab logan k Ration card Pradhan rakh lehanan....Jab ration leve ke liye Jani Ja tab kuch logan ke thodi thodi dekar bhagaa denan.....bolale par Pradhan aur kotedar dono log gali denan': 'Shopkeeper and Sarpanch are upper caste sir –Sarpanch has kept ours ration cards.... Whenever we go for taking the food grain, they give less quantity to people with warning....if we oppose, both of them abuse us', so said a tribal (ST) woman of Unchagaon village of Azamgarh district in UP. In this village, most of the beneficiary people blame both shopkeepers and Sarpanch for their uncivilized behavior and against corruption.

The public distribution system is one of the important programs. Table 4.10A shows that around 54 percent of the household directly benefited from the PDS in study villages of three districts, and this program has reduced the starvation problems which generally poor people faced in famine related problems.

Table No.4.10A: Availing of Government Schemes; Public Distribution System.

Social	Antyodaya Card*		BPL Card		Patra G. Card**		All	
Groups	Availing	Bribes	Availing	Bribes	Availing	Bribes	Availing	Bribes
ST	11.13	0	13.4	75.38	18.97	33.7	40.41	84.9
SC	37.99	53.85	11.82	51.62	25.28	45.79	69.76	78.14
OBC	11.93	34.74	16.08	35.16	35.18	56.79	64.32	91.99
Other	7.19	22.22	5.43	26.47	29.39	47.83	41.69	65.13
ST Nayak	5.26	0	0	0	3.68	0	11.05	33.33
Total	17.44	40.56	11.1	45	26.42	48.47	53.56	80.78

Source: Author's calculations based on field survey, 2017-18. *Antyodaya Card is a Government sponsored scheme to provide subsidized food to those households living in extreme poverty. ** Priority' and 'non-priority' BPL and APL card has replaced to Patra Grihasti card, and which decide the quantum of ration based on the eligibility of each household. At the time of 'Field Survey 2017-18' many of the households were converting their APL or BPL cards to Patra Grihasti card.

The incidence of poverty and landlessness is highest in the STs, but only around 40 percent of the ST and 70 percent of SC households benefited from the PDS. At aggregate level, only around 54 percent of the people benefited from PDS, though it should be more than 75 percent in rural areas as target under NFSA by the Government. The NFSA may not eliminate malnutrition and eradicate poverty. But it can end hunger (Drèze, J., 2019).

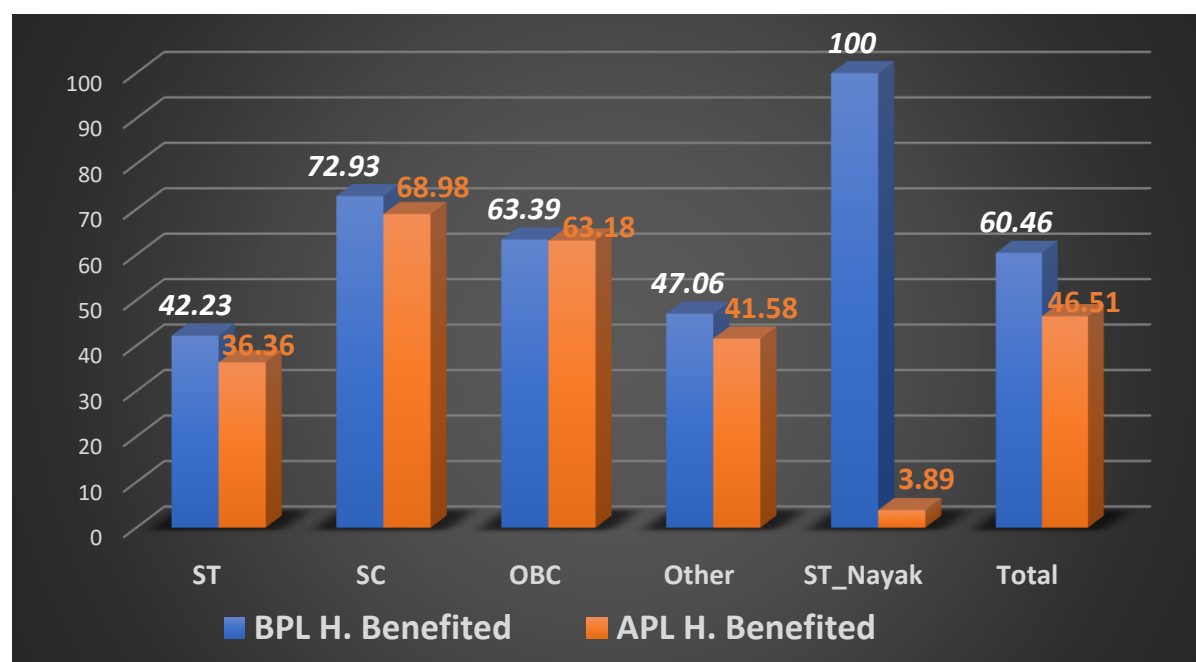
Table No.4.10B: Availing PDS Schemes, Benefits, Difficulties and Bribes

S Groups	Availing	Benefits	Difficulties	Any Bribes
ST (excl. Nayak)	40.41	94.27	88.54	84.9
SC	69.76	98.91	93.08	78.14
OBC	64.32	100	98.63	91.99
Other	41.69	100	67.43	65.13
ST Nayak	11.05	100	100	33.33
Total	53.56	98.44	90.1	80.78

Source: Author's calculations based on field survey data, 2017-18.

This study finds that the people who are APL, they have also been availing the PDS benefits, and they are around 47 percent (Figure 4.2).

Figure No.4.2: APL and BPL People Availing the Benefit from PDS



Source: Author's calculations based on field survey data, 2017-18.

4.2.12 Indira Awaas Yojana (IAY or PMGAY)

IAY was launched in 1985 by Government of India, and now it is known as Pradhan Mantri Gramin Awaas Yojana (PMGAY, 2015). It is the flagship housing scheme and works constructing houses for BPL families who are either houseless or having inadequate housing facilities in rural areas. Broadly the aim is to provide financial assistance to the weaker sections of society to construct a house.

This scheme is mainly for BPL household. Under this scheme, some of the poor people have benefited, especially SC and ST households (see Table 4.11). We see that ST (16.08%) and SC (24.14%) people have to much greater extent benefited than the other category from this scheme. However, we also note that for availing this scheme, 81.82 percent of beneficiary paid bribes. So for availing this scheme, first people have to pay bribes (Rs 20,000)¹¹ to Gram Pradhan or Lekhpal or Secretary. Paying bribes of rupees twenty thousand is a big challenge for poor people, but most people arrange money from their relatives and borrow from the market. Many poor people have not benefited because of corruption at the local level. All the beneficiary are agreed that they are benefited from the IAY. And the same beneficiary face difficulties and pay bribes to availing of IAY.

Table No.4.11: Availing of IAY, Benefit, Difficulties and Bribes.

S Groups	Availing	Benefits	Difficulties	Any Bribes
ST (Excl. Nayak)	16.08	100	86.44	86.44
SC	24.14	100	82.11	82.11
OBC	1.38	100	45.45	45.45
Other	0.64	100	100	100
ST Nayak	0	0	0	0
Total	9.81	100	81.82	81.82

Source: Author's calculations based on primary data, 2017-18

4.2.13 Assets of the Households

The academic researchers and policymakers concerned about poverty eradication have recognized the importance of lack of assets both a sign and as a reason for poverty (Robles-Zavala, 2008). The well-being or quality of life of the poor people in the rural areas depends upon a range of various assets and activities. The people who have been quality and quantity of the assets or resources shaped normal survival than those who have small or no assets (Robles-Zavala, 2008). It is seen that poverty hurts everyone, and the life of the poor people is

¹¹ According to the respondents, they paid bribes between Rs5000 to 20000.

very risky and vulnerable (Kotler, 2009). For poor people, availability of assets or resources not only enhances livelihood outcomes, but also provides some security in the face of risk (Robles-Zavala, 2008).

Table No.4.12A: Assets of the Households of three District among the Social Groups.

Districts	Azamgarh			Mau			Ballia			All		
S. Groups	Ref*	WM*	TV*	Ref	WM	TV	Ref	WM	TV	Ref	WM	TV
ST@	0	0	29.44	0	0	48	3.9	0	54.15	1.65	0	43.71
SC	7.61	0	27.68	3.13	0	41.56	5.62	5.62	28.09	5.34	1.27	33.42
OBC	0	0	28.57	3.27	0	69.94	10.61	10.61	47.35	4.9	3.52	52.26
Other	37.44	34.25	88.13	11.73	6.63	82.65	20.38	15.17	80.09	23.64	19.17	83.71
ST Nayak	-	-	-	68.42	52.63	92.11	-	-	-	68.42	52.63	92.11
All	11.76	8.48	43.21	15.24	9.89	65.94	10.37	8.16	53.03	12.73	8.95	55.13

*:Ref= Refrigerator, WM= Washing machine, and TV= television

Source: Author's own calculations based on primary data, 2017-18.

@ Excluding Nayak

Table 4.12A reveals that 'no' ST households has a Washing Machine in the study villages, while more than 50% ST Nayak households have a Washing Machine. This table shows that more ST Nayak households have a refrigerator, washing machine, and TV assets that the 'Other' household category. The similar trend is found in Motorized vehicles (see Table 4.12B). In case of every asset category except cycles, it is noted that SCs/STs have much lower assets ownership compared to the other category. The disadvantaged social groups also face greater economic insecurity.

Table No.4.12B: Motorized Vehicles among the Social Groups.

Social Groups	Two Wheelers	Three Wheelers	Four Wheelers	Cycles
ST (Excl. Nayak)	15.05	6.19	0	75.05
SC	17.79	0.38	1.27	80.18
OBC	33.29	0.38	3.14	74.87
Other	55.75	4.86	12.94	77.8
ST Nayak	93.68	0	51.05	45.79
All	32.7	2.3	7.39	75.07

Source: Author's calculations based on primary data, 2017-18.

4.2.14 Types of Houses (Residential Units)

Under the IAY and Lohia Awas Yojana (a U.P. government scheme), only around 10 percent of the households benefit from a housing scheme in the study villages (see Table 4.11). The study found that the condition of housing of the poor people, especially ST and SC is inadequate and /or low quality. Many of the ST and SC poor people have only thatched huts.

The housing status of ST Nayaks is for better than even the Other category in the study villages (Table 4.13). We find that most of ST Nayak (90%) and ‘Other’ (76.4%) category households have separate kitchen, where very few STs/SCs (around 5%) household have separate kitchen. We noticed that ST/SC households have benefited from the government housing schemes. We also find that around 40% percent of the ST/SC households have Pakka Houses. However, ST Nayak, OBC and Other category households have more Pakka houses without availing government’s housing schemes than the ST/SC households.

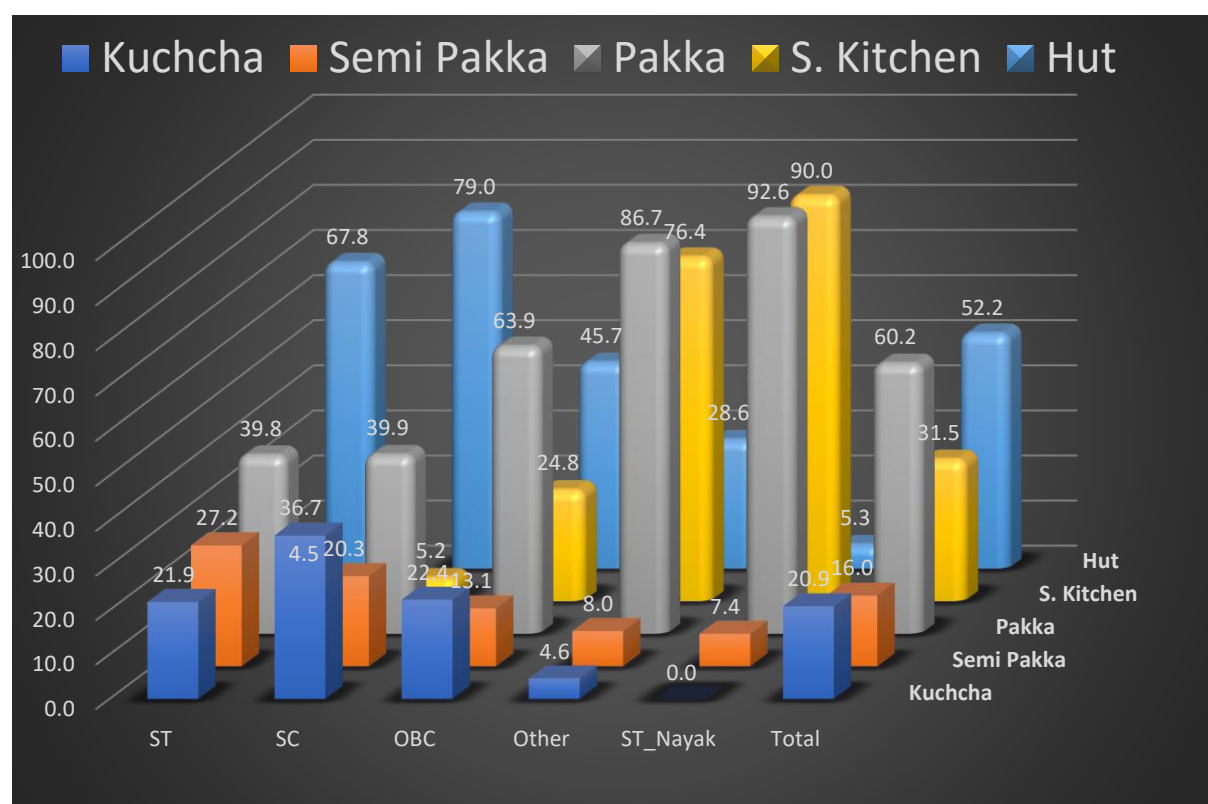
Table No.4.13: Household Particular among the Social Group in Study Villages.

Social Groups	Kuchcha	Semi Pakka	Pakka	S. Kitchen*	Hut
ST(Excl. Nayak)	21.86	27.22	39.79	4.54	67.84
SC	36.72	20.33	39.9	5.21	79.03
OBC	22.36	13.07	63.94	24.75	45.73
Other	4.63	7.99	86.74	76.36	28.59
ST Nayak	0	7.37	92.63	90	5.26
Total	20.87	15.95	60.16	31.51	52.15

Source: Author’s calculations based on primary data, 2017-18.

* Separate Kitchen

Figure No.4.3: Household Particular among the Social Group in Study Villages.



Source: Author’s calculations based on primary data, 2017-18.

4.2.15 Availability of Drinking Water Source

The lack of availability of clean drinking water is a serious problem for poor people, especially STs and SCs, in rural areas. The availability of clean and safe drinking water seems to be shrinking, and water level of water sources is declining in rural as well as urban areas. Various studies have found that people and children have been adversely affected by polluted water, typhoid, and malaria etc.

The study found that all the sample households of Ballia district have been purchasing filter water from the market because of arsenic polluted ground water coming from the hand pump, and a similar problem is found in Chiutidand village in Mau district. So there is a problem for the poor people who are unable to purchase drinking water from the market and hence use the polluted water and have to spend money on health.

Table 4.14 shows that fewer people have water facilities within the premises among the STs and SCs than in case of OBC, Other and ST Nayak. It varies from village to village, district to district. The study found that 62.7 percent, 18.6 percent and 18.8 of the STs people have water facility within, near and away premise respectively, ST Nayak has 100 percent water facility within the premise.

Table No.4.14: Amenities; Availability of Drinking Water Source

Districts	Azamgarh			Mau			Ballia			All three Districts		
S.Groups	WP1	NP2	AP3	WP1	NP2	AP3	WP1	NP2	AP3	WP1	NP2	AP3
ST*	20.6	28.9	50.6	76.0	24.0	0.0	93.2	6.8	0.0	62.7	18.6	18.8
SC	56.1	42.6	1.4	79.1	20.9	0.0	77.0	23.0	0.0	70.1	29.4	0.5
OBC	61.2	38.8	0.0	91.7	7.1	1.2	97.7	2.3	0.0	86.2	13.3	0.5
Other	90.4	7.8	1.8	100.0	0.0	0.0	100.0	0.0	0.0	96.7	2.7	0.6
ST Nayak	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0
All	58.5	30.3	11.2	89.6	10.1	0.4	92.9	7.1	0.0	81.0	15.4	3.6
<i>WP1=Within the Premises, NP2= Near the Premise, and AP3= Away (more than 1/4 km)</i>												

Source: Author's calculations based on field survey data, 2017-18.

* Excluding Nayak

4.2.16 Health Status

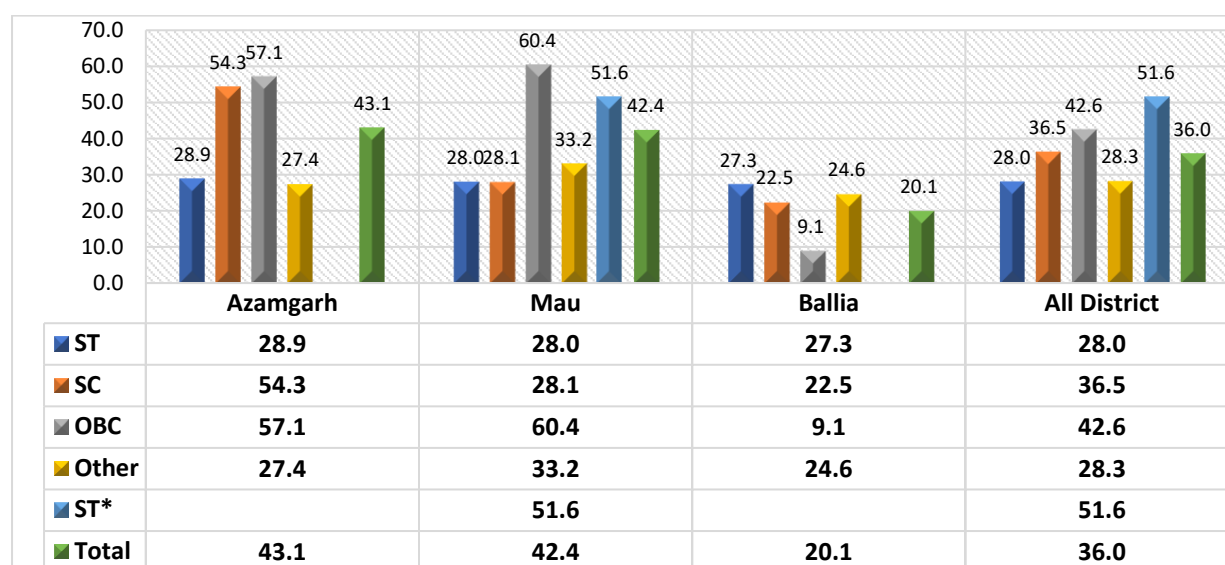
Health is one of the most crucial issues in life, and yet the least talked about. It is very tough to think if there is anything more indispensable than health for the quality of life and human well-being, and yet, the issue of health is virtually absent from the public debates and politics

in India (Drèze, & Sen, 2013). Some children die before their fifth birthdays every year, and most of them are from poor / low-income households (Banerjee, 2011).

Health has the potential to be the source of several different traps. For instance, workers living in an unclean environment may miss many workdays, children may be sick often unable to do well in school; mothers may give birth to sickly babies. “Each of these channels is potentially a mechanism for current misfortune to turn into future poverty” (Banerjee, 2011, 2019). Jeffrey Sachs says, “There are health-based poverty traps, but there are also ladders we can give to the poor to help them escape from these traps. If the poor can not afford these ladders, the rest of the world should help them out” (Sachs, 2006).

In the study villages, we find that proportion of households where some member feel sick in the past 30 days is very high (36 %) (Figure 4.3). This proportion is high across all the social groups. Many of the low-income families and poor severely suffer from chronic disease and other health-related problems. In discussions, many the respondents said that they are poor because of health issues. Further they said that most of the health-related problems the poor people face are because primary health care facilities are not available at the village level. Where they are available, they are not functioning well, medicine and doctors are generally not available in the hospital. We find that the proportion of households with incidence of sickness within preceding 30 days is much lower in Ballia (at 20%) compared to the other two districts (above 40%). We note that the primary health facility is available in Sonbarsa village in Ballia district, which is functional with availability of doctors & medicine.

Figure No.4.3: Anyone in the Family Fell Sick in the Past 30 days



Source: Author's calculations based on field survey data, 2017-18.

4.3 Poverty and Misidentification

One of the major problems is the selection of eligible households for the benefit of many social welfare programmes run by the central and state governments (Drèze, J. (2019)). The eligibility for benefitting from social welfare programmes like IAY, Antyodaya Yojana, and MNREGA requires that the household must have a BPL card. Correct identification of a household as BPL or APL is important for poverty alleviation programmes. Hence misidentification leads to misdirection of funds for such programmes.

Here, misidentification means, firstly the APL people who are not eligible for the Government's social welfare schemes, but the Government has identified them as BPL, and they have been getting the benefit that should be going for the genuinely eligible poor people's benefit. And more importantly, whenever the Government does not identify the BPL people as BPL (who are, thus not issued BPL cards), they are excluded from the social welfare schemes.

The other major problem is that sometimes people have changed their identity from the general category to ST (Sanatani Brahman or Nayak to ST category) to take benefit of social welfare schemes and reservations which they are not entitled to. (*See Appendix 4A.1&2*).

One of the selected study villages Chiutidand is situated in Mau district. The study found that 14 years ago, Banjara Brahman (Sanatani Brahman) changed their caste identity from Pandey to Nayak (General category to Scheduled Tribes) to take advantage of reservation and other social schemes meant for STs. There are 30 households known as ST Nayak. After changing their caste identity, 54 people got government jobs in the various departments within one year. These are the people who were rich and are now becoming richer because of getting the benefit of reservation.

The incidence of high chronic poverty persists among the social group, especially in STs and STs, because of vast corruption and leakages. From an examination of the Table 4.15A, we see the magnitude of the problem of misidentification. We note that magnitude of misidentification is very high, the people who are BPL, but they are not identified as BPL. It means these poor people do not have BPL card or other cards. Simply they are excluded from the anti-poverty social welfare schemes. And BPL misidentification is around 60 percent in the study villages. It means this 60 percent of BPL people have not been getting the benefit of social welfare schemes. Misidentification varies from district to district, and social group to social (see Table 4.15A).

Second the people who are APL, but they have identified as BPL, and have BPL Card. It means the people who are APL, but have a BPL Card are misidentified by the Government. It also means these misidentified people have been getting the benefit of social welfare schemes. This study estimated around 47 percent of the APL people have been misidentified as BPL. This misidentification varies from district to district, social group to social group. It means that resources have been going to rich people instead of poor people, in the name of poor people. The one quotation always appears, “Rich are becoming richer”.

Table No.4.15A: Among the BPL Households, some of the Poor Households do not have BPL Card Means Misidentified Identified by the Government.

BPL Households Possess BPL Card: Yes or No BPL Card (Misidentified)#								
Social	Azamgarh		Mau		Ballia		All Districts	
Groups	No BPL Card	Yes BPL Card	No BPL Card	Yes BPL Card	No BPL Card	Yes BPL Card	No BPL Card	Yes BPL Card
ST*	67.8	32.2	24.39	75.61	65.35	34.65	57.77	42.23
SC	10.91	89.09	22.76	77.24	49.22	50.78	27.07	72.93
OBC	12.31	87.69	23.79	76.21	56.39	43.61	36.61	63.39
Other	100	0	0	100	44.74	55.26	52.94	47.06
ST Nayak	-	-	0	100	-	-	0	100
Total	42.86	57.14	22.57	77.43	55.96	44.04	39.54	60.46

Source: Author's calculations based on primary data , 2017-18.

* Excluding Nayak. # **No BPL Card** means they are poor but government did not identified as poor.

Table No.4.15B: Among the APL Households, Some of the APL Household have BPL Card means Misidentified as Poor by the Government.

APL Households Possess BPL Card: Yes (Misidentified) or No								
Social	Azamgarh		Mau		Ballia		All Districts	
Groups	No BPL Card	Yes BPL Card	No BPL Card	Yes BPL Card	No BPL Card	Yes BPL Card	No BPL Card	Yes BPL Card
ST*	0	100	0	100	80.77	19.23	63.64	36.36
SC	15.08	84.92	33.78	66.22	84	16	31.02	68.98
OBC	29.77	70.23	39.45	60.55	54.05	45.95	36.82	63.18
Other	59.5	40.5	43.24	56.76	73.41	26.59	58.42	41.58
ST Nayak	-	-	96.11	3.89	-	-	96.11	3.89
Total	36.06	63.94	56.71	43.29	74.56	25.44	53.49	46.51

Source: Author's calculations based on field survey data, 2017-18.

* Excluding Nayak

The third important point is corruption and leakages, not seen in the Table. However, informally we learnt about extent of bribes involved in issue of BPL cards and availing of various welfare schemes. The extent of bribes in issue of various cards (BPL, Antyodaya etc) was highlighted earlier in this chapter.

4.3. Conclusion

The study has used 'Tendulkar Methodology' to classify people below poverty line. This study found that in Unchagaon and Salarpur villages, the incidence of poverty is much higher in comparison to other villages. The incidence of poverty among the 'ST Nayak' is much less than that among the other social groups. The magnitude of incidence of poverty shows a sharp decline from 82 percent to 31.72 percent after merging ST Nayak with rest of ST social group for Mau district. At an aggregate level of the three districts, it comes down from 79.59 percent to 58.67 percent.

The incidence of chronic poverty in all the study villages is 39.32 percent. The incidence of chronic poverty is much higher among the ST and SC than the other category. In case of ST Nayak the prevalence of chronic poverty is very low (2.11%) compared to the ST (98%) in the Mau districts.

The incidence of chronic poverty is high among those who are already below the poverty line. The study found that ST household those who are BPL in Mau and Azamgarh districts, they all (100 %) are also chronically poor. But no ST Nayak household in Mau District is chronically poor.

The study investigated and found that there is still not a secondary school and middle school in the study villages and near the villages within 5 km. The villagers say that this Government primary school is only for STs and SCs children, who can not afford the high fee charged by the private schools. Most of the rich people among the STs and SCs are sending their children to private schools. The prevalence of illiteracy is much higher among the ST (36.57%), SC (23.36%) and OBC (28.29%) than the Other (9.22%) and ST Nayak (8.22%).

We noticed that ST households are highest landless (91.13%) among the social groups, while no landless household found among ST Nayak. The highest landholdings (large) are found only among the 'Other' category.

Pradhan Mantri Ujjwala Yojana has not been very effective because only a few people benefited from this. Many of the respondents who benefited from scheme said that the first free refilled gas cylinder was used and after that, they could not refill the gas cylinder because of the high price of refilling gas cylinder.

The people are more often poor when they do not have regular employment. The study also found that the households with regular salary earners are 11.13 percent among ST households

while among ST Nayak 72.63 households are with regular salary earners. This is indicative of economic vulnerability of the SC/ST households.

The aims of government programs are to eradicate poverty and improve the well-being of the poor people. The public distribution system is one of the important programs, and around 54 percent of the people benefited from PDS in study villages of three districts, though it should be more than 75 percent in rural areas as target under NFSA by the Government.

Pradhan Mantri Gramin Awaas Yojana is mainly for BPL household. Under this scheme, some of the poor people have benefited, especially SC and ST households, for availing this scheme, 81.82 percent of beneficiary paid bribes. Many poor people have not benefited because of corruption at the local level.

The study reveals that 'no' ST households has a Washing Machine in the study villages, while more than 50% ST Nayak households have a Washing Machine. In case of every asset category except bicycles, it is noted that SCs/STs have much lower assets ownership compared to the other category. The disadvantaged social groups also face greater economic inequality.

The magnitude of misidentification is very high, the people who are actually BPL, but they are not identified as BPL. Simply they are excluded from the anti-poverty social welfare schemes. BPL misidentification is around 60 percent in the study villages. This study also estimated around 47 percent of the APL people have been misidentified by the government as BPL. Corruption, misidentification and changing identity from General category to ST category is a big problem for the poor people. In other words, corruption, misidentification and changing identity work like the monster that crosses your path. You can not have socio-economic and political reform unless you kill these monsters.

Appendix 4

Appendix 4A-1

ST NAYAK: FAKE CASTE CERTIFICATES

12/31/2019

ST Panel summons UP Chief Secretary over fake caste certificates allegations - The Economic Times

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ST Panel summons UP Chief Secretary over fake caste certificates allegations

BY NIDHI SHARMA, ET BUREAU | UPDATED: AUG 05, 2017, 12:08 AM IST

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NEW DELHI: The National Commission for Scheduled Tribes has initiated an inquiry into [fake caste certificates](#) issued in Uttar Pradesh and has summoned chief secretary for a personal appearance. Taking a serious note of complaints filed before it, NCST chairman [Nand Kumar Sai](#) summoned [UP chief secretary](#) Rajive Kumar this month to present a status report on such cases.

NCST has received specific complaints from a Noida-based group Dalit Adivasi Jeevan Jyoti Foundation, which has alleged that people belonging to Brahmin Naik and Brahmin Ojha castes have taken fake caste certificates of Gond tribe and got government jobs under reserved category. The incidents have been reported from Gorakhpur, Deoria, Maharajganj, Basti, Azamgarh, Mau and Ballia districts.

The move follows directives from NCST to the state government to investigate the matter. In May, the NCST chairman had written to chief minister Yogi Adityanath to initiate a probe in the matter. However, the administration did not move on it.

Later, NCST sought a detailed report from the state asking for caste break-up in different districts, population of Gonds, and Brahmin Naik and Brahmin Ojha castes, any complaints received by the state government on fake caste certificates and action taken. Despite repeated reminders, the state government did not respond. Now, NCST has initiated an investigation and asked UP chief secretary to come for a sitting on August 21.



Cases of fake certificates have been reported from Gorakhpur, Deoria, Maharajganj, Basti, Azamgarh, Mau and Ballia districts.

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अनुसूचित जनजाति बने 4341 सवर्णों की खोज

एसके सिंह, बस्ती

अनुसूचित जनजाति का प्रमाण पत्र लेकर अनुचित लाभ ले रहे सवर्ण जाति के 4341 ओझा और नायक लोगों को सिद्धार्थनगर, बस्ती, महाराजगंज, देवरिया और गोरखपुर सहित पूर्वी उत्तर प्रदेश के तेरह जिलों में तलाश शुरू हो गई है। अकेले बस्ती में ही ऐसे 36 लोगो मिले हैं। इनमें से दस शिक्षा एवं स्वास्थ्य विभाग में कार्यरत हैं। इसके अलावा चार प्रदेश के बाहर नौकरी कर रहे हैं।

इसका खुलासा पहली बार वर्ष 2014 में राष्ट्रीय अनुसूचित जनजाति आयोग के निर्देश पर शिकायतों की कराई गई जांच में हुआ था। तत्कालीन डीएम ने अपर जिलाधिकारी से इसकी जांच कराई। पाया गया कि शासन के एक आदेश की आड़ में बस्ती सहित अन्य जिलों में वर्ष 2003 में ब्राह्मण समुदाय के ओझा एवं नायक जाति के लोगो ने तहसीलों से अनुसूचित जनजाति का प्रमाण पत्र प्राप्त कर लिया है। बस्ती में 2001 की जनगणना में अनुसूचित जन जाति की कुल जनसंख्या एक सौ रही, इसमें घुमेंटू जातियों को भी शामिल किया गया था। यहाँ ओझा एवं नायक टाइटिल वाले सवर्ण जाति में आते हैं। बहरहाल जिलों से जांच कर भेजी गई रिपोर्ट को सतही मान आयोग ने नए सिरे से जांच कर रिपोर्ट उपलब्ध कराने को कहा है। इस

तेरह जिलों का मामला

- बस्ती में 36 के खिलाफ प्राथमिकी दर्ज करा नाम सार्वजनिक करने की तैयारी
- ओझा व नायक को जारी किया गया है अनुसूचित जनजाति का प्रमाण पत्र

बस्ती में 36 के नाम सार्वजनिक

बस्ती में गलत तरीके से अनुसूचित जनजाति का प्रमाण पत्र हासिल करने वालों के प्रमाण पत्र तो पहले ही निरस्त कर दिए गए हैं। अब इनके नाम भी सार्वजनिक करने की तैयारी चल रही है। इससे प्रमाण पत्र का ब्रैज इस्तेमाल करने वालों की पहचान आसानी से हो सकेगी। अब तक जो नाम सार्वजनिक किए गए हैं

,उनमें आकांक्षा, पीती, अनुपम, अजीत, सक्ति, नीलम, शेषनाथ, प्रदीप कुमार, अश्वनी, विपुल, नमिता, धनंजय, नूतन, किरन, रमाकान्त, अनुराग, प्रवीण, मृत्युंजय, पंकज कुमार, अशोक कुमार, सुनील कुमार, चंद्रसेन, संतोष कुमार, शिवम्, जितेंद्र कुमार, पूजा, ओमप्रकाश, अभिषेक, अनुत कुमार, ऋचा, भुवि एवं अमित हैं।

क्रम में प्रमुख सचिव समाज कल्याण सुनील कुमार ने गत 24 फरवरी 16 को महाराजगंज, सिद्धार्थनगर, बस्ती, गोरखपुर, देवरिया, मऊ, आजमगढ़, जौनपुर, बलिया, गाजीपुर, वाराणसी एवं मिर्जापुर के जिलाधिकारियों को पत्र लिख कर ब्राह्मण समुदाय के नायक एवं ओझा के तथाकथित 4341 लोगों को जारी किए गए प्रमाणपत्रों की सत्यापन रिपोर्ट सीधे में उपलब्ध कराने को कहा है। शासन ने गलत तरीके से यह प्रमाण पत्र हासिल करने वालों का नाम सार्वजनिक करने

, प्रमाण पत्र निरस्त करने और इनके खिलाफ सुसंगत धाराओं में मुकदमा भी दर्ज कराने का निर्देश दिया है।

कार्यालय नगर

सर्वसाधारण को सूचित किया जाता है। वर्ष 2016-17 के लिए नीलामी कलब दिनांक 16.03.2016 को 2 दशहरे दिन में सम्मिलित होने वाले व्यक्तियों को उ सक्षम अधिकारी द्वारा निर्णय स्थाई वैध

Appendix: 4.B

Table No 1: District wise population distribution by land ownership class among the social groups.

AZAMGARH DISTRICT							
S. Groups	Landless	Marginal	Small	Semi-medium	Medium	Large	Total
ST	100	0	0	0	0	0	100
SC	22.49	77.51	0	0	0	0	100
OBC	3.06	87.76	9.18	0	0	0	100
Other	10.96	36.53	15.07	18.72	15.07	3.65	100
Total	31.11	53.85	5.77	4.64	3.73	0.9	100
MAU DISTRICT							
S. Groups	Landless	Marginal	Small	Semi-medium	Medium	Large	Total
ST	100	0	0	0	0	0	100
SC	12.5	80.63	6.88	0	0	0	100
OBC	13.99	72.92	11.9	1.19	0	0	100
Other	7.65	19.39	17.86	21.94	30.61	2.55	100
ST_Nayak	0	20.53	16.84	48.42	14.21	0	100
Total	17.69	50.79	11.3	12.17	7.62	0.44	100
BALLIA DISTRICT							
S. Groups	Landless	Marginal	Small	Semi-medium	Medium	Large	Total
ST	79.02	20.98	0	0	0	0	100
SC	74.72	25.28	0	0	0	0	100
OBC	69.32	16.67	8.71	0	5.3	0	100
Other	9.48	33.65	22.27	9.95	17.54	7.11	100
Total	58.04	23.66	8.16	2.45	5.94	1.75	100
All three Districts							
S. Groups	Landless	Marginal	Small	Semi-medium	Medium	Large	Total
ST	91.13	8.87	0	0	0	0	100
SC	30.24	66.96	2.8	0	0	0	100
OBC	29.65	57.91	10.18	0.5	1.76	0	100
Other	9.42	30.19	18.37	16.77	20.77	4.47	100
ST_Nayak	0	20.53	16.84	48.42	14.21	0	100
Total	33.81	43.65	8.67	6.97	5.93	0.97	100

Appendix 4C

Table No.2A: Households Possess a Ration Card (in %)

District	Azamgarh		Mau		Ballia		All	
Social Groups	Card	No Card	Card	No Card	Card	No Card	Card	No Card
ST	33.33	66.67	80	20	28.78	71.22	41.03	58.97
SC	86.51	13.49	74.69	25.31	41.01	58.99	71.41	28.59
OBC	76.02	23.98	71.13	28.87	43.94	56.06	63.32	36.68
Other	36.99	63.01	59.18	40.82	31.75	68.25	42.17	57.83
ST*	-	-	8.95	91.05	-	-	8.95	91.05
Total	61.09	38.91	60.51	39.49	36.71	63.29	53.61	46.39

Source: Author's calculations based on primary data, 2017.

Table No.2B: Types of Cards Household Possess

District	Azamgarh			Mau			Ballia		
Social Groups	Antoydaya	BPL	Patra Grihasthi	Antoydaya	BPL	Patra Grihasthi	Antoydaya	BPL	Patra Grihasthi
ST	0.0	33.3	0.0	22.0	12.0	53.0	7.8	0.0	21.0
SC	49.1	20.1	17.3	32.5	7.8	34.4	22.5	2.3	16.3
OBC	27.0	39.8	12.8	9.2	18.8	43.2	4.2	0.0	39.8
Other	12.8	12.3	11.9	0.0	0.0	59.2	8.5	0.0	23.2
ST Nayak	-	-	-	5.3	0.0	3.7	-	-	-
Total	25.2	25.2	11.4	14.6	8.8	37.7	9.9	0.5	26.3

Source: Author's calculations based on primary data, 2017.

Table No.2C: APL household availing IAY and Lohia Awas Yojana (in %)

APL: IAY and Lohia Awas Yojana								
Social Groups	Azamgarh		Mau		Ballia		All Districts	
	No	Yes	No	Yes	No	Yes	No	Yes
ST	100	0	50	50	94.87	5.13	86.87	13.13
SC	89.39	10.61	71.62	28.38	100	0	86.8	13.2
OBC	100	0	95.41	4.59	100	0	98.19	1.81
Other	100	0	100	0	97.69	2.31	99.28	0.72
ST Nayak			100	0			100	0
Total	96.3	3.7	93.82	6.18	97.63	2.37	95.62	4.38

Source: Author's calculations based on primary data, 2017.

Table No.2D: BPL household availing IAY and Lohia Awas Yojana.

BPL Households availing the IAY and Lohia Awas Yojana								
Social	Azamgarh		Mau		Ballia		All Districts	
Groups	No	Yes	No	Yes	No	Yes	No	Yes
ST	75.71	24.29	91.46	8.54	88.19	11.81	83.16	16.84
SC	32.73	67.27	71.54	28.46	95.31	4.69	69.01	30.99
OBC	100	0	100	0	97.36	2.64	98.84	1.16
Other	100	0	100	0	100	0	100	0
ST Nayak	-	-	100	0	-	-	100	0
Total	68.46	31.54	86.63	13.37	94.81	5.19	84.94	15.06

Source: Author's calculations based on primary data, 2017.

Table No.2E: Availing of Government Schemes

S. Groups	Working	1-5 years	6-10 years	Benefits	Difficulties	Any Bribes
ST	28.7	15.5	13.2	71.94	35.97	26.62
SC	15.6	13.6	2.6	95.93	73.17	23.58
OBC	16.1	12.2	3.9	100	75	0
Other	0.0	0.0	0.0	0.0	0.0	0.0
ST Nayak	0.0	0.0	0.0	0.0	0.0	0.0
Total	13.5	9.7	3.9	88.72	60.51	16.92

Source: Author's calculations based on primary data, 2017.

Availing Government Schemes such as MNREGA, IAY, PDS, APL card, Antoydaya Card, BPL and Patragrihasti Card, Toilet scheme, Hand pump scheme, Old age pension, widowed pension, Handicap pension

Chapter 5: Key Determinants of Poverty in Uttar Pradesh

“The greatest good you can do for another is not just share your riches, but to reveal to him his own.”

—Benjamin Disraeli¹²

5.1 Introduction

Poverty eradication is an important goal of the policymakers. One of the major issues in development debates is how to tackle poverty, especially rural poverty among the STs and SCs in case of India. The incidence of poverty differs significantly among the social, religious and occupational groups. Rural poor people have little access to productive assets and possess low capabilities in terms of health, education and social capital. The social segregation, unequal distribution of income, landless, inequality, unemployment, low growth rate, failure of the government policy and programs, corruption and illiteracy, are the important factors for poverty in UP. (Drèze, J, & Sen, A. 2013).

This chapter focuses on the question of what causes of poverty. It summarizes the important characteristics of the poor by region, religion, social group, household and individual characteristics, after that it presents analysis based on a logistic regression model to determine the factors causing poverty. The main objective of this part of the study is to analyze the factors or determinants of poverty among the social and religious groups.

5.2 Poverty in Uttar Pradesh- A Synoptic View

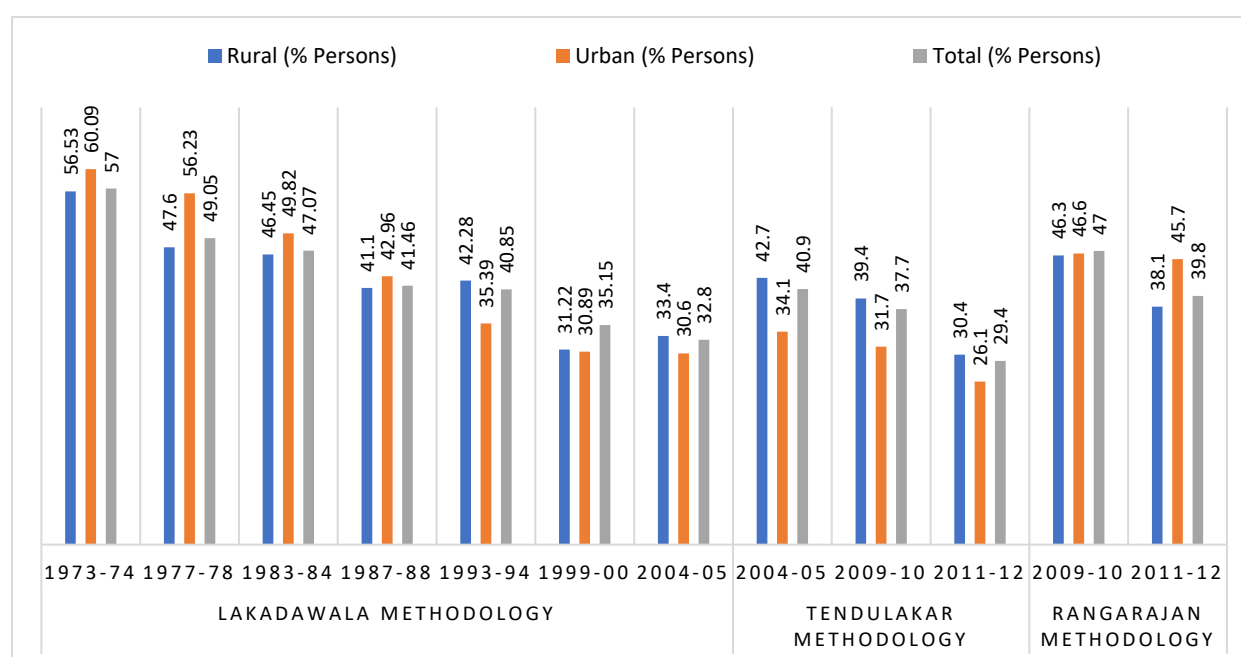
The incidence of poverty varies considerably between rural and urban areas, among the different regions of the state and the different social and religious groups. The Headcount Ratio (HCR) is obtained by using urban and rural poverty lines as specified by the National Institution for Transforming India Aayog (NITI Aayog), which are applied to the monthly per capita expenditure (MPCE) distributions of the states.

Figure 5.1 presents some statistics on the incidence of rural and urban poverty of Uttar Pradesh estimated as the Head-Count index. Three different methodologies are used here for poverty

¹² Kotler, P. T., & Lee, N. R. (2009). Up and out of poverty: The social marketing solution. Pearson Prentice Hall.

estimation using NSSO data. This study found that Lakadawala methodology shows that the incidence of urban poverty is higher than the rural poverty in Uttar Pradesh, in 1973-74 to 1987-88. Moreover, after 1999-00 onward, incidence of rural poverty is higher than urban poverty in Uttar Pradesh. The aggregated BPL population of the states is used to obtain the final all-India HCR. In Uttar Pradesh HCR has declined by 11.5 percentage points from 40.9% in 2004-05 to 29.4% in 2011-12, with rural poverty declining by 12.3 percentage points from 42.7% to 30.4% and urban poverty declining by 8 percentage points from 34.1% to 26.1 per cent.

Figure No.5.1: Persons Below the Poverty Line (as% of population) in Uttar Pradesh.



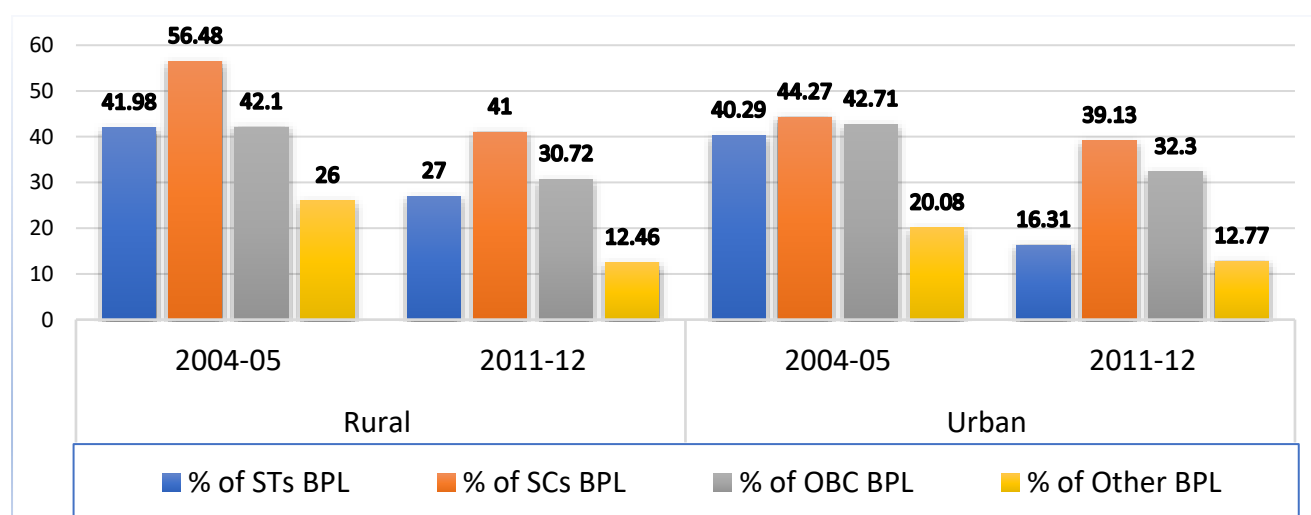
Sources: Rangarajan Report, 2014.

Figure 5.1 presents some statistics on the incidence of rural and urban poverty of Uttar Pradesh estimated as the Head-Count index. Three different methodologies are used here for poverty estimation using NSSO data. This study found that Lakadawala methodology shows that the incidence of urban poverty is higher than the rural poverty in Uttar Pradesh, in 1973-74 to 1987-88. Moreover, after 1999-00 onward, incidence of rural poverty is higher than urban poverty in Uttar Pradesh. The aggregate BPL population of the states is used to obtain the final all-India HCR. In Uttar Pradesh HCR has declined by 11.5 percentage points from 40.9% in 2004-05 to 29.4% in 2011-12, with rural poverty declining by 12.3 percentage points from 42.7% to 30.4% and urban poverty declining by eight percentage points from 34.1% to 26.1%

5.2.1 The Condition of the Social Groups in Uttar Pradesh

In Uttar Pradesh, 21.10 % and 0.10 % people belong respectively to ST and SC in the total population (Census -2011). More than 70 per cent of the SC and ST population lives in rural areas, and the incidence of poverty is much higher among SCs and STs households in Uttar Pradesh. Nearly 60 per cent of SC households were below the poverty line in Uttar Pradesh in 1993-94. Figure 2 shows that the incidence of rural poverty of SCs was much higher among the social groups, around 56 per cent of the SCs people were below the poverty line in 2004-05, and this proportion come down 41 per cent in 2010-11. In case of urban areas, around 44% of the SCs people and 40% of STs, 42% OBCs and 20% ‘Others’ were below the poverty line in 2004-05. However, this proportion came down to 39%, 16%, 32% and 13% respectively in 2011-12.

Figure No.5.2: SC, ST, OBC and Others BPL Population in Uttar Pradesh (% of Total Population).



Sources: Author estimation form NSSO 61st round and 68th round Data.

5.3 Determinants of Poverty

Before estimating impact of various factors on incidence of poverty with the help of logistic regression analysis in the next section, we discusses the potential determinants of poverty in this section.

5.3.1 Level of Education and Poverty

Education is considered one of the essential means of poverty eradication in a human capital approach. This approach proposes that investment in education leads to human capital

formation such as skills and productive knowledge, and other valuable human capital, and through this in enhancing the productivity and earnings of the people. This is seen as one of the important sources of economic and social development. Many studies found that there is a positive relationship between the level of education and earnings (Tilak 2002, Sengupta, A., 2010).

Many studies have suggested that the “systematic change often should start from the bottom up rather than the top-down”. Education is the great equaliser, so poverty can be reduced through the power of education. Education is one of the very important instruments to eradicate poverty through fulfilment of the basic necessities of life such as better utilisation of health services, shelter, clean drinking water, sanitation and so on. It is also bringing changes in human behaviour (Tilak 2002; Jeffery and Basu 1996; Abhijit Banerjee, 2019). The World Bank (1980) has suggested that achievement of one of the basic needs can be fruitful to the fulfilment of each of others and equally, lack of one of the basic needs has an adverse effect on fulfilment of other basic needs such as nutrition, health, clean and safe drinking water, shelter and education. The quality of education can influence the human capability poverty and income poverty. Poverty eradication can be possible through massive investment in the quality of education for poor individuals (Sen, 1984, 1987, 1992, 1999, 1993).

In the analysis, usually, three types of indicators are used to characterize education for the quality of life of the household. First, the level of education completed by the household members. Second, the availability of educational services and third, the use of these services by the poor and non-poor households members. High literacy and schooling are important indicators of the quality of life in their own right, as well as being the main determinants of poor people being able to take benefit of income-earning opportunities (Khandker, 2009). Education plays a key role in increasing human capabilities, and it likely to generate higher incomes and thus is much more likely to improve the well-being of the poor people.

The lack of access to quality of education denies its potential benefit to many people among the social groups in rural Uttar Pradesh, and the study found that a large proportion of the STs and SCs are illiterate. The study found that the educated are less likely to be poor. Table no 5.1 reveals that those are less likely to be poor who have higher level of education. With lower level of education, the likelihood of being poor is higher. Facilitating and raising educational attainment should be a high priority to improve the well-being of the poor and reduce poverty. This study reveals that the incidence of poverty is much higher among the illiterate and less educated people.

Table No.5.1: The Level of Education and incidence of Poverty Poor among Social Groups in U.P. (in %).

Sector	Social Group	Illiterate		Below Primary		Primary to Middle		Secondary to Higher Secondary		Graduate and above		Average (all education classes)	
		Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor
Rural	ST	37.58	62.42	36.73	63.27	15.77	84.23	7.76	92.24	0	100	27.01	72.99
	SC	46.72	53.28	41.67	58.33	37.08	62.92	21.1	78.9	13.27	86.73	41.11	58.89
	OBC	35.02	64.98	35.5	64.5	27.73	72.27	16.99	83.01	13.17	86.83	30.72	69.28
	Other	18.59	81.41	16.76	83.24	10.94	89.06	4.79	95.21	2.22	97.78	12.47	87.53
	All	36.56	63.44	34.48	65.52	26.96	73.04	14.26	85.74	8.76	91.24	30.4	69.6
Urban	ST	49.58	50.42	9.67	90.33	34.19	65.81	5.53	94.47	0	100	16.31	83.69
	SC	48.24	51.76	42.31	57.69	36.22	63.78	21.57	78.43	16.52	83.48	39.14	60.86
	OBC	42.27	57.73	38.34	61.66	30.42	69.58	18.04	81.96	8.1	91.9	32.31	67.69
	Other	23.54	76.46	17.62	82.38	15.11	84.89	8.8	91.2	2.75	97.25	12.77	87.23
	All	38.91	61.09	32.49	67.51	26.24	73.76	14.47	85.53	4.86	95.14	26.17	73.83
Total	ST	38.23	61.77	32.98	67.02	17.82	82.18	7.51	92.49	0	100	25.6	74.4
	SC	46.88	53.12	41.75	58.25	36.98	63.02	21.19	78.81	14.51	85.49	40.87	59.13
	OBC	36.24	63.76	36.01	63.99	28.25	71.75	17.27	82.73	11.13	88.87	31.04	68.96
	Other	19.97	80.03	17.03	82.97	12.22	87.78	6.35	93.65	2.58	97.42	12.58	87.42
	All	36.95	63.05	34.11	65.89	26.82	73.18	14.32	85.68	6.6	93.4	29.5	70.5

Sources: Author's calculation from 68th Round NSSO data 2011-12.

Notes: 1. Each entry shows number of poor households (persons) in a category as a percentage of total number of households (persons) in that category. Thus, the first entry tells us that 37.58 % of the illiterate households (persons) in the Rural ST population are poor.

2. The entry in the last column ('poor and non-poor'- total in Uttar Pradesh) provides weighted average of the preceding 5 columns.

3. For each sector, the last row of that sector gives weighted average of the preceding four rows. The similar interpretation should be done for the Table No. 5.2, 5.3 and 5.4, and non-poor are excluded with the Tables.

Table No.5.1 shows the level of education of the poor people and it reveals that among the social groups, the highest incidence of poverty and illiteracy is among the SCs. Among the SCs poor people, 46.7% of the illiterate are poor, and ‘Other’ category only 18.5% illiterate are poor. It shows that among the poor, percentage declines at higher education levels.

5.3.2 Poverty and Employment

Poverty elimination and employment generation has been one of the most important goals of growth approach since the initiation of planning in India. Poverty is a multidimensional phenomenon, and it is a great challenge to the human being (Niranjan 2017). Hence the solution also should be multidimensional. Since independence, the government has initiated many employment generations and anti-poverty programs in the rural and urban areas such as MGNREGA, and skill development and self-employment programs etc.

In India, widespread poverty becomes a challenge, and the main problem of the poor is that they have less income to sustain life. The question arises, how to reduce poverty? An obvious way to eliminate poverty is through increase in the income of poor people by providing job opportunity or employment. (Drèze, & Sen, 2013; Banerjee 2011, 2019).

Table No.5.2: Employment and Incidence of Poverty among Social Group in Uttar Pradesh (in %).

Sectors	Social Groups	Self - Employed	Regular wage/salary	Casual Labour	Others	Average (all occupation group)
Rural	<i>ST</i>	30.33	0.69	32.06	81.9	27.01
	<i>SC</i>	33.91	21.94	50.54	29.23	41.11
	<i>OBC</i>	26.29	20.01	48.07	27.01	30.72
	<i>Other</i>	9.25	14.7	35.85	5.73	12.47
	All	24.44	18.02	48.08	22.7	30.4
Urban	<i>ST</i>	45.18	2.29	65.69	0	16.31
	<i>SC</i>	34.45	26.66	57.45	46.46	39.14
	<i>OBC</i>	33.19	22.54	46.85	19.05	32.31
	<i>Other</i>	13.89	6.29	40.72	13.35	12.77
	All	26.5	15.68	49.16	18.38	26.17
Total	<i>ST</i>	31.29	1.2	33.55	70.2	25.6
	<i>SC</i>	33.96	24.32	51.11	31.56	40.87
	<i>OBC</i>	27.44	21.44	47.89	24.87	31.04
	<i>Other</i>	10.57	8.68	37.04	8.77	12.58
	All	24.81	16.61	48.21	21.46	29.5

Sources: Author's calculation from 68th Round NSSO data 2011-12.

There is a clear relationship between poverty and nature of employment such as casual wage employment, self-employment, regular wage/salary employment, whether in rural or urban areas. Table 5.2 reveals the link between poor people and employment in Uttar Pradesh. In

2011-12, around 24 percent of poor rural people were self-employment in agriculture of the total self-employment in agriculture. Approximately 18 percent those who are BPL derived their major income from regular wage salary of the total wage/salary, around 48.08 percent of poor were casual labour of the total casual labour, and Other labour households of the total ‘Other labour household’ accounted around 22 percent of the rural poor in Uttar Pradesh. In Uttar Pradesh, employment as casual labour resulted in a higher incidence of poverty compared to other incidences of poverty in employment in both rural and urban areas.

5.3.3 Households Size and Incidence of Poverty

Household size and structure are likely to be important determinants of poverty. The household size and characteristic of the household individuals (like age) is often quite different for poor and rich households. Various studies such as the Cambodia Socio-Economic Survey of 1993-94 found that “the generally poor people tend to live in larger households, with an average family size of 6.6 persons in the poorest quintile compared with 4.9 in the richest quintile” (Khandker, 2009). Very similar results are seen in this study.

Table 5.3 shows that as the size of the Household increases the chances of being poor also increases. It is seen in the rural area, that SCs and STs Household have a larger family and even high dependency ratio. One might expect that a larger household size and dependency ratio will be associated with the greater magnitude of poverty in rural Uttar Pradesh.

Table No.5.3: Households Size and Incidence of Poverty among Social Group in Uttar Pradesh (in %).

Sector	Social Group	HHSIZE 1-2	HHSIZE 3-5	HHSIZE 6-10	HHSIZE 11-39	BPL in U.P.
Rural	<i>ST</i>	11.77	14.47	32.93	100	27.01
	<i>SC</i>	13.14	30.69	48.81	58.08	41.11
	<i>OBC</i>	5.94	18.55	37.2	40.35	30.72
	<i>Other</i>	4.52	8.52	15.51	12.04	12.47
	All	8.02	20.56	36.56	37.91	30.4
Urban	<i>ST</i>	0	5.79	68.84	0	16.31
	<i>SC</i>	7.71	22.24	53.03	61.58	39.14
	<i>OBC</i>	3.46	17.59	41.28	47.96	32.31
	<i>Other</i>	1.79	5.07	22.77	23.53	12.77
	All	2.92	12.76	37.36	44.36	26.17
Total	<i>ST</i>	6.82	12.47	34.48	100	25.6
	<i>SC</i>	12.67	29.54	49.28	58.53	40.87
	<i>OBC</i>	5.32	18.35	37.96	41.8	31.04
	<i>Other</i>	3.02	6.92	17.74	14.12	12.58
	All	6.55	18.62	36.71	39.05	29.5

Sources: Author’s calculation from 68th Round NSSO data 2011-12.

It is generally believed that female headedness of the household significantly effects the household incidence of poverty. This study reveals that the households headed by women are poorer than those headed by men (See Appendix 5.A). Women play an important role in the labour force in the labour market and the financial management of the Household, but women appear to face types of discrimination. Women are severely affected by economic and non-economic poverty; such as high illiteracy, less access to land or equal employment nad paid lower wages, (Khandker, 2009).

It seems that as the household size increases, the burden on the resources will also increase and it will be hard to shrink poverty level. So, there is a perception in the society, that larger the size of the household, higher the incidence of poverty. Further likelihood of being poor differs among the social and religious groups, within the same household size clan.

5.3.4 Type of Ration Cards and Incidence of Poverty

Ration cards are a government official document issued by the state government. Before the National Food Security Act (NFSA) 2013 was enacted, there were three kinds of cards issued to households subject to their eligibility to purchase subsidized food grain from the PDS. This card was also used for other social welfare schemes. These three types of ration cards were the following:

- Below Poverty Line (BPL) ration cards that were allotted to the households living below the poverty line and these households received 25-35 kg of food grain.
- Antyodaya Anna Yojana (AAY) ration cards are issued to "poorest of poor" households. Each AAY household is getting to 35 kg of food grain per month.
- Above Poverty Line (APL) ration cards that were allotted to households living above the poverty line. These households received 15 kg of food grain (based on availability).

Under NFSA, there are two types of ration cards. First, ration cards are issued to "poorest of poor" households. Each AAY household is entitled to 35 kg of food grain per month. Second, Importance Household (PHH) ration cards are issued to families that meet the eligibility criteria set by their state government. Each selected household is entitled to 5 kg of food grain per member per month, rice at Rs 3 per kg and wheat at Rs 2 per kg.

Table 5.4 provides the details about the incidence of poverty for those who have Antyodaya Card, BPL and 'Other Card among the social group. This study found that 54.8 percent Antyodaya cardholders are poor in the rural Uttar Pradesh. It means around 45 percent of the

Antyodaya cardholders are APL. This problem is found among all the social groups and this percentage is highest (58 percent APL have Antyodaya Card) in ‘Other card’ group in rural Uttar Pradesh.

Table No.5.4: Type of Ration Cards and Incidence of Poverty among Social Group in Uttar Pradesh (in %).

Sector	Social Group	Antyodaya Card	BPL Card	Other Card*	BPL in U.P.
Rural	<i>ST</i>	83.74	36.04	18.83	27.03
	<i>SC</i>	56.04	49.1	26	39.88
	<i>OBC</i>	55.03	37.76	24.69	30.45
	<i>Other</i>	42.23	22.93	8.2	12
	All	54.88	39.85	21.39	29.69
Urban	<i>ST</i>	100	46.37	6.96	22.9
	<i>SC</i>	76.27	67.44	42.6	47.49
	<i>OBC</i>	65.62	60.47	28.75	32.88
	<i>Other</i>	90.04	56.19	12.18	15.07
	All	72.11	60.87	24.32	28.64
Total	<i>ST</i>	85.86	37.27	17.45	26.54
	<i>SC</i>	56.47	50.09	28.8	40.68
	<i>OBC</i>	55.67	39.93	25.57	30.89
	<i>Other</i>	46.71	27.19	9.6	12.97
	All	55.64	41.66	22.09	29.49

Sources: Author’s calculation from 68th Round NSSO data 2011-12.

Note: *APL and Patragrihasti Card

It is clear that there is a big problem in the identification of the poor people (Drèze, & Sen, 2013), only 39.8 percent of BPL Cardholders in rural Uttar Pradesh are poor, rest around 60 percent are APL, and they have been getting the advantage of the government facilities. It shows that more resources have been going to the hands of the non-entitled people. It is also seen that around 21 percent of the ‘Other Card’ holders are poor, but they have not been given BPL Card or Antyodaya Card in rural Uttar Pradesh. This indicates exclusion of the poor from government support to a very significant level, since BPL or Antyodaya cards are used not only for food grain support but for various government schemes. These kinds of mismanagement have been one of the important causes of the high incidence of poverty among various social group in rural Uttar Pradesh.

5.4 Logistic Regression Model

This study applies the “logistic regression model” to examine the determinants of poverty in Uttar Pradesh. The logistic Regression Model is given by

$$\text{Logit}(p) = \ln\left(\frac{p}{1-p}\right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + \varepsilon$$

Where p = probability of happening, $1-p$ = probability of non-happening, $X_1, \dots, X_n$ = predictor variables.

This study has used a Logistic Regression Model to compute a dichotomous variable to assess the probability of a household being poor or not. That is

$$\text{SES} = \begin{cases} 1, & \text{if Household is poor} \\ 0, & \text{otherwise} \end{cases}$$

Where SES denotes Socio-Economic Status of the Poor

This study has used the Logistic Regression Model that was fit to the data is following

$$\begin{aligned} \text{Logit}(P) = & \beta_0 + \beta_{1j1} X_{1j1} + \beta_{2j2} X_{2j2} + \beta_{3j3} X_{3j3} + \beta_{4j4} X_{4j4} + \beta_{5j5} X_{5j5} \\ & + \beta_{6j6} X_{6j6} + \beta_{7j7} X_{7j7} + \beta_{8j8} X_{8j8} + \beta_{9j9} X_{9j9} + \beta_{10j10} X_{10j10} + \beta_{11j11} X_{11j11} \\ & + \beta_{12j12} X_{12j12} + \beta_{13j13} X_{13j13} + \varepsilon \end{aligned}$$

Where,

SES of being poor $P=1$ (Poor); $P=0$ (non-poor)

Each X_{jkj} , ($j=1, 2, \dots, n$) represents a class of variables, and each variable in that class is dichotomous, taking value 1 or 0 (except the reference variable). These are explained below:

X_{1j1} = Age of the worker ($J1=1, 2, 3$). $X_{11} = \text{under 25 years}$ (Reference), $X_{12} = 25 - 59 \text{ years}$ and $X_{13} = 60+$

X_{2j2} = Sex of household head ($J2=1, 2$). $X_{21} = \text{Male headed Household}$ (Reference) and $X_{22} = \text{Femal headed Household}$.

X_{3j3} = Household has Regular Salary ($J3=1, 2$). $X_{31} = \text{Yes}$ (Reference) and $X_{32} = \text{No regular salary}$

X_{4j4} = Caste ($J4=1, 2, 3, 4$). $X_{41} = \text{Other Castes}$ (Reference), $X_{42} = \text{SC}$, $X_{43} = \text{OBC}$ and $X_{44} = \text{ST}$.

X_{5j5} = Land Own ($J5=1, 2$). $X_{51} = \text{Yes}$ (Reference) and $X_{52} = \text{No land}$.

X_{6j6} =Household Size (J6=1, 2, 3). X_{61} =1-2 (Reference), X_{62} = 6-10 and X_{63} =11-39.

X_{7j7} = Religion (J7=1, 2, 3). X_{71} = Hindu (Reference), X_{72} = Muslim and X_{73} =Others.

X_{8j8} =Education (J8=1, 2, 3, 4). X_{81} = Illiterate (Reference), X_{82} = Primary to middle, X_{83} =Secondary to Higher Secondary, X_{84} = Graduation and above.

X_{9j9} =Household Types (J9=1, 2, 3, 4). X_{91} =Self Employed (Reference), X_{92} =Regular wage/salary Earning X_{93} =Casual Labour and X_{94} = Others.

X_{10j10} =Ration Card (J10=1, 2). X_{101} = No (Reference) and X_{102} = Yes.

X_{11j12} =Marriage Status (J11=1, 2, 3, 4). X_{111} = Married (Reference), X_{112} = Current Married X_{113} =Widowed and, X_{114} = Divorced or separated.

X_{12j12} =Ownership of House (J12=1, 2, 3). X_{121} = Owned (Reference), X_{122} = Rent and X_{123} = Others.

X_{13j13} = Cooking Energy (J13=1, 2, 3, 4, 5). X_{131} =Coal, firewood, chips, Gobar gas (Reference), X_{132} = LPG X_{133} =Kerosene and electricity, X_{134} = Dung cake and X_{135} = All others

ε = Random error term

Table No.5.5: Logistic Regression Model Estimates to Identify the Determinants of Poverty among the Social, and Religious Groups in Rural and Urban U.P. during 2004-05.

61 st Round NSSO		Rural UP (2004-05)				Urban UP (2004-05)			
POVERTY STATE		Odds Ratio	P>z	[95% Conf.	Interval	Odds Ratio	P>z	[95% Conf.	Interval
AGE	Under 24	Reference							
	25-59	1.16***	0	1.15	1.17	1.56***	0	1.54	1.58
	60+	0.91***	0	0.90	0.91	1.28***	0	1.26	1.30
SEX	Male	Reference							
	Female	1.34***	0	1.33	1.34	1.09***	0	1.08	1.10
REGULAR SALARY	Yes	Reference							
	No	1.98***	0	1.98	1.99	1.36***	0	1.34	1.37
CASTE	Other	Reference							
	SC	2.63***	0	2.62	2.64	1.30***	0	1.29	1.31
	OBC	1.61***	0	1.61	1.62	1.19***	0	1.19	1.20
	ST	2.14***	0	2.11	2.17	0.83***	0	0.80	0.86
LAND OWN	Yes	Reference							
	No	1.15***	0	1.14	1.16	1.75***	0	1.72	1.77
HH SIZE		Reference							

3-5	3.20***	0	3.19	3.22	8.06***	0	7.97	8.16
6-10	9.11***	0	9.07	9.15	20.57***	0	20.31	20.83
11-39	11.14***	0	11.07	11.20	48.97***	0	48.19	49.76
Religion	Reference							
Muslim	1.04***	0	1.04	1.04	0.87***	0	0.87	0.88
Other	0.80***	0	0.78	0.83	0.08***	0	0.07	0.08
EDUCATION	Reference							
Illiteracy	Reference							
Primary to Middle	0.63***	0	0.63	0.64	0.75***	0	0.74	0.75
Secondary to Higher Secondary	0.42***	0	0.42	0.43	0.41***	0	0.40	0.41
Graduation and above	0.39***	0	0.39	0.39	0.16***	0	0.16	0.16
HH TYPE	Reference							
Regular Wage/Salary Earning	1.01***	0	1.00	1.01	1.03***	0	1.02	1.04
Casual Labour	0.51***	0	0.51	0.51	2.19***	0	2.17	2.21
Others	0.72***	0	0.72	0.73	1.18***	0	1.17	1.19
RATION CARD	Reference							
No	Reference							
Yes	1.02***	0	1.02	1.03	1.16***	0	1.16	1.17
Marriage Status	Reference							
Married	Reference							
currently married	1.49***	0	1.48	1.50	1.59***	0	1.56	1.62
widowed	1.62***	0	1.61	1.63	2.20***	0	2.15	2.24
divorced/separated	3.63***	0	3.56	3.69	2.06***	0	1.97	2.15
HOUSE OWNERSHIP	Reference							
Rent	0.67***	0	0.66	0.68	0.38***	0	0.37	0.38
Others	0.87***	0	0.86	0.88	0.55***	0	0.54	0.56
COOKING ENERGY	Reference							
LPG	0.07***	0	0.07	0.08	0.19***	0	0.19	0.19
kerosene and electricity	1.01	0.46	0.98	1.04	0.63***	0	0.62	0.63
dung cake	0.79***	0	0.79	0.80	0.90***	0	0.89	0.91
All Others	5.70***	0	5.63	5.77	2.03***	0	1.99	2.07
_cons	0.04***	0	0.04	0.04	0.03***	0	0.02	0.03
Note: _cons estimates baseline odds.								
			Rural		Urban UP			
Logistic regression	Number of obs		7,749		3,288			
	LR chi2(32)		4760927.2		2453051.82			
	Prob > chi2		0		0			
Log likelihood = -12679018	Pseudo R2		0.1581		0.3477			

Table No.5.6: Logistic Regression Model estimates to identify the Determinants of Poverty among the Social, and religious groups in Rural and Urban U.P. during 2011-12.

68th Round		Rural UP (2011-12)				Urban UP (2011-12)			
POVERTY STATE		Odds Ratio	P>z	[95% Conf.	Interval	Odds Ratio	P>z	[95% Conf.	Interval
AGE									
	Under 24	Reference							
	25-59	1.22***	0	1.21	1.23	4.38***	0	4.31	4.46
	60+	1.20***	0	1.19	1.21	4.55***	0	4.46	4.63
SEX									
	Male	Reference							

	Female	1.35***	0	1.35	1.36	1.00	0.62	0.99	1.01
REGULAR SALARY	Yes	Reference							
	No	1.72***	0	1.71	1.73	1.27***	0	1.26	1.29
CASTE	Others	Reference							
	SC	3.38***	0	3.37	3.40	1.88***	0	1.86	1.89
	OBC	2.30***	0	2.29	2.31	1.41***	0	1.40	1.41
	ST	1.83***	0	1.81	1.85	1.25***	0	1.21	1.29
LAND OWN	Yes	Reference							
	No	3.30***	0	3.26	3.34	1.80***	0	1.78	1.82
HH SIZE	1-2	Reference							
	3-5	3.14***	0	3.12	3.15	6.72***	0	6.63	6.81
	6-10	9.65***	0	9.60	9.69	22.83***	0	22.54	23.14
	11-39	13.72***	0	13.64	13.81	31.06***	0	30.56	31.57
Religion	Hindu	Reference							
	Muslim	1.17***	0	1.17	1.18	0.98***	0	0.97	0.98
	Other	1.00***				0.16***	0	0.15	0.17
EDUCATION	Illiterate	Reference							
	Below Primary	1.15***	0	1.15	1.15	1.00	0.36	0.99	1.00
	Primary to Middle	0.85***	0	0.85	0.85	0.66***	0	0.66	0.66
	Secondary to Higher	0.36***	0	0.36	0.37	0.30***	0	0.30	0.30
	Secondary								
	Graduation and above	0.43***	0	0.43	0.43	0.11***	0	0.10	0.11
HH TYPE	self-employed	Reference							
	Regular Wage/Salary Earning	1.81***	0	1.79	1.83	1.30***	0	1.28	1.31
	Casual Labour	2.23***	0	2.22	2.23	1.92***	0	1.91	1.93
	Others	1.44***	0	1.43	1.45	1.72***	0	1.70	1.74
RATION CARD	No	Reference							
	Yes	0.82***	0	0.81	0.82	0.95***	0	0.94	0.95
Marriage status	Married								
	currently married	1.27***	0	1.26	1.28	0.40***	0	0.39	0.40
	widowed	1.12***	0	1.11	1.13	0.35***	0	0.34	0.35
	divorced/separated	1.56***	0	1.51	1.61	0.67***	0	0.63	0.70
HOUSE OWNERSHIP	Own	Reference							
	Rent	0.04***	0	0.03	0.04	0.62***	0	0.61	0.63
	Others	0.20***	0	0.20	0.20	1.19***	0	1.17	1.21
COOKING ENERGY		Reference							
	LPG	0.09***	0	0.09	0.09	0.25***	0	0.25	0.25
	kerosene and electricity	6.08***	0	5.93	6.25	0.64***	0	0.63	0.65
	dung cake	0.55***	0	0.55	0.55	0.48***	0	0.48	0.48
	All Others	1.45***	0	1.44	1.45	1.27***	0	1.25	1.29
_cons		0.01***	0	0.01	0.01	0.05***	0	0.05	0.05

Note: _cons estimates baseline odds.

	Rural	Urban
Logistic regression	Number of obs = 5,902	3,087
	LR chi2(32) = 5025156.72	2477875.18
	Prob > chi2 = 0	0
Log likelihood = -12528610	Pseudo R2 = 0.167	0.3176

*** Shows that the coefficient is significant at 0.05 probability level

Tables 5.5 and 5.6 present the results of the regression analysis. The logistic regression model takes as determinants of poverty, the variables like, age, sex, regular salary, caste, land ownership, household size, religion, education, household type, ration card, marriage status, household ownership, and cooking energy as independent variables.

The likelihood of being poor is negatively associated with the increasing level of education in both periods (2004-05 and 2011-12). To be precise, individual with postgraduate and above is 0.43 times in rural and 0.11 times in the urban area (2011-12), less likely to be poor as compared to an illiterate person. Similar results are found for all educational category as compared to being illiterate. In addition, the study reveals that male headed household is less likely to be poor than female headed household, and the result is statistically significant.

The result also shows that the likelihood of being poor was greater if a household had a large number of members in the Household. There was higher chance to be poor if the Household had large dependency ratio. This study found that SC, ST and OBC are more likely to be poor as compared to 'Other' group and highest odd is for SC. This study also found the Muslim is more likely to be poor as compared to Hindu and conversely is true for all another religious group.

The study reveals that there is less likelihood to being poor if the households is use LPG as cooking energy. In case of marriage status, we found that currently married, widowed and divorced/separated are more likelihood to being poor as compared to the married, and highest odd is for divorced/separated in both the period in rural area.

The result shows that all the variable are statistically significant in both the period.

5.5 Conclusion

This chapter focuses on the question of what are the causes/determinants of poverty. It summarises important characteristics of the poor by region, religion, social group, household and individual characteristics, after which a logistic regression model is used to determine the factors causing poverty. The main objective of this chapter is to analyse the factors or determinants of poverty among the social and religious groups.

The level of education of the poor people, and it reveals that among the social groups, the highest incidence of poverty and illiteracy is among the SCs. Among the SCs poor people, 46.7% of the poor are illiterate, and 'Other' poor people only 18.5% poor are illiterate.

There is a clear relationship between poverty and nature of employment such as casual wage employment, self-employment, regular wage/salary employment, whether it is in rural or in urban areas. In 2011-12, around 24 percent of poor rural people were in self-employment in agriculture. Approximately 18 percent those who are BPL derived their major income from regular wage salary , around 48.08 percent of poor were casual labour , and Other labour households accounted around 22 percent of the rural poor in Uttar Pradesh. In Uttar Pradesh, employment as casual labour resulted in a higher incidence of poverty compared to other incidence of poverty in other employment in both rural and urban areas.

We find that as the size of the Household increases the chances of being poor also increases. It is seen in the rural area, that SC and ST Households have larger family sizes and high dependency ratio. This study reveals that the households headed by women are poorer than those headed by men. Further likelihood of being poor differs among the social and religious groups, within the same household size class.

It is clear that there is a problem in the identification of the poor people, only 39.8 percent of BPL Cardholders in rural Uttar Pradesh are poor, rest around 60 percent are APL, and these ‘non-poor’ have been getting the advantage of the government facilities. It shows that resources have been going to the hands of the non-entitled people. It is also seen that around 21percent of the ‘Other Card’ holders are poor, but they have not been given BPL Card or Antyodaya Card in rural Uttar Pradesh. This indicates exclusion of the poor from government support to a very significant level, since BPL or Antyodaya cards are used not only for food grain support but for various govt. schemes. These kinds of mismanagement have been one of the important causes of the high incidence of poverty among various social group in rural Uttar Pradesh.

This study used the logistic regression model to study impact of various determinants of poverty. The variables like, age, sex, regular salary, caste, land own, household size, religion, education, household type, ration card, marriage status, household ownership, and cooking energy are included as independent variables.

The likelihood of being poor is negatively associated with the increasing level of education in both periods (2004-05 and 2011-12). To be precise, individual with postgraduate and above is 0.43 times in rural and 0.11 times in the urban area (2011-12), is less likely to be poor as compared to an illiterate person. Similar trend found for all educational category as compared

to being illiterate. The study reveals that male headed household is less likely to be poor than female headed households, and the result is statistically significant.

The result also shows that the likelihood of being poor was greater if a household had a large number of members in the Household. There was higher chance to be poor if the Household had large dependency ratio. This study found that SC, ST and OBC are more likely to be poor as compared to 'Other' group and highest odd is for SC. The Muslim is more likely to be poor as compared to Hindu and conversely is true for all another religious group.

Appendix: 5

Appendix: 5A

Table No.5.1: Incidence of Poverty among Social Group by Male/Female household headed in Uttar Pradesh

Sector	Social Group	Male	Female	All
Rural	<i>ST</i>	25.96	28.37	27.01
	<i>SC</i>	39.6	42.75	41.11
	<i>OBC</i>	29.41	32.07	30.72
	<i>Other</i>	12	12.99	12.47
	All	29.14	31.73	30.4
Urban	<i>ST</i>	17.85	14.9	16.31
	<i>SC</i>	37.71	40.72	39.14
	<i>OBC</i>	31.55	33.2	32.31
	<i>Other</i>	12.31	13.29	12.77
	All	25.5	26.93	26.17
Total	<i>ST</i>	25.03	26.3	25.6
	<i>SC</i>	39.37	42.5	40.87
	<i>OBC</i>	29.85	32.28	31.04
	<i>Other</i>	12.12	13.1	12.58
	All	28.34	30.74	29.5

Sources: Author's calculation from 68th Round NSSO data 2011-12.

Appendix: 5B

Table No.5.3C: Incidence of Poverty among Social Group by Cooking Energy in UP

Sector	Social Group	Coke, Coal, Firewood and Chips, Gobar Gas	LPG	Kerosene and Electricity	Others	All
Rural	<i>ST</i>	33.66	0		64.55	27.01
	<i>SC</i>	41.57	0.61		55.2	41.11
	<i>OBC</i>	31.43	4.81	83.43	41.36	30.72
	<i>Other</i>	14.59	1.84	0	5.72	12.47
	All	31.71	2.85	70.97	41.3	30.4
Urban	<i>ST</i>	50.11	0	0	0	16.31
	<i>SC</i>	51.58	23.4	9.36	60.81	39.14
	<i>OBC</i>	52.76	17.03	26.26	36.79	32.31
	<i>Other</i>	36.83	7.47	32.4	29.16	12.77
	All	49.69	13.08	23.76	38.79	26.17
Total	<i>ST</i>	34.64	0	0	54.81	25.6
	<i>SC</i>	42.3	17.34	9.36	55.59	40.87
	<i>OBC</i>	33.54	14.16	45.63	40.81	31.04
	<i>Other</i>	16.96	6.1	24.41	10.16	12.58
	All	33.38	10.53	36.73	41.01	29.5

Sources: Author's calculation from 68th Round NSSO data 2011-12.

Each entry shows, for that category, number of household BPL as percent of total number of household.

Chapter 6: Analysis of Inequality in Uttar Pradesh: Decomposition of the Gini by Expenditure Sources

“The world has enough for everyone’s needs but not for everyone’s greed.”

-Mahatma Gandhi

6.1 Introduction

India is one of the most populous and heterogeneous country with socio-economic disparities across states. There is substantial literature on economic inequality especially on measurement and assessment of inequality. On understanding economic inequality, Sen (1995) provides a nuanced understanding of the various analytical features of the assessment problems. Ray (1998) defined, “Economic inequality is the fundamental disparities that permits one individual certain material choices while denying other individual’s choices those have very same choices”. Various studies have found economic inequality to be quite high in India. For example, based on NCAER (National Council of Applied Economic Research) data, Azam and Sharif (2009) found that the Gini value of incomes in rural area increased from 0.46 (1993-94) to 0.50 (2004-05). Another study, Nanneman and Dubey (2010) also found a very similar result. Swaminathan and Rawal (2011) found extremely high-income inequality in the study of village surveys.

Various facets of inequality, as mentioned above, require suitable approaches to understand the nature of inequality. One such tool is various kinds of decomposition analysis- e.g. into sources of inequality or components of inequalities etc. The decomposition of inequality across the place of residence, village level and subgroup is essential because each of these findings might have distinct “economic interpretations and political consequences” (Mukhopadhyay & Urzainqui, 2018).

It is pertinent to understand the inequality and its decomposition across the social group in Uttar Pradesh. Economic inequality may be measured on the basis of different measures of economic well-being such as wealth, income, consumption etc. Thus sources of income may offer insights about nature of income inequality. Likewise decomposition with respect to consumption items such as food, education etc. may offer interesting insights about the nature of inequality based on consumption expenditure. Further, this analysis may be performed at the

level of various social groups as well. This chapter is devoted to such decomposition analysis of inequality.

6.2 Method to Decomposition of Inequality by Source

This analysis follows Lerman and Yitzhaki (1985) framework to decompose the Gini coefficient for the overall consumption expenditure by various expenditure sources. Singh, Kumar & Singh (2015) have described the Lerman and Yitzhaki (1985) framework for decomposing “Gini index” by sources of the overall inequality in “consumption expenditure” by distinct consumption categories. Assuming any given a distribution of total consumption expenditure, and “ k different expenditure sources or components”, the Gini index can be written as:

$$G = \sum_{k=1}^K S_k G_k R_k \quad (1)$$

Here, G = Gini coefficient, S_k, G_k, R_k = the inequality contribution from source k (it can be thought of as the Gini contribution from source k in the total Gini index), S_k = share of source k in total consumption expenditure, G_k = relative Gini value of source k corresponding to the distribution of consumption expenditure from source k and $R_k (= \text{cov} \{y_k, F(y)\} / \text{cov} \{y_k, F(y_k)\})$; “where $F(y)$ and $F(y_k)$ are the cumulative distribution of total consumption expenditure from source k) is the Gini correlation of consumption expenditure from source k with the distribution of total consumption expenditure (or Gini correlation between consumption expenditure from source k and the total consumption expenditure). The Gini correlation (R) has properties similar to Pearson’s and the rank correlations.”

This decomposition of inequality in terms of S_k , G_k , and R_k presents an “intuitive and meaningful interpretation”; the impact of a particular source of expenditure on inequality of aggregate consumption expenditure is governed by (a) “how important the source is with respect to the total consumption expenditure (S_k); (b) how equally or unequally distributed the expenditure source is (G_k); and (c) how the expenditure source and the distribution of total consumption expenditure are correlated (R_k)” Singh, Kumar & Singh (2015). Moreover, the inequality contribution from the k th source as a fraction of overall inequality, C_k is nothing but,

$$C_k = \frac{S_k G_k R_k}{G} \quad (2)$$

6.3 Analysis of MPCE

This section shows summary analysis of monthly per capita expenditure (MPCE) by type of consumption, namely food, health, education, durables goods and other items. The summary analysis shows that the average MPCE was Rs. 539.5 in rural Uttar Pradesh during 2004-05 and it increased to Rs. 1075.9 in 2011-12. Further average MPCE on food was Rs. 285.5 in 2004-05 whereas it reached Rs. 530.5 in 2011-12; the average MPCE on education was Rs. 17.2 in 2004-05 and Rs. 48.4 in 2011-12. The average Health MPCE was Rs. 45.4 in 2004-05 and it increased to Rs. 105 in 2011-12. The average MPCE on Durables Goods and Other Items also increased in rural Uttar Pradesh over the study period between 2004-05 and 2011-12. The

Table No.6.1: Monthly Per Capita Consumption Expenditure [MPCE]*: Uttar Pradesh

Years	2004-05					2011-12				
Social Group	ST	SC	OBC	Others	Total	ST	SC	OBC	Others	Total
RURAL										
Food	277.5	248.2	287.1	330.3	285.5	629.4	465.7	523.0	651.4	530.5
Education	7.7	11.7	17.3	24.5	17.2	51.1	35.9	47.3	71.5	48.4
Health	51.4	40.3	42.1	61.4	45.4	73.7	82.2	105.6	141.6	105.0
Durables Goods	35.4	14.6	22.0	31.3	22.0	28.7	28.9	38.9	82.8	43.4
Other Items	172.8	148.5	167.6	201.4	169.3	398.2	316.3	337.2	434.4	348.6
Total	544.7	463.3	536.1	648.8	539.5	1181.0	929.1	1052.0	1381.7	1075.9
URBAN										
Food	374.1	310.5	343.1	459.2	385.9	877.2	601.8	651.4	968.1	759.0
Education	74.1	47.4	42.0	91.4	62.9	235.1	87.4	98.4	293.8	167.4
Health	43.5	43.9	44.0	61.7	51.2	59.1	93.7	100.2	200.3	134.6
Durables Goods	37.7	22.4	19.9	50.2	32.6	27.2	50.8	50.1	204.2	104.9
Other Items	414.0	242.0	258.7	482.6	347.9	1215.3	514.5	533.8	1226.9	782.7
Total	943.4	666.3	707.8	1145.1	880.4	2413.9	1348.3	1433.8	2893.2	1948.6
TOTAL										
Food	295.0	255.4	296.6	373.9	305.3	662.0	482.3	548.3	767.7	579.3
Education	19.7	15.9	21.5	47.1	26.2	75.4	42.2	57.4	153.1	73.8
Health	50.0	40.8	42.4	61.5	46.6	71.8	83.6	104.6	163.1	111.3
Durables Goods	35.8	15.5	21.6	37.7	24.1	28.5	31.6	41.1	127.4	56.5
Other Items	216.5	159.4	183.0	296.6	204.4	506.0	340.4	375.9	725.3	441.2
Total	617.0	486.9	565.1	816.8	606.6	1343.7	980.0	1127.2	1936.6	1262.0

Source: Author's own calculation using "NSSO 61st round (2004-05) and 68th round" (2011-12).

*The average MPCE is calculated using weights which are similar to the NSSO report.

analysis of MPCE by social group shows that Other groups have highest MPCE (Rs. 648.8) in 2004-05 followed by ST (Rs. 544.7), OBC (Rs. 536.1) and SC groups (Rs. 463.3) in 2004-05. The pattern remains same in 2011-12 which is that the Other group have highest MPCE (Rs. 1381.7) followed by ST (Rs. 1181.0), OBC (Rs. 1052.0) and SC group (Rs. 929.1) in 2011-12 (see Table 6.1).

Table 6.1 also presents average MPCE statistics for urban Uttar Pradesh during 2004-05 to 2011-12. The study finds that the average MPCE was Rs. 880.4 in 2004-05 and it increased to Rs. 1948.6 in 2011-12. The average food MPCE was Rs. 385.9 in 2004-05 and it has reached Rs. 759.0 in 2011-12. The average MPCE on education expenditure was Rs. 62.9 in 2004-05 and it increased to Rs. 167.4 in 2011-12. The average Health MPCE was Rs. 51.2 in 2004-05 which improved to Rs. 134.6 in 2011-12. The average expenditure on Durables Goods and Other Items also increased in 2011-12 from 2004-05. The analysis of MPCE by the social groups has a similar pattern to rural area (see Table 6.1).

6.4 Decomposition of Inequality by Source of Consumption in Rural Uttar Pradesh

This section devotes itself to a decomposition of overall inequality by type of consumption. We use NSSO 2004-05 and 2011-12 data set. The study finds that overall inequality in terms of Gini coefficient has increased over the period 2004-05 to 2011-12 in rural Uttar Pradesh.

Table No.6.2: Determinants of Inequality: Rural Uttar Pradesh										
	2004-05					2011-12				
Source (k)	Sk	Gk	Rk	Sk.Gk.Rk	Sk.Gk.Rk/G	Sk	Gk	Rk	Sk.Gk.Rk	Sk.Gk.Rk/G
TOTAL										
Food	0.516	0.233	0.901	0.108	0.398	0.472	0.230	0.877	0.095	0.341
Education	0.036	0.649	0.563	0.013	0.049	0.049	0.673	0.613	0.020	0.072
Health	0.085	0.702	0.666	0.040	0.146	0.096	0.698	0.694	0.046	0.166
Durables Goods	0.049	0.741	0.784	0.028	0.104	0.058	0.772	0.815	0.036	0.131
Other Items	0.315	0.293	0.892	0.082	0.303	0.326	0.280	0.886	0.081	0.290
MPCE	1	0.271		0.271	1	1	0.279		0.279	1

Source: Author's own calculation using NSSO 61st round (2004-05) and 68th round (2011-12).

The value of Gini was 0.271 in 2004-05 and it marginally increased to a Gini coefficient of 0.279 in 2011-12. The decomposition of inequality by source finds that the relative contribution of food (0.341 in 2011-12 versus 0.398 in 2004-05) and Other items (0.290 in 2011-12 versus

0.303 in 2004-05) to overall inequality declined, whereas the relative contribution of education (0.072 in 2011-12 versus 0.049 in 2004-05) has increased, and Health (0.166 in 2011-12 versus 0.146 in 2004-05) and Durables Goods (0.131 in 2011-12 versus 0.104 in 2004-05) have decreased in 2011-12 from 2004-05 (see Table 6.2).

6.5 Decomposition of Inequality by Source of Consumption among the Social Groups in Rural Uttar Pradesh

Table No.6.3: Determinants of Inequality: Rural Uttar Pradesh among the Social Group										
	2004-05					2011-12				
Source (k)	Sk	Gk	Rk	Sk.Gk.Rk	Sk.Gk.Rk/G	Sk	Gk	Rk	Sk.Gk.Rk	Sk.Gk.Rk/G
SCHEDULED TRIBES										
Food	0.519	0.163	0.885	0.075	0.362	0.517	0.223	0.933	0.108	0.411
Education	0.020	0.622	0.291	0.004	0.018	0.051	0.690	0.683	0.024	0.091
Health	0.090	0.667	0.597	0.036	0.174	0.071	0.665	0.716	0.034	0.129
Durables Goods	0.046	0.743	0.699	0.024	0.116	0.032	0.655	0.641	0.013	0.051
Other Items	0.325	0.232	0.905	0.068	0.331	0.330	0.278	0.910	0.083	0.318
	1	0.206		0.206	1	1	0.262		0.262	1
SCHEDULED CASTES										
Food	0.532	0.207	0.884	0.098	0.414	0.487	0.206	0.869	0.087	0.364
Education	0.028	0.677	0.457	0.009	0.037	0.038	0.701	0.547	0.015	0.061
Health	0.086	0.694	0.675	0.040	0.170	0.090	0.663	0.649	0.039	0.161
Durables Goods	0.034	0.669	0.673	0.015	0.065	0.046	0.746	0.787	0.027	0.112
Other Items	0.320	0.266	0.867	0.074	0.314	0.339	0.245	0.871	0.072	0.302
	1	0.235		0.235	1	1	0.240		0.240	1
OTHER BACKWARDS CASTES										
Food	0.525	0.225	0.898	0.106	0.415	0.476	0.218	0.854	0.089	0.335
Education	0.036	0.640	0.553	0.013	0.051	0.050	0.672	0.615	0.021	0.078
Health	0.080	0.686	0.641	0.035	0.139	0.095	0.689	0.688	0.045	0.170
Durables Goods	0.045	0.714	0.754	0.024	0.096	0.057	0.769	0.799	0.035	0.131
Other Items	0.313	0.278	0.879	0.077	0.300	0.322	0.267	0.877	0.075	0.285
	1	0.255		0.255	1	1	0.265		0.265	1
OTHERS CASTES										
Food	0.489	0.239	0.891	0.104	0.354	0.450	0.240	0.878	0.095	0.320
Education	0.041	0.613	0.541	0.013	0.046	0.053	0.617	0.554	0.018	0.061
Health	0.092	0.725	0.691	0.046	0.157	0.103	0.730	0.716	0.054	0.181
Durables Goods	0.064	0.783	0.829	0.042	0.141	0.071	0.765	0.822	0.045	0.151
Other Items	0.314	0.313	0.906	0.089	0.303	0.324	0.299	0.880	0.085	0.287
	1	0.295		0.295	1		0.297		0.297	1

Source: Author's own calculation using NSSO 61st round (2004-05) and 68th round (2011-12).

The analysis of decomposition of inequality by the source of inequality among the social groups presents a fascinating insight. The study found that the Other social group had the highest Gini value, and ST group had the lowest Gini value in 2004-05. It is observed that the Other social group had the highest Gini value and SC group had the lowest Gini value in 2011-12. The study also found that inequality increased over a period of time among all the social group. It can be observed that the contribution of food in overall inequality is the highest followed by Other items, and then follows contribution of health, durables good, and education expenditure groups both in 2004-05 and 2011-12 period. This is found to be the case for each social group as well (see Table 6.3).

6.6 Decomposition of Inequality by Source of Consumption in Urban Uttar Pradesh

The study also analyses the inequality and decomposition of inequality among the social groups in the urban areas of Uttar Pradesh. The value of the Gini coefficient was 0.344 in 2004-05, and it reached to 0.385 in 2011-12. The study found that inequality in the urban Uttar Pradesh has increased during 2004-05 to 2011-12. The decomposition of inequality by source also finds that the share of food in inequality was 33.4 percent, and its share declined to 28.2 percent in 2011-12. The share of 'Other' items was 42.5 percent in 2004-05, and it decreased to 39.7 percent in 2011-12. The share of education increased to 11.3 percent in 2011-12 from 10 percent in 2004-05. The share of Health expenditure was 7.9 percent in overall inequality in 2004-05, and it reached 10.2 percent in 2011-12. The share of category health expenditure in overall inequality has increased over the period of time (see Table 6.4).

Table No.6.4: Determinants of Inequality: Urban Uttar Pradesh										
	2004-05					2011-12				
Source (k)	<i>Sk</i>	<i>Gk</i>	<i>Rk</i>	<i>Sk.Gk.Rk</i>	<i>Sk.Gk.Rk/G</i>	<i>Sk</i>	<i>Gk</i>	<i>Rk</i>	<i>Sk.Gk.Rk</i>	<i>Sk.Gk.Rk/G</i>
Total										
Food	0.464	0.265	0.932	0.115	0.334	0.412	0.286	0.926	0.109	0.282
Education	0.065	0.703	0.755	0.034	0.100	0.079	0.717	0.766	0.044	0.113
Health	0.062	0.715	0.612	0.027	0.079	0.077	0.732	0.697	0.039	0.102
Durables Goods	0.035	0.767	0.803	0.022	0.063	0.059	0.814	0.858	0.041	0.106
Other Items	0.374	0.410	0.953	0.146	0.425	0.374	0.429	0.954	0.153	0.397
Total	1	0.344		0.344	1	1	0.385		0.385	1

Source: Author's own calculation using NSSO 61st round (2004-05) and 68th round (2011-12)".

6.7 Decomposition of Inequality by Source of Consumption among Social Group in Urban Uttar Pradesh

This section of the study shows status of inequality across the social groups during 2004-05 to 2011-12. The study finds that inequality among ST group has marginally declined in 2011-12,

Table No.6.5: Determinants of Inequality: Urban Uttar Pradesh among the Social Group										
	2004-05					2011-12				
Source (k)	<i>Sk</i>	<i>Gk</i>	<i>Rk</i>	<i>Sk.Gk.Rk</i>	<i>Sk.Gk.Rk/G</i>	<i>Sk</i>	<i>Gk</i>	<i>Rk</i>	<i>Sk.Gk.Rk</i>	<i>Sk.Gk.Rk/G</i>
SCHEDULED TRIBES										
Food	0.466	0.259	0.866	0.105	0.277	0.390	0.300	0.948	0.111	0.295
Education	0.052	0.733	0.696	0.026	0.070	0.118	0.682	0.850	0.068	0.182
Health	0.036	0.696	0.700	0.017	0.046	0.045	0.517	0.471	0.011	0.029
Durables Goods	0.031	0.661	0.695	0.014	0.038	0.019	0.636	0.468	0.006	0.015
Other Items	0.416	0.529	0.976	0.215	0.569	0.428	0.432	0.973	0.180	0.479
	1	0.377		0.377	1	1	0.376		0.376	1
SCHEDULED CASTES										
Food	0.481	0.225	0.907	0.098	0.350	0.441	0.252	0.906	0.101	0.306
Education	0.059	0.717	0.722	0.030	0.108	0.063	0.724	0.701	0.032	0.098
Health	0.064	0.685	0.566	0.025	0.089	0.080	0.713	0.743	0.042	0.129
Durables Goods	0.031	0.718	0.708	0.016	0.056	0.042	0.767	0.793	0.025	0.078
Other Items	0.365	0.330	0.927	0.112	0.397	0.374	0.363	0.940	0.128	0.389
Total	1	0.281		0.281	1	1	0.328		0.328	1
OTHER BACKWARDS CASTES										
Food	0.502	0.236	0.920	0.109	0.375	0.454	0.255	0.913	0.106	0.329
Education	0.054	0.687	0.687	0.025	0.087	0.072	0.709	0.734	0.038	0.117
Health	0.065	0.708	0.602	0.028	0.095	0.077	0.713	0.681	0.037	0.116
Durables Goods	0.028	0.738	0.756	0.015	0.053	0.040	0.749	0.779	0.023	0.073
Other Items	0.352	0.347	0.929	0.113	0.390	0.356	0.353	0.934	0.117	0.365
Total	1	0.291		0.291	1		0.322		0.322	1
OTHERS CASTES										
Food	0.426	0.275	0.931	0.109	0.300	0.367	0.289	0.921	0.098	0.242
Education	0.076	0.665	0.747	0.038	0.104	0.088	0.681	0.732	0.044	0.109
Health	0.059	0.725	0.637	0.027	0.075	0.077	0.743	0.656	0.037	0.092
Durables Goods	0.043	0.768	0.810	0.027	0.074	0.080	0.827	0.873	0.058	0.143
Other Items	0.396	0.428	0.959	0.163	0.448	0.388	0.453	0.954	0.168	0.415
Total	1	0.363		0.363	1	1	0.404		0.404	1

Source: Author's own calculation using NSSO 61st round (2004-05) and 68th round (2011-12). "

whereas inequality among SC, OBC and Other group has increased in 2011-12 compared to 2004-05. The decomposition analysis among social group shows that share of food in inequality has increased among ST group whereas contrary result was seen for SC, OBC and Other groups. The share of Education expenditure in inequality has increased among the ST, OBC and Other groups whereas contrary result found for the SC group. The share of health and Durables Goods in inequality has increased in overall inequality during the study period 2004-05 to 2011-12 among all the social group. The share of Other items in overall inequality has decreased among the ST, SC, OBC and Other groups during 2004-05 to 2011-12 (see Table 6.5).

6.8 Inequality in Selected Villages: Decomposition Analysis Based on the Field Data

Table 6.6 presents the average monthly per capita expenditure (MPCE) by type of expenditure among the social group in rural Uttar Pradesh based on the primary data collected. The study uses the five categories of consumption expenditure, namely Food, Education, Health, Durables Goods and Other items- the same categories as used in Singh, Kumar & Singh (2015). The analysis found that the average monthly per capita expenditure is Rs. 1793.3 in the five study villages of rural Uttar Pradesh. The MPCE varies among the social group. The Nayak ST has Rs. 4017.6 (highest) MPCE followed by Other Category (Rs. 2792.3) whereas SC has lowest MPCE (Rs. 1225.7). The analysis of the type of consumption expenditure suggests that MPCE on food consumption is Rs. 911.4 whereas it is Rs. 241.3 on Education, Rs. 121.7 on Health and Rs. 108.9 on Durables goods whereas Rs. 410 on Other items in 2017-18 (see Table 6.6).

Further analysis of mean expenditure by the social groups, and type of items suggests that Food expenditure is highest among ST Nayak (Rs. 1741.7) followed by Other groups (Rs. 1100.2), and least is among the OBC group (Rs. 690.3). The analysis of education expenditure is pertinent to understand the investment in human capital and its results in the standard of living. ST Nayak has Rs. 988.1 average expenditure on education whereas Other group have Rs. 498.1 followed by OBC (Rs. 100.5) and least is among the ST group (Rs. 86.0). Health is also one of the essential components of human development. The analysis of health expenditure shows that average health expenditure is Rs. 60.9 in ST group and Rs. 85.8 among the SC group whereas ST Nayak have Rs. 212.4. The highest average health expenditure is among the Other group (Rs. 219.6) whereas OBC group have Rs. 95.4 (see Table 6.6).

Table No.6.6: Descriptive Statistics on MPCE: in Study Villages						
2017-18						
Sources k	ST	SC	OBC	Others	ST Nayak	Total
Food	950.7	760.2	690.3	1100.2	1741.7	911.4
Education	86.0	94.8	100.5	498.1	988.1	241.3
Health	60.9	85.8	95.4	219.6	212.4	121.7
Durables Goods	41.3	28.9	41.8	329.9	166.5	108.9
Other Items	278.8	256.0	338.7	644.5	909.0	410.0
Total	1417.7	1225.7	1266.7	2792.3	4017.6	1793.3

Source: Author's own primary survey (2017-18).

6.9 Determinants of Inequality in Rural Uttar Pradesh: Primary Survey

This section of the study presents the decomposition of overall inequality of consumption expenditure by type of consumption among the social group in Uttar Pradesh, based on the primary survey data from five study villages. The overall Gini coefficient is 0.401, whereas it is 0.294 in ST group, 0.288 in SC group, 0.34 is in OBC group, 0.364 is in Other group, and 0.304 is in ST Nayak group. This result suggests that overall inequality is highest among the 'Other' group, and lowest among the SC group (see Table 6.7).

The Column (2) of Table 6.7 reports the share of consumption for type of consumption group in the overall MPCE. The share of food MPCE is 50.8 percent and 22.9 percent of Other Items. The share of education is 13.5 percent, whereas health's share is 6.8 percent followed by Durables Goods (6.1 percent). The Column (3) reports the Gini coefficient of different type of items. The result suggests that Food expenditure have the lowest inequality (0.315). In contrast, Durables Goods have the highest inequality (0.879) followed by Education (0.768) (see Table 6.7).

The analysis of overall consumption inequality by source (column 6) found that food consumption is contributing 36.1 percent to the overall inequality, whereas Other items contribution is 24 percent followed by education expenditure (21.5 percent), 11.5 percent contribution from Durables Goods and 6.9 percent from Health expenditures. It is noted that the highest or largest contribution to overall inequality is from food consumption and least from the health expenditure (see Table 6.7).

6.10 Determinants of Inequality in Rural Uttar Pradesh by Social Group

This section of the study analyses the decomposition of inequality by type of consumption among the social groups. The share of food consumption in overall inequality is highest for each of the social groups except for "Other Castes". The highest share of food consumption

Table No.6.7: Descriptive Statistics: Rural Uttar Pradesh among the Social Group					
Primary Survey (2017)					
Source (k)	Sk	Gk	Rk	Sk.Gk.Rk	Sk.Gk.Rk/G
(1)	(2)	(3)	(4)	(5)	(6)
ALL THE SOCIAL GROUPS					
Food	0.508	0.315	0.903	0.145	0.361
Education	0.135	0.768	0.834	0.086	0.215
Health	0.068	0.631	0.645	0.028	0.069
Durables Goods	0.061	0.879	0.864	0.046	0.115
Other Items	0.229	0.465	0.904	0.096	0.240
	1	0.401		0.401	1
SCHEDULED TRIBES					
Food	0.671	0.307	0.916	0.189	0.642
Education	0.061	0.816	0.500	0.025	0.084
Health	0.043	0.616	0.343	0.009	0.031
Durables Goods	0.029	0.732	0.607	0.013	0.044
Other Items	0.197	0.354	0.838	0.058	0.198
	1	0.294		0.294	1
SCHEDULED CASTES					
Food	0.620	0.260	0.935	0.151	0.525
Education	0.077	0.728	0.622	0.035	0.122
Health	0.070	0.621	0.644	0.028	0.097
Durables Goods	0.024	0.821	0.737	0.014	0.050
Other Items	0.209	0.347	0.822	0.059	0.207
	1	0.288		0.288	1
OTHER BACKWARDS CASTES					
Food	0.55	0.29	0.93	0.14	0.43
Education	0.08	0.71	0.71	0.04	0.12
Health	0.08	0.56	0.63	0.03	0.08
Durables Goods	0.03	0.82	0.70	0.02	0.06
Other Items	0.27	0.47	0.87	0.11	0.32
	1	0.34		0.34	1
OTHERS CASTES					
Food	0.394	0.240	0.784	0.074	0.203
Education	0.178	0.640	0.804	0.092	0.252
Health	0.079	0.631	0.538	0.027	0.073
Durables Goods	0.118	0.858	0.901	0.091	0.251
Other Items	0.231	0.402	0.867	0.080	0.221
	1	0.364		0.364	1
SCHEDULED TRIBES NAYAK					
Food	0.434	0.351	0.909	0.138	0.456
Education	0.246	0.394	0.650	0.063	0.207
Health	0.053	0.370	0.487	0.010	0.031
Durables Goods	0.041	0.768	0.808	0.026	0.085
Other Items	0.226	0.367	0.806	0.067	0.220
	1	0.304		0.304	1

Source: Author's own primary survey (2017-18).

contribution in overall inequality is among ST group (64.2 percent) and lowest among the Others Castes group (20.3 percent). The share of education in overall inequality also varies among the social groups. The share of education is 8.4 percent, 12.2 percent, 12 percent, 25.2 percent and 20.7 percent among the ST, SC, OBC, Others and ST Nayak group, respectively. The highest contribution of education to overall inequality is among the Other group followed by ST Nayak and least is among the ST group. The inequality contribution of health expenditure is low in the overall inequality among all the social groups. The contribution for ST and 'ST Nayak' groups is 3.1 percent each group. The contribution of Health expenditure to overall inequality is 9.7 percent among SC group whereas OBC have 8 percent and Others have 7.3 percent. The share of health expenditure in overall inequality is highest among the SC group and lowest among ST group (see Table 6.7).

The contribution of Durables Goods to overall inequality also varies among the social groups. The share of Durables Goods is 4.4 percent in ST group, 5 percent in SC, 6 percent in OBC, 25.1 percent in 'Other' group and 8.5 percent in ST Nayak group. In other words, the highest contribution of Durables Goods to overall inequality is seen in case of the 'Other' group and least in case of the ST group. The contribution of 'Other' items to overall inequality is highest among the OBC group (32 percent), and least is among the ST group (19.8 percent). Finally, food contributes the highest share to overall inequality and share of health and education varies across the social groups (see Table 6.7).

6.11 Conclusion

This chapter analyses the inequality and its decomposition across the social groups in Uttar Pradesh using NSSO 61st round (2004-05) and 68th round unit-level data (2011-12). The inequality and its decomposition analysis is also carried out using primary data from field survey conducted in five villages from three districts of Uttar Pradesh during 2017-18.

The study finds that overall inequality has increased across all social group in Uttar Pradesh during 2004-05 to 2011-12. The study finds that the consumption inequality is highest among the 'Other' group and lowest in ST group in 2004-05 and the result shows that the highest inequality was in Other groups, and the lowest was in SC group in 2011-12.

The primary, as well as secondary data, found similar results. The decomposition analysis of inequality by source found that major and the largest share of inequality comes from the food consumption inequality. This is primarily because food expenditure forms the largest

component of overall MPCE, even though the Gk (the Gini) for food itself with respect to overall MPCE distribution is not very high in comparison to other items. It is followed by category 'Other' items across all social groups for its contribution to overall inequality.

The primary study of five villages presents the decomposition of total inequality of consumption expenditure by type of consumption among the social groups in Uttar Pradesh. It is found that the overall Gini coefficient is 0.401. This result shows that overall inequality is highest among the 'Other' group, and the lowest among the SC group.

The overall inequality in the rural areas has marginally increased over this the period of the time. The share of food expenditure source has the highest contribution to overall inequality, but it has a decreasing trend during the study period. The contribution of education, health and durable goods expenditure source in overall inequality increased in 2011-12 from 2004-05. Further analysis of decomposition of inequality in rural Uttar Pradesh found that inequality has increased among all social groups. SC group has the lowest level of inequality, whereas 'Other' caste group has the highest level of inequality.

The contribution of food expenditure source to overall inequality shows a decreasing trend among SC, OBC and Other caste groups whereas the ST group has increasing trend during 2004-05 to 2011-12. The contribution of education source to overall inequality shows an increasing trend across all social group in rural Uttar Pradesh. The share of health expenditure source in overall inequality indicates an increasing trend for OBCs and Other caste groups, whereas the contrary result is found among STs and SCs. This might be due to the government-provided health insurance scheme in rural Uttar Pradesh. The share of Durables good in overall inequality has an increasing trend among SCs, OBCs and Other Castes whereas contrary result found for ST group in rural Uttar Pradesh.

The analysis of inequality decomposition in urban Uttar Pradesh also shows some interesting results. The study found that urban Uttar Pradesh has higher inequality than rural Uttar Pradesh in both periods of analysis. The inequality for Uttar Pradesh (rural + urban) has increased in 2011-12 from 2004-05 (*see Appendix 6A*). In other words, overall inequality shows an increasing trend in urban Uttar Pradesh. Further, analysis shows that the food expenditure source has the highest share in overall inequality, but the share has a decreasing trend. The share of education, health and durables good in overall inequality has an increasing share over this period of time.

The analysis of the source of inequality among the social groups in urban Uttar Pradesh has some interesting results. The analysis found that the share of food expenditure has a decreasing trend in SCs, OBCs, and Other Caste group, whereas the contrary result was found for ST group. The share of health and durables goods expenditure in overall inequality has increased among SCs, OBCs, and Other caste groups, whereas the contrary result found for STs group in urban Uttar Pradesh during 2004-05 to 2011-12.

The study has also analysed decomposition of inequality from a primary survey conducted in 2017. These results are compared with secondary data analysis of rural Uttar Pradesh in 2011-12. The primary data result shows higher rural inequality in 2017 than rural Uttar Pradesh in 2011-12. The highest contribution is from food expenditure in overall inequality followed by other items in the primary survey which is similar to the secondary data of rural Uttar Pradesh in 2011-12. The share of education expenditure is 21.5 percent in the primary survey, which is about three-time higher than the secondary data result of rural Uttar Pradesh in 2011-12. The health expenditure indicates the lowest share in overall inequality in primary survey, whereas educational expenditure has the lowest share in secondary data result of rural Uttar Pradesh in 2011-12.

The primary result shows that the highest consumption inequality is in 'Other' castes group and lowest in the SC group in 2017 and the result is similar to the rural Uttar Pradesh in 2011-12. The comparative analysis of the source of consumption inequality between primary data and secondary data among social groups shows the following. The result for the SC group in primary survey reveals that share of food consumption in overall inequality is 52.5 percent in 2017, whereas the 36.4 percent in rural Uttar Pradesh in 2011-12. The share of other items is the second-highest contribution in overall inequality which is similar to secondary data analysis, but the percentage is lower in primary survey (20.7 percent) result than secondary data (30.2 percent) result. The share of education expenditure is 12.2 percent in 2017, whereas 6.1 percent in 2011-12. The share of health expenditure is higher in secondary data (16.1 percent) result than primary survey (9.7 percent) result.

Appendix: 6

Appendix: 6A

⁶⁴ Table No. 6.1: Determinants of Inequality: Uttar Pradesh										
	2004-05					2011-12				
Source (k)	Sk	Gk	Rk	Sk.Gk.Rk	Sk.Gk.Rk/G	Sk	Gk	Rk	Sk.Gk.Rk	Sk.Gk.Rk/G
Total										
Food	0.499	0.245	0.913	0.111	0.372	0.447	0.257	0.903	0.104	0.313
Education	0.046	0.691	0.673	0.021	0.071	0.061	0.712	0.719	0.031	0.094
Health	0.077	0.706	0.642	0.035	0.116	0.088	0.710	0.688	0.043	0.130
Durables Goods	0.044	0.749	0.778	0.026	0.086	0.058	0.790	0.830	0.038	0.115
Other Items	0.334	0.346	0.921	0.107	0.356	0.345	0.359	0.928	0.115	0.347
	1	0.300 (G)			1	1	0.331 (G)			1
Scheduled Tribes										
Food	0.497	0.204	0.885	0.090	0.316	0.472	0.250	0.935	0.110	0.344
Education	0.033	0.739	0.560	0.014	0.048	0.075	0.738	0.828	0.046	0.142
Health	0.068	0.694	0.583	0.027	0.096	0.062	0.631	0.650	0.025	0.079
Durables Goods	0.040	0.729	0.653	0.019	0.067	0.027	0.652	0.590	0.010	0.032
Other Items	0.362	0.388	0.960	0.135	0.474	0.365	0.375	0.946	0.129	0.403
	1	0.285 (G)			1	1	0.321 (G)			1
Scheduled Castes										
Food	0.519	0.213	0.889	0.098	0.391	0.475	0.220	0.883	0.092	0.345
Education	0.037	0.716	0.592	0.015	0.062	0.045	0.720	0.616	0.020	0.074
Health	0.080	0.692	0.645	0.036	0.142	0.087	0.675	0.665	0.039	0.147
Durables Goods	0.033	0.682	0.678	0.015	0.061	0.045	0.753	0.791	0.027	0.100
Other Items	0.332	0.293	0.888	0.086	0.344	0.348	0.285	0.900	0.089	0.334
	1	0.251 (G)			1	1	0.267 (G)			1
Other Backward Castes										
Food	0.519	0.228	0.904	0.107	0.403	0.468	0.233	0.879	0.096	0.334
Education	0.041	0.662	0.606	0.017	0.062	0.058	0.694	0.677	0.027	0.095
Health	0.076	0.692	0.629	0.033	0.125	0.089	0.696	0.678	0.042	0.146
Durables Goods	0.040	0.722	0.743	0.022	0.082	0.051	0.764	0.786	0.030	0.106
Other Items	0.324	0.301	0.896	0.087	0.329	0.334	0.305	0.904	0.092	0.320
	1	0.266 (G)			1	1	0.288 (G)			1
Others										
Food	0.461	0.259	0.912	0.109	0.324	0.405	0.274	0.908	0.101	0.270
Education	0.056	0.672	0.702	0.026	0.079	0.072	0.686	0.718	0.036	0.096
Health	0.077	0.726	0.650	0.036	0.109	0.088	0.737	0.680	0.044	0.119
Durables Goods	0.055	0.779	0.810	0.035	0.103	0.076	0.803	0.848	0.052	0.139
Other Items	0.350	0.393	0.939	0.129	0.386	0.359	0.416	0.938	0.140	0.376
	1	0.336 (G)			1	1	0.372 (G)			1

Source: Author's own calculation using NSSO 61st round (2004-05) and 68th round (2011-12).¹⁷

Chapter 7: Villagers' Perceptions of Chronic Poverty and Inequality in Rural Uttar Pradesh

“What are we having this liberty for? We are having this liberty in order to reform our social system, which is full of inequality, discrimination and other things, which conflict with our fundamental rights.”

- B.R. Ambedkar

7.1 Introduction

The purpose of choosing perceptions based survey, issues on chronic poverty, inequality and social status of the social groups is to see village people's perceptions or experiences of the poor and non-poor themselves. It is said that poor people (those who experience poverty know more than hearer) and low-income households know more about poverty, inequality, discrimination and so on than wealthy (elite) (Reis, E. P., & Moore, M., 2005).

This chapter carries the analysis forward with results based on structured 'Perception Schedule'. The analysis of this chapter is perception centric on poverty, inequality, discrimination, social protection schemes and social status of households of the selected villages of three districts in rural Uttar Pradesh. The main objective of this part is to analyze the perception of the people on chronic poverty, economic inequality, caste discrimination and untouchability, and social protection schemes and their social status. The perception survey also covers the functioning on ground of various social welfare and poverty alleviation programmes and schemes.

7.2 Villagers' Perceptions

For capturing villagers' perception, one of the methods for developing overall understanding that we have used, is PRA (Participatory Rural Appraisal) and mixed-method (quality and quantity). The concerns and priorities of the people in the three selected districts, Azamgarh, Mau and Ballia are captured in their perception of the chronic poverty, inequality, discrimination, untouchability, social status, Government policy and programs, and so on. With the help of the PRA method, we find that the participants observed many difficulties which have been an obstacle for the rural poor and low-income people to improve their well-being. The study reveals that there is a lack of access to infrastructure. For instance, some examples of inadequate infrastructure include: Kachcha Roads, electricity availability of only 6-8 hours

in a day, non-availability of clean drinking water supply, no suitable transportation facilities being available, and so on. The incidence of chronic poverty among the SCs and STs is much higher in Dubari village in comparison to other villages. All the ST households of this village are chronically poor. Most of the ST people were unemployed. When enquired about possibility of opening a vegetable and any other shop, one old man Chouthi Lal responded that “*HAMAAR SABJI KEHU NAA KHARIDI SHAHEB, HUM CHHOT JAAT KE HAYIN, HAMARE HAATH K KEHU NAA LEYI*”. (*No one will purchase our vegetable, and no one will eat it, because we belong to the lower caste*). Caste-based discrimination and untouchability, social conflict and violence prevail in the village and this has adverse consequences for the chronically poor.

The villagers raised many problems such as lack of employment opportunities and low wage rate, lack of capital /assets/ tools to carry out livelihoods, lack of natural resources (water, land, forest, pond), crop loss due to wild or stray animals (cow, *neelgai*, wild boar), lack of housing and sanitation, lack of skills training and lack of quality education, vulnerability due to sickness, old age, death, and disability (of income earner), vulnerability to market fluctuations, lack of food, neglect by the state, unequal distribution of government land, political/ethnic bias in the delivery of poverty aid, corruption, and lack of unity within the community.

The study has used a structured schedule for data collection, which is focused on the perception of the rural villagers. The villagers have a deep understanding and experience of society and local politics. This study focused on some important variables for understanding the perception of the villagers, for instance on, poverty, inequality, caste-based discrimination, untouchability, social status of the poor, social status of the SCs and STs, social and moral values of the rich and the poor, job availability for those willing to work, major causes of poverty (drug abuse, medical bills, inadequate availability of work, poor people lacking motivation, low wage rate, poor quality of education, the decline in moral values, less land, less education, illiteracy, caste discrimination or untouchability, lack of productive assets, high-interest rate/indebtedness), the financial situation today, policy and programs run by central government’s aid for poor people, whether respondents support or oppose the government programs for the poor, household access to enough food, access to get medical care, problems of alcohol or drug abuse. Then we also study new welfare policy and its impact, new welfare law to get public assistance, current situation of the household, and bank convenient (*See Appendix 1: Schedule -2*).

7.3 Data Source and Methodology

This Chapter is based on primary data and applies mixed-method (qualitative and quantitative) for data collection. In this study, the PRA method also followed to have a deep understating of the rural villagers, specially scheduled castes and scheduled tribes. The perception of poverty, inequality, discrimination and social status assessments included both household interview and focus groups discussion based on PRA methods. A structured Schedule (see Appendix 1: Schedule-2) was used and 214 randomly selected households from three villages of districts Azamgarh (Unchagaon), Mau (Chiutidand and Dubari) and Ballia (Sonbarsa) of eastern Uttar Pradesh included in this perception survey. Table 7.1 shows the selected sample size by the social groups, name of the district and villages details. In all 214 households had been interviewed and we also held three focus group discussions, 10-15 people have participated in these group discussions. Here, it should be made clear that the qualitative data was obtained from the participatory assessment. It is not representative of all the social groups: most of them from SCs and STs, and a few respondents are from OBC and the social category 'Others'. Table 7.1 shows the detailed sample size by the social groups. Total 214 sample size is randomly selected from three villages of three districts of Uttar Pradesh.

Table No.7.1: Sample Size by the Social Groups, Villages and District.

District	Name of the Village	ST	SC	OBC	Others	Total
Azamgarh	Unchagaon	39	20	15	15	89
Mau	Chiutidand and Dubari	15	16	16	15	62
Ballia	Sonbarsa	15	18	15	15	63
Total		69	54	46	45	214

Source: Author's own Estimate from the Field Survey 2017-18.

7.4 Analysis and Results

In general, it is seen that the respondents have a deep understanding and experience of the issues raised in the perception survey. After an in-depth discussion with the respondent, various perception related questions were asked which were related to their daily living experiences and observation. The rest of this section presents results based on the analysis of data obtained from this survey.

7.4.1 Poverty, Inequality, Caste Discrimination and Social Status

The first question we ask concerns the issue of persistence of poverty. Table 7.2 reveals that around 64 percent respondents have a perception that it is harder today for a person to get out of poverty compared with such a possibility 15 years ago. In particular, it is harder to get out of poverty for a still larger proportion of households belonging to the ST, SC and OBC social groups in comparison to ‘Others’ category.

Table No.7.2: Persistence of Poverty.

<i>Question 1: Compared with 15 years ago, do you think it is easier today or harder today for a person to start out poor, work hard, and to get out of poverty?</i>					
Social Groups	Easier	Harder	Same	Do not know	Total
ST	8.7	76.81	14.49	0	100
SC	7.41	68.52	22.22	1.85	100
OBC	19.57	65.22	15.22	0	100
Others	53.33	37.78	8.89	0	100
Total	20.09	64.02	15.42	0.47	100

Source: Author’s own Estimate from the Field Survey 2017-18.³⁹

Various studies have found that poverty, caste discrimination, untouchability have declined and whereas economic inequality across social groups has increased. This study found that most of the respondents have a perception that poverty, caste discrimination, and untouchability have declined, whereas, inequality has increased.

Table No.7.3: Perception of Poverty, Inequality, Caste Discrimination and Social Status.

<i>Question 2: How has the following changed in your perception compared with 15 years ago?</i>					
Questions	Increased	Decreased	Same	Do not know	Total
Poverty	19.2	64.5	14.5	1.9	100
Inequality	78.5	8.9	8.4	4.2	100
Caste Discrimination	18.2	56.5	23.8	1.4	100
Untouchability	4.2	81.8	12.1	1.9	100
Social Status of Poor	29.9	15.9	51.9	2.3	100
Social Status of SCs & STs	42.5	9.3	46.7	1.4	100

Source: Author’s own Estimate from the Field Survey 2017-18.

Table 7.3 shows that around 52 percent respondents say that the social status of the poor people is same today as compared with 15 years ago. Moreover, a similar perception (46.7 percent) is found in the case of the social status of SCs and STs. It seems true that social changes take time. Further, generally, it is likely to take more time when people are faced with corruption, oppression, discrimination and a poor education system. It leads to hindrances in delivery of public services, and creates unequal opportunities in rural areas. Caste-based discrimination and untouchability persist in these study villages, though we find that caste-based

discrimination and untouchability have declined. Some of the upper caste respondents agreed that they practice caste-based discrimination and also practice untouchability. They do not share their plates and glasses with lower caste people. Most of the lower caste respondents said that caste-based discrimination and soft untouchability has been declining. Only a few respondents said that caste discrimination and untouchability has increased (*Appendix 7: Table 1A for more disaggregated responses*).

7.4.2 Social and Moral Values

Generally, it is seen in rural areas that people associate higher moral¹³ and social values with the rich and wealthy people than with poor people. Table 7.4 shows that poor people are perceived to have lower moral and social values. Around 69 percent respondents responded that poor people have lower moral and social values than rich and wealthy people. Only 27.1 percent respondents feel that poor and rich people have the same moral and social values.

Table No.7.4: Moral and Social Values Perception

Question 3: In general, do you think poor people have higher, lower, or about the same social and moral values as the rich?					
Social Groups	Higher	Lower	Same	Do not know	Total
ST	2.9	82.61	13.04	1.45	100
SC	0	81.48	14.81	3.7	100
OBC	0	50	45.65	4.35	100
Others	2.22	53.33	44.44	0	100
Total	1.4	69.16	27.1	2.34	100

Source: Author's own Estimate from the Field Survey 2017-18.

7.4.3 Employment for the Poor People

Uttar Pradesh is one of the most populous state and also one of the poorest state of India. Many states are not creating enough employment. Some studies suggest that recent data on employment is controversial (Singh 2018, Banerjee, 2019). Various studies found that the unemployment rate has increased, and people have lost their jobs because of various reasons.

This study finds that most of the people are working in agriculture as casual labour in the study villages. Non-agricultural self-employment is less developed in these villages. The traditional occupations have declined – especially among the SCs and STs – because of technological

¹³ "Moral Value refers to the good virtues such as honesty, respectfulness, integrity, truthfulness, helpfulness, love, hard-work, etc." Generally, it is seen in the society that rich, and those have good position in the government have more respect than the poor and low income people.

advancement. Table 7.5 reveals that most of the respondents (76.17 percent) responded that it is hard to get work, and 21.96 percent said jobs are available if one is willing to work.

Table No.7.5: Availability of Employment

Question 4: Do you think that poor people find it hard to get work, or do you think there are jobs available for anyone who is willing to work?				
Social Groups	Hard to get work	Jobs Available if willing to work	Don't know	Total
ST	81.16	18.84	0	100
SC	90.74	3.7	5.56	100
OBC	78.26	19.57	2.17	100
Others	48.89	51.11	0	100
Total	76.17	21.96	1.87	100

Source: Author's own Estimate from the Field Survey 2017-18.

7.4.4 Poverty and its Circumstance

There are two opposite views on poverty: one that blames the victim and another that blames the system (Government). Many people blame the poor themselves that they are poor because they do not do enough work to earn enough money to feed their family, even though it may not be true for all the poor people. It is also suggested sometimes that some poor people drink or gamble and stay away from work. But most of the poor are in this situation for no fault of their own. Many 'victims' of poverty were born in a low-income family, often in the so called lower castes, suffered from undernutrition in childhood, had less chance to study in a good school, did not get nutritious food and necessary facilities to live good quality of life. For them (poor), it may not be easy to get to out of poverty (Drèze, J. 2019)

There is also an illusion in society that poor people 'deserve' what they have. This misconception, however, disappears when we observe the poor people performing hard work in the study villages. The people work hard as casual labour in agriculture and non-agriculture (construction workers and domestic helpers) (Drèze, J. 2019). There is evidence that the poor make much effort to overcome poverty, say through education. There is a real story from Chiutidand village, where 46 educated students (ST Nayak) got jobs in one year, and some of them were from low-income and poor, households.

Table 7.6 reveals that the more significant cause of poverty today is perceived in their circumstances rather than the poor people not doing enough work: around 68 percent of respondents feel that circumstances beyond their control cause poverty. Moreover, only 26.17 percent blame that the poor are poor because poor people are not doing enough to get out of

poverty. It is, thus, observed that the poor people are working hard to improve the well-being of the family. There are various other reasons which lead to poverty among the STs and SCs in rural Uttar Pradesh (see Table 7.7).

Table No.7.6: Perception about Causes of Poverty

Question 5: In your opinion, which is the bigger cause of poverty today - that people are not doing enough to help themselves out of poverty, or that circumstances beyond their control cause them to be poor?				
Social Groups	People not doing Enough	Circumstances beyond their Control	Don not Know	Total
ST	17.39	76.81	5.8	100
SC	9.26	85.19	5.56	100
OBC	32.61	60.87	6.52	100
Others	53.33	42.22	4.44	100
Total	26.17	68.22	5.61	100

Source: Author's own Estimate from the Field Survey 2017-18.

7.4.5 Major Causes of Poverty

There are many challenges for eradication of poverty, for instance, redressing socio-economic and regional disparities, increasing infrastructure to reach the poor, improving and providing quality of education and skills-training, generating regular employment and income opportunities, and so on (Pal, M. S. 2001). What are perceived major cause of poverty in the eyes of the respondents themselves?

Table No.7.7: Major Causes and Minor Causes of Poverty

Question 6: For each of the following, please tell me if this is a major cause of poverty, a minor cause of poverty, or not a cause at all.					
Question	Major	Minor	Not a cause	Don't know	Total
Drug Abuse	77.1	20.1	0.5	2.3	100
Medical Bills	79.9	17.3	0	2.8	100
Inadequate Availability of Work	90.7	9.3	0	0	100
Poor People Lacking Motivation	24.3	46.3	4.2	25.2	100
Low Wage Rate	80.4	19.6	0	0	100
Poor Quality of Education	71.5	27.6	0	0.9	100
Decline in Moral Values	12.1	56.1	3.7	28	100
Less Land	68.7	30.8	0	0.5	100
Less Education or Illiteracy	73.4	26.2	0	0.5	100
Caste Discrimination or Untouchability	75.7	22.9	0.5	0.9	100
Lack of Production Assets	39.3	55.1	0	5.6	100
High Interest Rate/ Indebtedness	4.2	50.9	4.2	40.7	100

Source: Author's own Estimate from the Field Survey 2017-18.

Table 7.7 reveals that the respondents feel that the major causes of poverty are drug abuse, medical expenditure, inadequate availability of work, low wage rate, poor quality of education, less land, less education or illiteracy, and caste discrimination or untouchability. This study reveals that most of the STs and SCs themselves also believe that the major causes of their being chronically poor are also as have been listed above. (*Appendix 7: Table 2B*).

7.4.6 Financial Situation

In this section, we try to understand, the perception of respondents about their own financial status. Table 7.8 shows that around 71.5 percent respondents rate their financial situation as poor today, and around 25 percent rate their financial situation as good today. We noticed in the study villages, that in case of most of the SCs and STs households, the head of the household is illiterate, and that they do not have regular employment, most of them work as a casual labour and wage rate is low. Because of these reasons, their financial situation is poor. We find that around 81 percent of SC and 89 percent ST respondents agree that their financial situation is poor.

Table No.7.8: Perception of Own Financial Status

Question 7: How would you rate your own financial situation today? Would you say it is excellent, good, or poor?					
Social Groups	Excellent	Good	Poor	Do not know	Total
ST	2.9	5.8	89.86	1.45	100
SC	0	16.67	81.48	1.85	100
OBC	0	32.61	67.39	0	100
Others	8.89	55.56	35.56	0	100
Total	2.8	24.77	71.5	0.93	100

Source: Author's own Estimate from the Field Survey 2017-18.

7.4.7 Social Protection

The governments have tried to provide legal protections against poverty, discrimination and untouchability. Government has also tried to provide equal opportunity through the reservation policy for the vulnerable social groups. These proactive measures are expected to ensure proportionate involvement of the STs and SCs in several public domains. One of the big problems with various social programs in India is to identify eligible families. The eligibility for benefitting from many social programs is for a household to be 'Below the Poverty Line' (BPL). But identification as a BPL household itself is subject to misidentification problem. Due to a lack of individual or household-wise MPCE data, poor households typically identified as BPL via proxy indicators such as occupation or asset ownership. For example, in the 2002 BPL census, households were identified as BPL by using a scoring method which was based

on thirteen proxy indicators. The result is that many eligible poor people did not get identified as BPL because of unreliable survey methods (Drèze, J. 2019).

In India, many state and central government social protection programs targeted only BPL cardholder households. Once so identified, it does not matter whether the BPL cardholder is poor or non-poor (for a discussion and evidence on misidentification problem, see Chapter 4). There are no specific anti-poverty programs specifically for ST and SC poor people which can improve their well-being and help them to get out of poverty. There are three important programs such as IAY, PDS and MNREGA, which have helped improve the well-being of the poor people. However, many needy people have benefited less because of corruption and mismanagement.

There are various studies which suggest that PDS, IAY, MGNREGS and other social protection schemes have played a significant role in shrinking poverty. MGNREGS is one of the most supportive social protection programme for the rural landless and unskilled poor people. PDS is another major supportive social protection programme for the poor and relatively needy people (Banerjee, A. et al. 2019, Drèze, J. 2019). There is another debate on income support and price support; some economists advocate income support programmes rather than price support programmes. It is claimed that the direct income support schemes are easier to implement, more equitable, more transparent, crop neutral, and less distortionary in comparison to price deficiency payments schemes (Gulati, A. 2019). The other important debate is about choice-based approach, for example, giving option to the beneficiary to opt for a cash transfer or for subsidised food. Such a choice-based approach is considered operationally feasible (Banerjee, A. et al. 2019).

Table No.7.9: Benefit of Assistance to Poor People

Question 8: In terms of the amount of money we as a country are spending on assistance to poor people, do you think we are spending too much, too little, or about the right amount?					
Social Groups	Too much	Too little	Right amount	Don't know	Total
ST	1.45	82.61	15.94	0	100
SC	0	81.48	18.52	0	100
OBC	8.7	54.35	36.96	0	100
Others	22.22	31.11	42.22	4.44	100
Total	7.01	65.42	26.64	0.93	100

Source: Author's own Estimate from the Field Survey 2017-18.

Table 7.9 reveals that 65.42 percent of the respondents feel that the assistance is too small whereas 26.64 percent respondents said the government are providing the right amount to the poor people. However, only seven percent said government is spending too much for the help of poor people.

This study found that poor and even non-poor people are benefited from various schemes. It has been helping to continue to improve the condition of poor people, and it has increased the well-being of poor people. Table 7.10 shows that government programs have been making things better, 34.58 percent respondent agreed that government programs are making thing better, whereas about 50 percent respondents say that government schemes did not have much impact to improve the condition of the poor people.

Many different analyses have been presented as to why poverty persists and exists. Some researchers argue that ‘aid’ in some cases has done more harm than good. Some of the government schemes create more dependency and laziness. “Help or government aid to the poor creates a “culture of poverty” that continues from one generation to another generation. For example under PDS, the government helps in the form of free food distribution to the poor and others, this scheme directly or indirectly harms the farmers who work hard to grow food but get less price and the same food distributed freely (Easterly, 2006; Collier 2007). Another example is MGNREGS, at national level under this scheme less than one percent of the unskilled labor get 100 days employment in 365 days. This raises the issue of proper implementation of such a scheme.

Table No.7.10: Government Schemes that Try to Improve the Condition of Poor People.

Question 9: Do you think government programs that try to improve the condition of poor people in this country are generally making things better, are making things worse, or aren't having much impact one way or another?					
Social Groups	Making things better	Making things worse	Not much impact	Don't know	Total
ST	14.49	14.49	65.22	5.8	100
SC	35.19	9.26	51.85	3.7	100
OBC	39.13	4.35	47.83	8.7	100
Others	60	6.67	31.11	2.22	100
Total	34.58	9.35	50.93	5.14	100

Source: Author's own Estimate from the Field Survey 2017.

7.4.8 Help through Increased Minimum Wage and Cash Assistance

There are many government schemes in India, from employment guarantee schemes to cash assistance, from food to housing, from social pension to unemployment allowance, from child welfare to old-age support. Some of the schemes are implemented at large scales, and some of the schemes are funded at deficient levels. Effectiveness of the schemes is low because of low cash assistance, minimum wage rate, minimum days of employment guarantee, for instance, cases of old-age pension, MGNREGS, PDS, so on. Most of the studies reveal that the performance of any one scheme varies from state to state across the country (Ghatak. G, 2019).

Table 7.11 reveals that more than 90 percent of the respondents support to increase the minimum wage and cash assistance, spending more on medical care and housing, and guarantee to every poor person of a minimum income. Although around 8 percent respondents oppose increasing of direct help to the poor people, many of them hold that the government help is appropriate for the poor people to improve their well-being. This study found very similar response at disaggregate level for each of the social groups (see Appendix 7: Table 3C).

Table No.7.11: List of Some of Things that the Government could do to Help the Poor Directly.

Question 10: Here is a list of some things that the government could do to directly help the poor. Please tell me if you support or oppose each.				
Question	Support	Oppose	Don't know	Total
Increasing the minimum wage	90.2	9.3	0.5	100
Increasing cash assistance for families	91.6	6.1	2.3	100
Spending more for medical care for poor people	97.2	2.3	0.5	100
Spending more for housing for poor people	95.3	2.8	1.9	100
Guaranteeing everyone a minimum income	90.7	7.9	1.4	100

Source: Author's own Estimate from the Field Survey 2017.

7.4.9 Problems of Food, Medical Care and Drug Abuse

The state and central governments aim to provide basic facilities for the poor people. Under the National Food Security Act (NFSA), government target provides for a coverage of 75 percent of the population in rural areas and 50 percent of the population in urban areas. The people of study villages have also been getting the benefit of NFSA. Still, many beneficiaries and eligible people find problem with the system because of leakages, corruption, and wastage in the distribution process (Drèze, J. 2019). There is also a problem of misidentification: the problem of inclusion errors; “those who should not be getting a benefit, get it” and the problem of exclusion errors; “those who should be getting it, do not get it” (Ghatak. G, 2019, Drèze, J.

2019). We find that around 45 percent of the respondents have too little money to buy enough food. Around 44 percent being unable to get adequate medical care because of high cost and 43 percent having a problem with alcohol or drug abuse. Most of the ST and SC household have been facing severe problems on these counts (*see appendix 7: Table 4D*).

Table No.7.12: Someone in the households had Problems with Any of the Following.

Question 11: In the past year, have you or someone in your immediate family had a serious problem with any of the following? (In percent)			
Question	Yes	No	Total
Having too little money to buy enough food	44.9	55.1	100
Being unable to get medical care because of the cost.	44.4	55.6	100
Getting divorced or separated, in part because of financial problems.	0	100	100
Being a victim of a crime	0	100	100
Having a problem with alcohol or drug abuse.	43	57	100

Source: Author's own Estimate from the Field Survey 2017-18.

7.4.9 New Welfare Schemes

The central government, in recent times, announced several new social protection schemes for the poor and low-income households, for instance, Pradhan Mantri Ujjwala Yojana (PMUY, 2016), Standup India (2016), Pradhan Mantri Kaushal Vikas Yojana (PMKVY, 2015), Swachh Bharat Abhiyan (SBA, 2014), and so on. There are two (PMUY and SBA) important schemes for the poor and low-income households. Many households have benefited from these schemes. Under PMUY, many people also found problems with its implementation because of corruption.

In the study village of Unchagaon, the *Sarpanch* and *Lekhapal* have taken as bribe Rs 2600 per candidate in the name of the free connection with gas stove and gas cylinder from those who are eligible as well as from those who are not eligible for the scheme. After taking the bribe, they distributed the gas cylinder with a stove and regulator but did not give passbook. When candidates asked for the passbook, again the *Sarpanch* demanded Rs 2400 as a bribe for the passbook. Finally, Sarpanch did not provide the passbook because candidates did not give the bribe. The problem is that the candidate can not refill the gas cylinder without the passbook. So they could refill their gas cylinder after using the free gas cylinder which they got the first time.

Under SBA, there was a provision to get Rs 12000 per household for a toilet for those who do not have toilet facilities. Sarpanch of Unchagaon village has kept the bank passbook of all the

ST beneficiaries and withdrew this money from the bank with the help of candidates. He promised to construct toilets for the beneficiaries. He did construct toilet but of very poor quality, and kept half of the money in his pocket as a bribe. Now no one can use the toilet because it is not usable. Sarpanch of Unchagaon village is an upper-caste (Thakur) powerful person. The villagers from ST and SC community made a complaint against Sarpanch and Lekhpal, but the local administration did not take any action against Sarpanch and Lekhpal.

Table No.7.13: New welfare Policy has Given More Self-respect or Less Self-respect.

Question 12: In general, do you think the new welfare policy has given the poor themselves more self-respect, less self-respect, or has it had no impact on this?					
Social Groups	More self-respect	Less self-respect	No Impact respect	Do not know	Total
ST	14.49	17.39	46.38	21.74	100
SC	22.22	11.11	62.96	3.7	100
OBC	32.61	6.52	54.35	6.52	100
Others	51.11	0	37.78	11.11	100
Total	28.04	9.81	50.47	11.68	100

Source: Author's own Estimate from the Field Survey 2017.

Table 7.13 reveals that only 28 respondents think that more self-respect has come and more than 50 percent respondents think that no impact in the self-respect has occurred due to new welfare policies and programs. The study found that more than 51 percent respondents in the 'Others' social category among the social groups think that the new welfare programs have given more self-respect.

Some of the social protection schemes are built on the principle of self-selection such as MGNREGS. Most of the eligible people in the village have not participated. In the study villages, most of the ST and SC households are poor and vulnerable. The local administration is seen to be corrupt, inept, and exploitative to correctly identify an eligible household or eligible candidate or conduct credible BPL surveys for identification exercise (Drèze, J. 2019). Generally, it is seen and found that if the distance of the village is greater from the district and block headquarters, then there are more chances of corruption.

Table 7.14 shows that more than 81 percent of the respondents think that the new welfare schemes and law¹⁴ have made it harder to get public assistance, and 17.29 percent respondents

¹⁴ New welfare scheme and law refers to some changes in eligibility to availing the welfare schemes: for example IAY (now known as PMAY) opened for all the social groups, whereas earlier it was for BPL and SCs and STs households.

think that it's easier to get government aid. Only 5.8 percent ST respondents and 40 percent of 'Others' category respondents among the social groups think that it is easy to get public assistance.

Table No.7.14: New Welfare Schemes and Laws Ease of Getting Public Assistance or Harder to Get Public Assistance.

Question 13: Do you think the new welfare law has made it easier to get public assistance, harder to get public assistance, or has not it made much of a difference at all?				
Social Groups	Easier	Harder	Do not know	Total
ST	5.8	94.2	0	100
SC	12.96	87.04	0	100
OBC	17.39	78.26	4.35	100
Others	40	57.78	2.22	100
Total	17.29	81.31	1.4	100

Source: Author's own Estimate from the Field Survey 2017.

7.4.10 Current Situation

There are many studies that proclaim that in India, absolute poverty is more prevalent than what the official estimates indicate. According to Utsa Patnaik (2007) "For 2004-05, while the official estimate of rural poverty is 28.3 per cent, the author's direct estimate of persons below the poverty line is 87 per cent. There is clear evidence of a large and growing divergence over time between the author's direct estimates of poverty and the official indirect estimates".

The recent debate is going on that average monthly consumption fell due to a domestic food crisis, and it may increase the rural poverty in India. Himanshu (2019) estimated and found that consumer expenditure has declined in real terms. It declined for the first time since 1972-73. Abhijit Sen (2019) "It is a real concern from the point of view of welfare of people. A fall in food spending, especially in villages, shows that malnutrition has increased. It would be fair to say poverty must have increased significantly".

Citing the unpublished report of NSO, India Today wrote "the average monthly spending on food in rural areas in 2017-18 was Rs.580. In 2011-12, the amount was Rs.643, thus indicating a decline of nearly 10 per cent".

This study found that of the respondents of the study villages, around 85 percent perceive themselves as a poor. Table 7.15 shows that ST (91.3 percent), SC (88.89 percent) OBC (71.74 percent) and Others (35.56 percent) respondents perceive themselves as poor.

Table No.7.15: Self-Perception of Being Poor

Question 14: When you think of your situation today, do you think of yourself as poor or not?			
Social Groups	No	Yes	Total
ST	8.7	91.3	100
SC	11.11	88.89	100
OBC	28.26	71.74	100
Others	64.44	35.56	100
Total	25.23	74.77	100

Source: Author's own Estimate from the Field Survey 2017.

7.4.11 Bank Account – Financial Inclusion

The purpose of the scheme Pradhan Mantri Jan-Dhan Yojana (PMJDY 2014) is to ensure access to financial services such as having savings & deposit bank accounts, credit, insurance, remittance, pension in an affordable manner. The government is claiming that people of rural India benefited from these schemes because of being able to opening an account with zero balance. This study found that some of the people benefited from the scheme. The majority of the poor people opened the account, but they did not use it because of the long distance of bank locations from the villages. Table 7.16 reveals that only 33.3 percent of the ST, 50 percent of the SC, 60.87 percent of the OBC and 95.56 percent of the 'Others' category have a bank convenient to them. Still, around 43 percent of the respondent face kinds of inconveniences.

Table No.7.16: Access to Bank Facility

Question 15: Is there a bank convenient for you?			
Social Groups	No	Yes	Total
ST	66.67	33.33	100
SC	50	50	100
OBC	39.13	60.87	100
Others	4.44	95.56	100
Total	43.46	56.54	100

Source: Author's own Estimate from the Field Survey 2017-18

7.4.12 Social Status

No one can deny, that the social and economic status of the people, especially ST, SC and poor people, has improved, although people know that social changes take times. In India, mainly rural areas, caste and class hierarchy persists. The various studies found that lower caste people can not take water from the well of upper castes (Drèze, J. and Sharma, N (1998). Caste discrimination is still an obstacle to improve the well-being of poor people, especially SCs and

STs in rural Uttar Pradesh. This study found that the socio-economic condition of the poor SC and ST is not good enough as people expect. Even higher caste poor people faced the social status problem, they also faced a problem because of poverty. There is a huge gap between rich and poor, higher caste and lower caste people in term of social and economic status.

Table No.7.17: Social Status Ten Years Ago¹⁵

Question 16: What was your social status ten years ago?			
Social Groups	Good	Bad	Total
ST	7.25	92.75	100
SC	3.7	96.3	100
OBC	30.43	69.57	100
Others	71.11	28.89	100
Total	24.77	75.23	100

Source: Author's own Estimate from the Field Survey 2017-18.

Table 7.17 reveals that STs (only 7.25 percent), SCs (3.7 percent), OBC (30.43 percent) and 'Others' (71.11 percent) respondents have the perception that their social status was good ten years ago. The current social status shows that around 75 percent of the SC and ST experienced caste-based discrimination (See Chapter 4).

Table No.7.18: Who Get Social Welfare Benefit.

Question 17: If all the people who are on welfare in this country, are more of them Rich or are more of them poor?				
Social Groups	Rich	Poor	Do not know	Total
ST	43.48	55.07	1.45	100
SC	40.74	59.26	0	100
OBC	30.43	69.57	0	100
Others	31.11	66.67	2.22	100
Total	37.38	61.68	0.93	100

Source: Author's own Estimate from the Field Survey 2017-18.

As discussed above, many people have not been getting the benefit of social protection schemes because of misidentification (See chapter 4). Table 7.18 reveals that around 38 percent of the respondents think that rich people have been getting benefits of social protection schemes, although, this percentage is higher among the SCs and STs.

¹⁵ Table No 7.3: *Perception of Poverty, Inequality, Caste Discrimination and Social Status*. It shows that social status of SCs and STs has improved compared with 15 year ago.

7.5 Concluding Remarks

This study carries the analysis forward with some additional results based on structured 'Perception Schedule'. The analyses of this chapter is perception centric on poverty, inequality, caste discrimination, untouchability, social protection schemes and social status of the people of three villages of three districts in rural Uttar Pradesh. The main objective of this study is to analyze the perception of the people on chronic poverty, economic inequality, caste discrimination and untouchability, and social protection schemes and social status among the social groups.

This study found that the prevalence of poverty is much higher among the STs and SCs in comparison to OBC and Others. We find that around 64 percent respondents have a perception that it is harder today for a person to get out of poverty compared with 15 years ago and even larger proportion among SC & ST respondents say that it is harder to get out of poverty today compared to 15 years back.

This study found that most of the respondents have a perception that poverty, caste discrimination, and untouchability have declined, but inequality has increased. This study found that caste-based discrimination and untouchability has reduced in the study villages. Some of the upper caste respondents agreed that they do caste-based discrimination and practice untouchability. A few higher caste people do not share their plates and glasses with the lower caste people. Most of the lower caste respondents said that caste-based discrimination and soft untouchability has been declining. Moreover, only a few respondents said that caste discrimination and untouchability have increased.

This study reveals that more than fifty percent respondents say that the social status of the poor people is the same today as compared with 15 years ago. A similar proportion of SC and ST households (46.7 percent) also shares such a perception about their social status. Caste-based discrimination and untouchability persist in these study villages, though we find that the extent of caste-based discrimination and untouchability has declined. Most of the lower caste respondents said caste-based discrimination and soft untouchability has been declining. Only a few respondents said that caste discrimination and untouchability have increased.

The study finds that around 69 percent respondents believe that the poor people have lower moral and social values compared to the rich and wealthy people. Only 27.1 percent respondent feel that the poor and the rich have the same moral and social values.

The study finds that most of the people are working in agriculture as a casual labour and non-agriculture self-employment is less developed in the villages. The traditional occupations have declined especially among the SCs and STs because of technological advancement.

This study reveals that the more significant cause of poverty today is their circumstances rather than people not doing enough work: around 68 percent of respondents feel that circumstances beyond their control cause poverty. Moreover, only 26.17 percent blame that the poor are poor because poor people are not doing enough to get out of poverty. We observe that poor people are work hard to improve the well-being of the family. There are various other reasons which lead to poverty among the STs and SCs in rural Uttar Pradesh

The study reveals that the respondents feel that the major causes of poverty are drug abuse, medical expenditure, inadequate availability of work, low wage rate, poor quality of education, less land, low education levels or illiteracy, and caste discrimination or untouchability. This study reveals that most of the STs and SCs themselves perceived the above as major causes of their being chronically poor.

Regarding the perception of respondents about their own financial status, we find that around 71.5 percent respondents rate their financial situation is poor today, and around 25 percent rate their financial situation is good today.

We find that 65.42 percent of the respondents feel that the state assistance is too small whereas 26.64 percent respondents said the government are providing the right amount to the poor people. However, only seven percent said government is spending too much for helping the poor people.

This study found that poor and even non-poor people have benefited from various government welfare schemes and it has increased the well-being of poor people. The study finds that 34.58 percent respondent agreed that government programs are making things better, whereas about 50 percent respondents say that government schemes did not have much impact to improve the condition of the poor people.

We find that more than 90 percent of the respondents support an increase in the minimum wage and cash assistance, spending more on medical care and housing, and guarantee to every poor person of a minimum income. Around 8 percent respondents oppose increasing of direct help to the poor people, whereas many hold that the government help is appropriate for the poor people to improve their well-being

This study found that 45 percent of the respondents have too little money to buy enough food. Around 44 percent said that they were unable to get adequate medical care because of high cost and 43 percent expressed having a problem with alcohol or drug abuse in the family.

This study reveals that 28 percent respondents think that their self-respect has increased whereas more than 50 percent respondents think that no impact in the self-respect has occurred due to new welfare policies and programs. The study found that more than 51 percent respondents in 'Others' category among the social groups think that the new welfare programs have given them more self-respect.

More than 81 percent of the respondents think that the new welfare schemes and law have made it harder to get public assistance, and 17.29 percent respondents think that it's easier to get government aid.

Regarding financial inclusion, this study found that some of the people benefited from the scheme of zero balance bank account. The majority of the poor people opened the bank account, but they did not use it because of the long distances between banks and their villages. Still, around 43 percent of the respondents face some kinds of inconveniences.

As discussed above, a large number of the people do not get the benefit of social protection schemes because of misidentification. This study reveals that around 38 percent of the respondents think that rich people have been getting benefits of social protection schemes meant for the poor, although, this perception is more prevalent among the SCs and STs.

It is seen that the economic and social status of the people, especially ST, SC and poor people, has improved, although people know that social changes take time. In India, mainly in rural areas, caste and class hierarchy persists. Caste discrimination is still an obstacle to improve the well-being of poor people, especially SCs and STs in rural Uttar Pradesh. This study found that the socio-economic condition of the SC and ST households is not good. There is a large gap between rich and poor, higher caste and lower caste people in term of social and economic status. The current social status shows that around 75 percent of the SC and ST experienced caste-based discrimination.

APPENDIX: 7

Table No.1A: Perception of rural poverty, inequality, discrimination, untouchability, social status of the poor, and social status SCs & STs has increased or decreased or the same as compared to 15 years ago

Question 2. How have the following changed in your perception compared with 15 years ago?					
POVERTY					
Social Group	Increased	Decreased	Same	Do not Know	Total
ST	27.54	56.52	14.49	1.45	100
SC	24.07	44.44	27.78	3.7	100
OBC	13.04	76.09	8.7	2.17	100
Others	6.67	88.89	4.44	0	100
Total	19.16	64.49	14.49	1.87	100
INEQUALITY					
ST	79.71	14.49	1.45	4.35	100
SC	72.22	7.41	12.96	7.41	100
OBC	80.43	4.35	13.04	2.17	100
Others	82.22	6.67	8.89	2.22	100
Total	78.5	8.88	8.41	4.21	100
SOCIAL STATUS OF POOR					
ST	21.74	13.04	63.77	1.45	100
SC	27.78	14.81	55.56	1.85	100
OBC	30.43	23.91	41.3	4.35	100
Others	44.44	13.33	40	2.22	100
Total	29.91	15.89	51.87	2.34	100
SOCIAL STATUS OF SCHEDULED CASTES AND SCHEDULED TRIBES					
ST	20.29	14.49	63.77	1.45	100
SC	40.74	7.41	50	1.85	100
OBC	60.87	8.7	28.26	2.17	100
Others	60	4.44	35.56	0	100
Total	42.52	9.35	46.73	1.4	100
Q. 2.1 A, For ST and SC: Do you experience discrimination and untouchability based on caste, and How have the following changed in your perception compared with 15 years ago? Q. 2.1 B, For OBC and Other: Do you practice discrimination and untouchability based on caste, and How have the following changed in your perception compared with 15 years ago?					
CASTE BASED DISCRIMINATION					
Social Group	Increased	Decreased	Same	Do not Know	Total
ST	15.94	55.07	27.54	1.45	100
SC	31.48	38.89	29.63	0	100
OBC	15.22	63.04	21.74	0	100
Others	8.89	73.33	13.33	4.44	100
Total	18.22	56.54	23.83	1.4	100
UNTOUCHABILITY					
ST	4.35	69.57	24.64	1.45	100
SC	3.7	79.63	14.81	1.85	100
OBC	4.35	91.3	2.17	2.17	100
Others	4.44	93.33	0	2.22	100
Total	4.21	81.78	12.15	1.87	100

Source: Author's own Estimate from the Field Survey 2017-18.

Table No.1B: Major Cause and Minor Cause of Poverty

Question 6: For each of the following, please tell me if this is a major cause of poverty, a minor cause of poverty, or not a cause at all.

Drug Abuse					
Social Groups	Major	Minor	Not a cause	Don't know	Total
ST	84.06	14.49	0	1.45	100
SC	77.78	18.52	0	3.7	100
OBC	76.09	21.74	0	2.17	100
Others	66.67	28.89	2.22	2.22	100
Total	77.1	20.09	0.47	2.34	100
Medical Bills					
ST	88.41	7.25	0	4.35	100
SC	79.63	20.37	0	0	100
OBC	80.43	19.57	0	0	100
Others	66.67	26.67	0	6.67	100
Total	79.91	17.29	0	2.8	100
Inadequate Availability of Work					
ST	91.3	8.7	0	0	100
SC	94.44	5.56	0	0	100
OBC	86.96	13.04	0	0	100
Others	88.89	11.11	0	0	100
Total	90.65	9.35	0	0	100
Low Wage Rate					
ST	78.26	21.74	0	0	100
SC	85.19	14.81	0	0	100
OBC	82.61	17.39	0	0	100
Others	75.56	24.44	0	0	100
Total	80.37	19.63	0	0	100
Poor People Lacking Motivation					
ST	23.19	55.07	7.25	14.49	100
SC	16.67	48.15	3.7	31.48	100
OBC	30.43	39.13	0	30.43	100
Others	28.89	37.78	4.44	28.89	100
Total	24.3	46.26	4.21	25.23	100
Decline in Moral Values					
ST	14.49	57.97	5.8	21.74	100
SC	9.26	51.85	3.7	35.19	100
OBC	21.74	50	0	28.26	100
Others	2.22	64.44	4.44	28.89	100
Total	12.15	56.07	3.74	28.04	100
Poor Quality of Education					
ST	79.71	18.84	0	1.45	100
SC	81.48	18.52	0	0	100
OBC	71.74	28.26	0	0	100
Others	46.67	51.11	0	2.22	100
Total	71.5	27.57	0	0.93	100
Caste Discrimination or Untouchability					
ST	97.1	2.9	0	0	100

SC	85.19	12.96	1.85	0	100
OBC	67.39	30.43	0	2.17	100
Others	40	57.78	0	2.22	100
Total	75.7	22.9	0.47	0.93	100
Less Land					
ST	55.07	44.93	0	0	100
SC	81.48	16.67	0	1.85	100
OBC	69.57	30.43	0	0	100
Others	73.33	26.67	0	0	100
Total	68.69	30.84	0	0.47	100
Less Education or Illiteracy					
ST	75.36	24.64	0	0	100
SC	81.48	18.52	0	0	100
OBC	65.22	32.61	0	2.17	100
Others	68.89	31.11	0	0	100
Total	73.36	26.17	0	0.47	100
Lack of Production Assets					
ST	44.93	47.83	0	7.25	100
SC	51.85	48.15	0	0	100
OBC	39.13	54.35	0	6.52	100
Others	15.56	75.56	0	8.89	100
Total	39.25	55.14	0	5.61	100
High-interest Rate/ Indebtedness					
ST	5.8	55.07	2.9	36.23	100
SC	5.56	37.04	11.11	46.3	100
OBC	4.35	60.87	2.17	32.61	100
Others	0	51.11	0	48.89	100
Total	4.21	50.93	4.21	40.65	100

Source: Author's own Estimate from the Field Survey 2017-18.

Table No.1C: list of some things that the government could do to help the poor directly.

Question 10: "Here is a list of some things that the government could do to directly help the poor. Please tell me if you support or oppose each."				
Increasing the Minimum Wage				
Social Groups	Support	Oppose	Do not Know	Total
ST	100	0	0	100
SC	98.15	1.85	0	100
OBC	84.78	13.04	2.17	100
Others	71.11	28.89	0	100
Total	90.19	9.35	0.47	100
Increasing Cash Assistance for Families				
ST	97.1	1.45	1.45	100
SC	96.3	3.7	0	100
OBC	82.61	8.7	8.7	100
Others	86.67	13.33	0	100
Total	91.59	6.07	2.34	100
Spending More for Medical Care for Poor People				
ST	100	0	0	100

SC	98.15	1.85	0	100
OBC	95.65	2.17	2.17	100
Others	93.33	6.67	0	100
Total	97.2	2.34	0.47	100
Spending More for Housing for Poor People				
ST	100	0	0	100
SC	96.3	3.7	0	100
OBC	91.3	4.35	4.35	100
Others	91.11	4.44	4.44	100
Total	95.33	2.8	1.87	100
Guaranteeing Everyone a Minimum Income				
ST	97.1	2.9	0	100
SC	94.44	1.85	3.7	100
OBC	93.48	6.52	0	100
Others	73.33	24.44	2.22	100
Total	90.65	7.94	1.4	100

Source: Author's Own Estimate from the Field Survey 2017.

Table No.1D: Someone in the family had serious problems with any of the following.

Question 11: In the past year, have you or someone in your immediate family had a serious problem with any of the following?			
Having too little money to buy enough food			
Social Groups	No	Yes	Total
ST	17.39	82.61	100
SC	31.48	68.52	100
OBC	65.22	34.78	100
Others	82.22	17.78	100
Total	44.86	55.14	100
Being unable to get medical care because of the cost			
ST	18.84	81.16	100
SC	33.33	66.67	100
OBC	65.22	34.78	100
Others	75.56	24.44	100
Total	44.39	55.61	100
Getting divorced or separated, in part because of financial problems			
ST	100	0	100
SC	100	0	100
OBC	100	0	100
Others	100	0	100
Total	100	0	100
Having a problem with alcohol or drug abuse.			
ST	20.29	79.71	100
SC	29.66	70.34	100
OBC	58.7	41.3	100
Others	77.78	22.22	100
Total	42.99	57.01	100

Source: Author's own Estimate from the Field Survey 2017-18.

Chapter 8: Conclusion: Summary and Policy Implications

“If poverty is not a result of lack of resources or opportunities, but of poor institutions, poor government, and toxic politics, giving money to poor countries—particularly giving money to the governments of poor countries—is likely to perpetuate and prolong poverty, not eliminate it”.

— Angus Deaton

8.1 Introduction

Uttar Pradesh in India is home to nearly 240 million people and the problem of poverty and economic inequality has stubbornly persisted over all these decades since Independence. Even though proportion of the population below poverty line has gone down in this period, the incidence of not only poverty but chronic poverty continues to be quite high among the ST and SC population in rural UP. The governments have launched a large number of programmes and schemes targeting the problem of poverty from time to time. The effectiveness and success of such programmes in impacting poverty depends on proper identification of the poor. However, there are errors of wrongful exclusion as well as wrongful inclusion in identification of the poor. The literature on chronic poverty and magnitude of misidentification and its linkages particularly with the disadvantaged social groups has been scarce for Rural UP. This study is an attempt to understand the nature and magnitude of chronic poverty, especially in the SC/ST population, and the extent of the problem of misidentification of poor. It also attempts to understand the nature and structure of economic inequality in rural Uttar Pradesh. This is primarily in the nature of a case study of three districts of eastern Uttar Pradesh, based on secondary data as well as primary data. One important contribution of the present research is to understand poverty, its nature, persistence and consequences as perceived by the poor themselves based on an extensive perception survey.

8.2 Summary of the Major Findings

For primary data collection, the fieldwork for this study consisted of two major surveys: an elaborate socio-economic survey (Schedule-1) over a sample of 447 households and a

perception survey (Schedule-2) over a sample of 214 individuals supplemented by several small focus group discussions using PRA (participatory rural appraisal) technique. First three districts (Azamgarh, Ballia and Mau) of eastern UP with high SC and ST population were selected and then households were drawn through stratified random sampling from five villages of these three districts. The first survey was used to collect the information on household expenditure, household demographic characteristics, landholding, occupation and other important economic data. The Schedule-2, the 'Perception Schedule' was perception centric on poverty, inequality, caste discrimination, untouchability, social protection schemes and social status of the people.

In addition to primary data from the field study, secondary data, mainly from the 61st and 68th rounds of National Sample Survey (NSS) has been analyzed to study the problem of poverty, chronic poverty, economic inequality and the issues relating to misidentification of the poor. Descriptive statistics yielded important insights for understanding the problem undertaken for the study. Further, logistic regression was used for the study of the determinants of poverty and a model of inequality decomposition was used for understanding the structure of economic inequality.

The study has used 'Tendulkar Methodology' to identify the poor people.

In the rest of this section, we summarize the findings of this study.

Poverty and Inequality among the Social and Religious Groups across Regions in Uttar Pradesh

To capture regional diversity, the state of Uttar Pradesh is divided into five regions: Northern Upper Ganga Plains (NUGP), Central, Eastern, Southern, and Southern Upper Ganga Plains (SUGP) – as per NSSO 2011-12. The overall incidence of poverty has declined among all the regions and all the social groups as well as religious groups in UP, over the period from 2004-05 and 2011-12, as seen from analysis of NSS data for these years (61st and 68th rounds respectively).

The prevalence of rural poverty is generally higher in comparison to urban poverty in both the periods. Nevertheless, the incidence of rural and urban poverty varies by the social, region and religious groups. Across the sectors (rural, urban and overall), the prevalence of poverty is much higher among the SC households than among the ST, OBC and 'Others' in both these periods. Across the social groups, the highest poverty is observed among the SCs and the lowest among 'Others' in both the study periods. Across social groups, the urban poverty is slightly

higher than the rural poverty in social categories 05), and OBC (2011-12). More than half of the SC household population was poor in the year 2004-05, which come down to 41% in 2011-12.

Across the regions, the highest incidence of poverty was in the Eastern region and the lowest in the NUGP region of the state (2004-05). Although, the incidence of poverty has declined among all the regions over this period, in 2011-12, the highest incidence of poverty is found in the Central region and the lowest again in NUGP region.

The prevalence of poverty and income inequality has been analyzed by social groups (ST, SC, OBC, and Other) and religion (Hindu, Muslim and Others) in the five regions (NSSO, 2004-05 and 2011-12). Although, the incidence of poverty among the social groups, especially economically, socially and politically excluded sections of the society witnessed a decline over the study period, however, an enormous chunk of poor household, who are bottom of the pyramid among the social groups, continue to be in the need of action, particularly in Eastern, Central, and Southern regions of the state, towards poverty alleviation.

There is significant inequality across all social or religious groups and across regions. Further inequality has increased for almost each category over the study period. It may be noted that these above estimates are based on consumption data. Usually there is greater income inequality compared to consumption inequality.

An Empirical Analysis of Chronic Poverty

The incidence of chronic poverty in all the study villages is 39.32 percent. The incidence of chronic poverty is much higher among the ST and SC than the 'Others' category. In case of ST Nayak the prevalence of chronic poverty is very low (2.11%) compared to the other ST (98%) in the Mau district. It may be recalled (see Chapter 2) that in the village Chiutidand of Mau district, several Pandey (brahmin) households fraudulently 'became' Nayak under ST category. It is seen that their socio-economic conditions are very different from all other ST households. The incidence of poverty in 'ST Nayak' is much lower than that in other social groups. The magnitude of incidence of poverty shows a sharp decline from 82 percent to 31.72 percent after merging ST Nayak with rest of ST social group for Mau district.

Looking at the incidence of chronic poverty among those who are already below the poverty line, we find that all the BPL ST households in Mau and Azamgarh districts are also chronically poor, except that no ST Nayak households in Mau District is chronically poor.

We looked at some of socio-economic conditions of the sample households, which help in understanding the incidence of poverty (as its determinants) as well as access to benefits of social welfare schemes.

None of the study villages had any middle school or secondary school. There were government primary schools, mostly attended by the SC/ST children. Any household that could afford private school fee, opted not to send their children to government primary school due to indifferent quality of education. The prevalence of illiteracy is much higher among the ST (36.57%), SC (23.36%) and OBC (28.29%) than the 'Others' (9.22%) and ST Nayak (8.22%).

Landlessness has been increasing mainly because of family division, and it is especially increasing faster among the SC and ST social groups who have very less land. Landlessness is highest (91.13%) among the ST households. The largest landholdings are found among the 'Others' category.

Pradhan Mantri Ujjwala Yojana has not been very effective and only a few people have benefited from this. Many of the respondents who benefited from scheme and said that the first free refilled gas cylinder was used and after that, they could not refill the gas cylinder because of the high price of refilling.

Having a regular job provides much greater economic security. There were only 11-12 percent households among the SC/ST with regular salary earners, whereas this number was 43 percent among the 'Others' category households.

Access to government programs aimed at eradication of poverty is important for improvement of the well-being of the poor people. These poverty eradication programs suffered from much specific inadequacy and corruption. The public distribution system benefitted only around 54 percent of the households. Pradhan Mantri Gramin Awaas Yojana is mainly for BPL households. Under this scheme, some of the poor people have benefited, especially SC and ST households, but for availing this scheme, 81.82 percent of beneficiaries had to pay bribes. Many poor people have not benefited because of corruption at the local level.

The magnitude of misidentification is high – people who are actually BPL, but not officially identified as BPL, get excluded from the anti-poverty social welfare schemes. Such BPL misidentification (exclusion error) is around 40 percent in the study villages. It is also estimated that around 47 percent of the APL people have been recognized (misidentified) by the government as BPL. Thus, we see corruption, misidentification and even fraudulently

changing identity from General category to ST category as some of the problems in effective implementation of programmes targeted at the poor and disadvantaged social groups. One can not have effective socio-economic and political reform unless you kill these monsters.

Determinants of Poverty in Uttar Pradesh

This study used the logistic regression model to study probability of a household being poor. The determinants of poverty include variables such as age, sex, regular salary, caste, land ownership, household size, religion, education, household type, ration card, marital status, house ownership, and cooking energy as independent variables.

This study has included the land ownership as an independent variable, as household with land is less likely to be poor as compared to the landless. The social identity is a priori seen to impact economic outcomes, hence, social group (SC/ST/OBC/Others) and religion are included as determinant variables.

The level of education, and nature of employment such as self-employment, casual wage employment, regular wage/salary employment, whether in rural or urban areas are obviously considered as variables that influence income earning abilities. It is surmised that the larger household size is associated with greater chance of being poor, as larger household size is often related to higher dependency ratio. Further, studies have suggested that the households headed by women tend to be poorer than those headed by men. Finally, access to PDS and quantum of support as well as access to some other public welfare programmes depends on the type of BPL/APL or any other status (Card) officially given to a household, to make this a determinant in the logistic model of poverty determination.

The analysis of results of the logistic model shows that all the determinants have significant impact of probability of a household being poor and all the coefficient have expected nature of impact. Thus, the likelihood of being poor is negatively associated with the increasing level of education in both periods (2004-05 and 2011-12). , individual with postgraduate and above is 0.43 times in rural and 0.11 times in the urban area (2011-12), is less likely to be poor as compared to an illiterate person. Similar trend found for all educational category as compared to being illiterate. In addition, the study reveals that male headed household is less likely to be poor than female headed households, and the result is statistically significant.] The study reveals that there is less likelihood to being poor if the households is use LPG as cooking energy. In case of marriage status, we found that currently married, widowed and

divorced/separated are more likelihood to being poor as compared to the married, and highest odd is for divorced/separated in both the period in rural area.

The result shows that all the variable are statistically significant in both the period.

Economic Inequality in Uttar Pradesh: Decomposition of the Gini by Expenditure Sources

The analyses of economic inequality and its decomposition across the social groups in Uttar Pradesh was carried out using NSSO 61st round (2004-05) and 68th round unit-level data (2011-12) as well as using primary data from the field survey of five villages from three districts of Uttar Pradesh during 2017-18.

The study finds that overall inequality has increased across all social groups in Uttar Pradesh during 2004-05 to 2011-12. Within the group inequality analyses shows that the consumption inequality is the highest in the 'Others' group and the lowest in the ST group in 2004-05 and similarly, it was the highest in the 'Others' group, and the lowest in the SC group in 2011-12.

The primary, as well as secondary data, found similar results. The decomposition analysis of inequality by source found that major and the largest share of inequality comes from the food consumption inequality. This is primarily because food expenditure forms the largest component of overall MPCE, even though the Gk (the Gini) for food expenditure itself with respect to overall MPCE distribution is not very high in comparison to other items. It is followed by category 'Other' (consumption) items across all social groups for its contribution to overall inequality.

The primary study of five villages presents the decomposition of total inequality of consumption expenditure by type of consumption among the social groups in Uttar Pradesh. It is found that the overall Gini coefficient is 0.401. This result shows that overall inequality is highest among the 'Others' group, and the lowest among the SC group.

The overall inequality in the rural areas has marginally increased over this period of the time (from 2004-05 to 2011-12). The share of food expenditure source has the highest contribution to overall inequality, but it has a decreasing trend during the study period. The contribution of education, health and durable goods expenditure source in overall inequality increased in 2011-12 from 2004-05. Further analysis of decomposition of inequality in rural Uttar Pradesh found that inequality has increased among all social groups. SC group has the lowest level of inequality, whereas 'Others' caste group has the highest level of inequality.

The contribution of food expenditure source to overall inequality shows a decreasing trend among SC, OBC and 'Others' caste groups whereas the ST group has increasing trend during 2004-05 to 2011-12. The contribution of education source to overall inequality shows an increasing trend across all social group in rural Uttar Pradesh. The share of health expenditure source in overall inequality indicates an increasing trend for OBCs and 'Others' caste groups, whereas the contrary result is found among STs and SCs. This might be due to the government-provided health insurance scheme in rural Uttar Pradesh. The share of Durables in overall inequality has an increasing trend among SCs, OBCs and 'Others' castes whereas contrary result is found for the ST group in rural Uttar Pradesh.

The analysis of inequality decomposition in urban Uttar Pradesh also shows some interesting results. The study found that urban Uttar Pradesh has higher inequality than rural Uttar Pradesh in both periods of analysis. The inequality for Uttar Pradesh (rural + urban) has increased in 2011-12 from 2004-05. In other words, overall inequality shows an increasing trend in urban Uttar Pradesh. Further, analysis shows that the food expenditure source has the highest share in overall inequality, but the share has a decreasing trend. The shares of education, health and durables in overall inequality have an increasing share over this period of time.

The analysis of the source of inequality among the social groups in urban Uttar Pradesh has some interesting results. The analysis found that the share of food expenditure has a decreasing trend in SCs, OBCs, and 'Others' caste group, whereas the contrary result was found for the ST group. The share of health and durable goods expenditure in overall inequality has increased among SCs, OBCs, and 'Others' caste groups, whereas the contrary result was found for the ST group in urban Uttar Pradesh during 2004-05 to 2011-12.

The study has also analysed decomposition of inequality from the primary survey conducted in 2017. These results are compared with secondary data analysis of rural Uttar Pradesh in 2011-12. The primary data results show higher rural inequality in 2017 than the same for rural Uttar Pradesh in 2011-12. The highest contribution is from food expenditure in overall inequality followed by other (consumption) items in the primary survey which is similar to the secondary data of rural Uttar Pradesh in 2011-12. The share of education expenditure is 21.5 percent in the primary survey, which is about three-times as high as seen in the secondary data result of rural Uttar Pradesh in 2011-12. The health expenditure indicates the lowest share in overall inequality in primary survey, whereas educational expenditure has the lowest share in secondary data result of rural Uttar Pradesh in 2011-12.

The primary data results show that the highest consumption inequality is in ‘Others’ caste group and the lowest in the SC group in 2017 and the result is similar to the rural Uttar Pradesh in 2011-12. The comparative analysis of the source of consumption inequality between primary data and secondary data among social groups shows the following. The result for the SC group in primary survey reveals that share of food consumption in overall inequality is 52.5 percent in 2017, whereas it was 36.4 percent in rural Uttar Pradesh in 2011-12 (secondary data). The share of other (consumption) items is the second highest contribution in overall inequality which is similar to secondary data analysis, but the percentage is lower in the primary survey (20.7 percent) result compared to the secondary data (30.2 percent) result. The share of education expenditure is 12.2 percent in 2017 (primary survey data), whereas 6.1 percent in 2011-12 (secondary NSS data). The share of health expenditure is higher in secondary data (16.1 percent) result than primary survey (9.7 percent) result.

Villagers’ Perceptions of Chronic Poverty and Inequality in Rural Uttar Pradesh

The structured ‘Perception Schedule’ was perception centric on poverty, inequality, caste discrimination, untouchability, social protection schemes and social status of the people of three villages of three districts in rural Uttar Pradesh. The objective was to analyze the perception of the people – in particular the poor and disadvantaged themselves – on chronic poverty, economic inequality, caste discrimination and untouchability, and social protection schemes and social status among the social groups.

We find that around 64 percent respondents have a perception that it is harder today for a person to get out of poverty compared with 15 years ago and even larger a proportion among the SCs & STs say that it is harder to get out of poverty today compared to 15 years back.

Most of the respondent have a perception that poverty, caste discrimination, and untouchability have declined, but inequality has increased. This study found that caste-based discrimination and untouchability have reduced in the study villages. Some of the upper caste respondents agreed that they do practice caste-based discrimination and untouchability. A few higher caste people do not share their plates and glasses with lower caste people. Most of the lower caste respondents said that caste-based discrimination and soft untouchability has been declining, but a few respondents that said caste discrimination and untouchability have increased.

More than fifty percent respondents say that the social status of the poor people is same today as compared with 15 years ago. A similar perception (46.7 percent) is found in the case of the social status of SCs and STs. Caste-based discrimination and untouchability persist in these

study villages, though we find that extent of caste-based discrimination and untouchability has declined.

The study finds that non-agriculture self-employment is less developed in the villages. The traditional occupations have declined especially among the SCs and STs because of technological advancement.

The more significant cause of poverty today is perceived to be the circumstances of the poor rather than poor people not doing enough work: around 68 percent of respondents feel that circumstances beyond their control cause poverty and only 26.17 percent respondents blame the poor people for not doing enough to get out of poverty. Participant observation also suggests that poor people work hard to improve the well-being of their family. There are various other reasons which lead to poverty among the STs and SCs in rural Uttar Pradesh

The study reveals that the respondents feel that the major causes of poverty are drug abuse, medical expenditure, inadequate availability of work, low wage rate, poor quality of education, less land, low education levels or illiteracy, and caste discrimination or untouchability. This study reveals that most of the STs and SCs themselves perceived the above as major cause of their being chronically poor.

Regarding the perception of respondents about their own financial status, we find that around 71.5 percent respondents rate their financial situation is poor today, and around 25 percent rate their financial situation is good today.

65.42 percent of the respondents feel that the state assistance is too small whereas 26.64 percent respondents said the government are providing the right amount to the poor people. However, only seven percent said government is spending too much for helping the poor people.

Regarding various government welfare schemes, it is seen that 34.58 percent respondent agreed that government programs are making things better, whereas about 50 percent respondents say that government schemes did not have much impact to improve the condition of the poor people.

More than 90 percent of the respondents support an increase in the minimum wage and cash assistance, spending more on medical care and housing, and guarantee to every poor person of a minimum income. Around 8 percent respondents oppose increasing of direct help to the poor people, whereas many hold that the government help is appropriate for the poor people to improve their well-being.

About 45 percent of the respondents said that they have too little money to buy enough food. Around 44 percent were unable to get adequate medical care because of high cost and 43 percent expressed having a problem with alcohol or drug abuse in the family.

Only 28 percent respondents think that their self-respect has increased whereas more than 50 percent respondents think that no impact in the self-respect has occurred due to new welfare policies and programs. The study found that more than 51 percent respondents in 'Others' category among the social groups think that the new welfare programs have given them more self-respect.

More than 81 percent of the respondents think that the new welfare schemes and law have made it harder to get public assistance, and 17.29 percent respondents think that it's easier to get government aid.

Regarding financial inclusion, this study found that some of the people benefited from the scheme of zero balance bank account. The majority of the poor people opened the bank account, but they did not use it because of the long distances between banks and the villages. Still, around 43 percent of the respondents face some kinds of inconveniences.

As discussed above, a large number of the people do not get the benefit of social protection schemes because of misidentification. This study reveals that around 38 percent of the respondents think that rich people have been getting benefits of social protection schemes meant for the poor, although, this perception is more prevalent among the SCs and STs.

It is seen that the social and economic status of the people, especially ST, SC and poor people, has improved, although people know that social changes take times. In India, particularly in rural areas, caste and class hierarchy persists. Caste discrimination is still an obstacle to improve the well-being of poor people, especially SCs and STs in rural Uttar Pradesh. The socio-economic condition of the poor SC and ST households is not good. There is a large gap between rich and poor, higher caste and lower caste people in term of social and economic status. The current social status shows that around 75 percent of the SC and ST experienced caste-based discrimination.

8.3 Policy Recommendations

This study clearly points out that the incidence of chronic poverty is much higher among the SC and ST households than among the OBC and the 'Others' social group. Thus, there is a

need to make policy and programmes that specifically address the problems faced by the SC and ST households who are at the bottom of the socio-economic pyramid in the state.

High incidence of misidentification and changing caste identity from upper caste to lower caste is a clear obstacle to improve the well-being of the poor people. So there is need to make special task force which can identify them and take appropriate action against the people misappropriating benefits meant for the poor. Many welfare schemes have been poorly implemented because of corruption at the local level of administration. The MGNREGA, IAY, Ujjwala Schemes, APL and BPL cards and other anti-poverty programs can be much more effective with better design and implementation and by stopping diverting of resources from poor to non-poor due to the problem of misidentification. Thus, there is also a need to have well organized institutions and procedures that can identify the chronically poor people correctly so that benefits of such poverty alleviation policies and programs fully reach these poor people.

We find that education, which is an important determinant of poverty, and health facilities are either absent or in a poor state in the study villages. Regular employment is another factor in determining status of being poor. Hence there is need to strengthen public education, health facilities and employment opportunities within villages.

8.4 Limitation of the Study and Scope for Future Research

This study attempted to examine some of the important features of chronic poverty, economic inequality, misidentification, determinants of poverty and perception of the villagers by using primary as well as secondary data. However, certain caveats to this investigation are warranted and an introspection into these caveats may provide a scope for further research in the area. The future research on these must focus on longitudinal analysis of these factors. Further research should be on poverty and inequality in rural and urban area at the large scale data. The impact of covid 2019 on poverty and inequality among all the social region and religious groups in India offers new possibilities to enhance our understanding of factors affecting the poor. There can be further research to analyse the impact of the poverty and economic inequality on the children, women and human capital which have long term consequences not only for particular households but to the society as a whole.

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SOCIO-ECONOMIC SURVEY

SCHEDULE 1: CONSUMER EXPENDITURE

CONFIDENTIAL FOR RESEARCH PURPOSES ONLY

INVESTIGATOR INTRODUCTION AND STATEMENT OF INFORMED CONSENT

My name is Subhash Chandra pursuing Ph.D. (Economics, Enrolment No: 14SEPH22) from University of Hyderabad, Hyderabad. I am working on *“Chronic Poverty and Economic Inequality in Uttar Pradesh: A Case Study of Three District”* Under the Supervision of Prof. Naresh Kumar Sharma. The finding of this survey will be strictly used for the academic purposes. This survey is an independent study, and is not linked to any private organization or agency. Information gathered will be kept strictly confidential. Participation in this survey is voluntary and it is entirely up to you to answer or not any question that I ask. I hope that you will take part in this survey since your participation is very important. It usually takes 45 to 60 minutes to complete this interview. Please spare some time for the interview and help me in successfully completing the survey.



University of Hyderabad
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UNIVERSITY OF HYDERABAD

SOCIO-ECONOMIC SURVEY

SCHEDULE 1: CONSUMER EXPENDITURE

[01] Descriptive identification of sample household			
1. Name of the Head of Household:		3. Tehsil/Town/Block:	
2. Village Name:		4. Name of the District:	

[02] Household Characteristics			
1. Household size		12. Land cultivated (in bighas)	
2. Caste (code)		13. Land irrigated (in bighas)	
3. Religion (code)		Primary source of energy for	
4. Social group (code)		14. Cooking (code)	
5. Whether owns any land (yes-1, no-2)		15. Lighting (code)	
6. If yes in items 5, type of land owned (homestead only- 1, homestead and other land- 2, other land only- 3)		16. Dwelling unit code (owned-1, rented-2, no dwelling unit-3, others-4)	
Landholding size (in bighas)		17. Is any member of the household a regular Salary earner? (yes-1, no- 2)	
7. Owned		18. Household possess ration card (yes-1, no-2)	
8. Leased-in		19. If yes in items 18, types of ration card (code) Antyodaya-1, BPL-2, other-3	
9. Leased-out		20. Did the household perform any ceremony during the last 30 days? (yes-1, no-2)	
10. Otherwise proposed (neither owned nor leased-in)			
11. Total possessed [items (7+8+9+10)]			

CODES FOR BLOCK -2

Items 2: **Caste:** Chamar-1, Dhobi-2, Thakur-3, Yadav-4, Brahman-5 6....7.....

Item 3: **Religion:** Hinduism-1, Islam-2, Christianity-3, Sikhism-4, Jainism-5, Buddhism-6, Zoroastrianism-7, other-9

Items 4: **Social group:** Scheduled tribes-1, Scheduled caste-2, other Backward Classes-3, others-4

Items 14: **Primary source of energy for cooking:** coal-1, firewood and chips-2, LPG-3, Gobar gas-4, dung cake-5, charcoal-6, kerosene-7, electricity-8, others-9, no cooking arrangement-10

Items 15: **Primary source of energy for lighting:** kerosen-1, other oil-2, gas-3, candel-4, electricity-5, other-6, no lighting arrangement-7

Note:

[04.1] Consumption of cereals, pulses, milk and milk products, sugar and salt during the last 30 days ended on....

Item	Code	Consumption out of home produce		Total consumption		Source code
		Quantity	Value (Rs.)	Quantity	Value (Rs.)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Rice- (PDS)	101					
Wheat /Atta – (PDS)	102					
Rice, Wheat, Atta	103					
Cereal: sub-total (101-105)	104					
Cereal substitutes: tapioca, etc.	105					
Arhar, Gram ,Moong , Masur, Mutter Dal, Other pulse	106					
Pulses & pulse products:	107					
Milk, Baby food, Curd, Ghee Other milk products	108					
Milk & milk products	109					
Sugar - PDS	110					
Sugar – other source, Gur , Salt	111					
Salt & Sugar: ()	112					

Unit is Kg unless otherwise specified in col. (1).

Source Code(other than that consumed out of home produce): only purchase-1, only home-grown stock -2, both purchase and home- grown stock -3, only free collection -4, only exchange of goods and services-5, only gift/ charities- 6, other-7.

[04.2] Consumption of Edible Oil, Egg, Fish and Meat, Vegetables, Fruits, Spices, Beverages and processed food and Pan, Tobacco and Intoxicants during the last 7 days ended on....

Item	Code	Consumption out of home produce		Total consumption	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)
Mustard oil, Groundnut oil, Refined oil ,Edible oil	113				
Oil: Sub -Total	114				
Eggs, Fish, Mutton, Chicken, Others	115				
Egg, meat and fish: Sub-total	116				
Potato, Onion, Brinjal, Carrot, other leafy veg, Lady's finger, Parwal, Cauliflower, Pumpkin Lemon (nos), Other vegetables	117				
Veg: Sub-Total:	118				
Banana, Apple, Mango, Guava, Orange, Grapes, Papaya, Mausambi, Watermelon, Other fresh fruits	119				
Fruits (fresh): Sub-total	120				
Coconut, Kishmish, Baadam, Chhohara, Others dry fruits	121				
Fruits (dry): Sub-total	122				

[04.2] Consumption of Edible Oil, Egg, Fish and Meat, Vegetables, Fruits, Spices, Beverages and processed food and Pan, Tobacco and Intoxicants during the last 7 days ended on....

Item	Code	Consumption out of home produce		Total consumption	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)
Turmeric, Black paper, Jeera, Garlic, Dhania, Ginger, Dry chilies, Other spices	123				
Spices: Sub total	124				
Fruit juice and shake, Tea, Coffee, Other beverages	125				
Beverages: Sub total	126				
Sweets, biscuits, Chips, papad, namkeen, Other packaged food	127				
Packaged processed food: S.T	128				
Tobacco, Surti, Bidi, Pan, Zarda, Cigarettes, Bhang, Hookah tobacco, Ganja, Other tobacco products	129				
Tobacco: Sub Total	130				
Beer, Liquor, Other intoxication	131				
Intoxication: Sub Total	132				

[05] Energy consumption (light fuel and household appliances during the last 30 days ended on

Item	Code	Consumption out of home produce		Total consumption		Source code
		Quantity	Value (Rs.)	Quantity	Value (Rs.)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Kerosene – PDS (litre)	133					
Kerosene-other sources Petrol, Diesel, LPG, Coal,	134					

[06] Energy consumption (light fuel and household appliances during the last 30 days ended on

Item	Code	Consumption out of home produce		Total consumption		Source code
		Quantity	Value (Rs.)	Quantity	Value (Rs.)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Firewood and chips, Dung cake, Coal, Gobar Gas, Charcoal Other fuel	135					
Fuel and light: Sub total	136					

Unit is Kg unless otherwise specified in col. (1). Source Code: only purchase-1, only home-grown stock -2, both purchase and home- grown stock -3, only free collection -4, only exchange of goods and services-5, only gift/ charities- 6, other-7.

Note:

[07] Consumption on bedding, clothing, footwear etc. during the last 365 days ended on			
Items	Code	Quantity	Value (Rs.)
(1)	(2)	(3)	(4)
Men clothing (<i>dhوتي, kurta, coat, sweater, uniform, lungi etc.</i>)	137		
Women clothing (<i>saree, suits, sweater, shawl, uniform, etc.</i>)	138		
Infant clothing (<i>cap, sweater, underwear, t-shirt, other wear</i>)	139		
Bedding (<i>bed sheet, blanket, mosquito net, bedding others</i>)	140		
Footwear (<i>shoes, sandal chappales, others</i>)	141		

[08] Expenditure on Education and health services during the last 365 days ended on.....		
Items (1)	Code (2)	Value in Rs. (3)
Books, stationary (notebooks, pen, ink etc.), Tuition fee (school & college), Private tutor (coaching), Other educational expenses	142	
Education: Sub Total	143	
Medicine, Doctor's fee, x-ray , diagnostic tests, Other medical expenses	144	
Medical: Sub total	145	

[09]expenditure on miscellaneous goods & services including conveyance, rent during the last 30days					
Items	Code	Value (Rs.)	Items	Code	Value (Rs)
Servant, cook, sweeper	146		Fare (air, bus, train, taxi, etc.)	152	
Phone, mobile	147		Petrol for vehicle	153	
Tailor, barber,	148		Diesel for vehicle	154	
Pet animal (incl. bird, fish)	149		House Rent	155	
Repair charges for non- durables	150		School bus, van, etc.	156	
Consumer services: Sub Total:	151		Conveyance, rent: Sub Total	157	

[10] Expenditure for construction and purchase (including repair and maintenance) of durable goods use during the last 365 days ended on					
Items	Code	Total expenditure	Items	Code	Total expenditure
(1)	(2)	(3)	(1)	(2)	(3)
Furniture & fixture	158		Electric fan, AC, Cooler Inverter, Washing machine, Regenerator, Stove, gas burner, Cooker, pan, iron, heater, Sewing machine, Other appliance	165	
TV, DVD, radio, camera, etc.	159				
Crockery & utensil	160				
Bicycle ,Two Wheeler, Four Wheeler, Tyres & tube other transport equipment	161				
Personal Transport equipment: Sub Total	162		Household appliances: Sub Total	166	
Clock, watch, PC, Laptop, software Mobile handset, telephone instrument, Any other personal goods	163		Gold & Silver ornaments Jewels pearls, Other ornaments	167	
			Jewelry & ornament S.T.	168	
Personal goods: Sub Total	164		Residential building, land, and other durables: S.T	169	
Durable goods: Total (158+159+160+162+166+168+169) =					

[11] Assets of the households				
Srl. no.	Items	Yes=1, No =0	Value	Code
1	1. Refrigerator 2. Washing machine 3.TV			170
2	1. Telephone 2. Mobile phone			171
3	Motorized Wheelers (1=Two, 2=Three wheeler, 3=Four wheeler; 4= cycle			172
4	Animal 1=Goat: 2= Cow, 3= Buffalo ,4=Bull			172

[12]Household Particulars				
(12.1) Housing/ Dwelling				
S. No.	Types: Housing/ Dwelling	Yes=1, No=0	Total Value	Code
1	Kuchcha			173
2	Semi-pakka			174
3	Pacca			175
4	Any other			176

(12.2) Amenities				
Srl. no.	Items	Code	Code	
1	Availability of drinking water source: <i>1=Within the premises, 2=Near the premises, 3= Away (more than ½ km)</i>			176
2	Main source of lighting: <i>1=Electricity, 2=Kerosene, 3=Solar, 4= Oil, 5=Any other, 6=No lighting</i>			177
	Separate room used as kitchen exclusively for household: (1=Yes, 2=No)			178
	Cooking: 1=wood 2=coal 3=gas 4. Kerosene Fuel 5.other			179

[13] Health Services			Code
1.	Nearest place (in k.ms) where Doctor is available		180
2.	Nearest place (in k.ms) of Govt. medical facility		182
3.	Nearest place (in k.ms) of Pvt. medical facility		183
4.	A. Did anyone in family fall sick in the past 30 days B. If yes a. Name of disease..... b. Treatment c. Cost		184
5.	Are you satisfied with medical /health care facilities? (a) treatment Yes=1 / No = 0 (b) In cost Yes=1 / No= 0		187

Note-

[14] Availing of Government Schemes							
S. no.	List of Schemes	Yes=1 No=2	For how long in the scheme?	Benefits	Difficulties	Any bribes	Code
1	MNREGA						188
2	IAY						189
3	PDS						190
4	AY						191
5	BPL Card						192
6	APL Card						193
7	Bathroom						194
8	Hand pump						195
9	Old age pension						196
10	Widowed pension						197
11	Handicap pension						198
12	Food Security Act						199
13	Other						200

[15] Self-Observation /assessment of Poverty and Related Issues		Code
A. How do you rate your economic condition?		201
B. If chronic poor, reasons?		202
C. Availability of regular employment? 1. Availability 2. Does not pay enough (quantity)		203
D. Have any public Schemes been helpful? No / Yes, If Yes, Name the scheme(s)		204

[16] Social Status			Code
Srl.no.	Participation in public life	Yes=1, No=2	205
1	Member of political party		206
2	Member of caste /community association		207
3	Participation in gram sabha meeting		208
4	How is village residential area organized a. Caste wise mohallas b. Mixed mohallas		209
5	Is facing any kinds of discrimination on the basis of caste		210
6	Is untouchability in practice		211

[17] Perception of household regarding sufficiency of food			
1	Do all members of your household 'get enough food every day'? <i>yes: every month of the year-1,</i> <i>some months of the year -2,</i> <i>no: no month of the year-3</i>	Code	Code
			212
2	Did the household perform any ceremony during the last 30 days? (Yes - 1, No -2)		213
3	No. of meals served to non-household members during the last 30 days		214

[18] Remark by Investigator

SOCIO-ECONOMIC SURVEY

SCHEDULE 2: PERCEPTION

CONFIDENTIAL FOR RESEARCH PURPOSES ONLY

INVESTIGATOR INTRODUCTION AND STATEMENT OF INFORMED CONSENT

My name is Subhash Chandra pursuing Ph.D. (Economics, Enrolment No: 14SEPH22) from University of Hyderabad, Hyderabad. I am working on *“Chronic Poverty and Economic Inequality in Uttar Pradesh: A Case Study of Three District”* Under the Supervision of Prof. Naresh Kumar Sharma. The finding of this survey will be strictly used for the academic purposes. This survey is an independent study, and is not linked to any private organization or agency. Information gathered will be kept strictly confidential. Participation in this survey is voluntary and it is entirely up to you to answer or not any question that I ask. I hope that you will take part in this survey since your participation is very important. It usually takes 45 to 60 minutes to complete this interview. Please spare some time for the interview and help me in successfully completing the survey.



University of Hyderabad
School of Economics
Hyderabad, Telangana 500046

SOCIO-ECONOMIC SURVEY (PERCEPTION)

1. Compared with 15 years ago, do you think it is easier today or harder today for a person to start out poor, work hard, and to get out of poverty?

Easier	{ }	Harder	{ }	Same	{ }	Don't know	{ }
---------------	-----	---------------	-----	-------------	-----	-------------------	-----

2. How have the following changed in your perception compared with 15 years ago?

Questions	Increased	Decreased	Same	Don't know
Poverty				
Inequality				
Caste discrimination				
Untouchability				
Social status of poor				
Social status of SCs & STs				

3. In general, do you think poor people have higher, lower, or about the same social and moral values as other Rich?

Higher	{ }	Lower	{ }	Same	{ }	Don't know	{ }
---------------	-----	--------------	-----	-------------	-----	-------------------	-----

4. Do you think that poor people find it hard to get work, or do you think there are jobs available for anyone who is willing to work?

Hard to get work	{ }	Jobs Available if willing to work	{ }	Don't know	{ }
-------------------------	-----	--	-----	-------------------	-----

5. In your opinion, which is the bigger cause of poverty today - that people are not doing enough to help themselves out of poverty, or that circumstances beyond their control cause them to be poor?

People not doing Enough	{ }	Circumstances	{ }	Don't know	{ }
--------------------------------	-----	----------------------	-----	-------------------	-----

6. For each of the following, please tell me if this is a major cause of poverty, a minor cause of poverty, or not a cause at all.

Question	Major	Minor	Not a cause	Don't know
Drug abuse				
Medical bills				
Inadequate availability of work				
Low wage rate				
Poor people lacking motivation				
Decline in moral values				
Poor quality of education				
Caste discrimination or untouchability				
Less land				
Less Education or Illiteracy				
Lack of production assets				
High interest rate/ indebtedness				

7. How would you rate your own financial situation today? Would you say it is excellent, good, or poor?

Excellent	{ }	Good	{ }	Poor	{ }	Don't know	{ }
------------------	-----	-------------	-----	-------------	-----	-------------------	-----

8. In terms of the amount of money we as a country are spending on assistance to poor people, do you think we are spending too much, too little, or about the right amount?

Too much	{ }	Too little	{ }	Right amount	{ }	Don't know	{ }
-----------------	-----	-------------------	-----	---------------------	-----	-------------------	-----

9. Do you think government programs that try to improve the condition of poor people in this country are generally making things better, are making things worse, or aren't having much impact one way or another?

Making things better { }	Making things worse { }	Not much impact { }	Don't know { }
---------------------------------	--------------------------------	----------------------------	-----------------------

10. Here is a list of some things that the government could do to directly help the poor. Please tell me if you support or oppose each.

Question	Support	Oppose	Don't know
Increasing the minimum wage			
Increasing cash assistance for families			
Spending more for medical care for poor people			
Spending more for housing for poor people			
Guaranteeing everyone a minimum income			

11. In the past year, have you or someone in your immediate family had a **SERIOUS** problem with any of the following?

Question	Yes	No	Don't know
Having too little money to buy enough food			
Being unable to get medical care because of the cost.			
Getting divorced or separated, in part because of financial problems.			
Being a victim of a crime			
Having a problem with alcohol or drug abuse.			

12. In general, do you think the new welfare policy has given the poor themselves more self-respect, less self-respect, or has it had no impact on this?

More self-respect { }	Less self-respect { }	No impact on { }	Don't know { }
------------------------------	------------------------------	-------------------------	-----------------------

13. In general, do you think most people who have left the welfare rolls have gotten out of poverty, or do you think they are still poor, even if they have found jobs?

Out of poverty { }	Still poor { }	Don't know { }
---------------------------	-----------------------	-----------------------

14. Do you think the new welfare law has made it easier to get public assistance, harder to get public assistance, or hasn't it made much of a difference at all?

Easier { }	Harder { }	Don't know { }
-------------------	-------------------	-----------------------

15. When you think of your situation today, do you think of yourself as poor or not?

Yes { }	No { }	Don't know { }
----------------	---------------	-----------------------

16. Is there a bank convenient for you?

Yes { }	No { }	Don't know { }
----------------	---------------	-----------------------

17. What was your social status ten years ago?

Good { }	Bad { }	Don't know { }
-----------------	----------------	-----------------------

18. If all the people who are on welfare in this country, are more of them Rich or are more of them poor?

Rich { }	Poor { }	Don't know { }
-----------------	-----------------	-----------------------

CHRONIC POVERTY AMONG THE SCHEDULED CASTES IN RURAL UTTAR PRADESH: A CASE STUDY IN MAU DISTRICT

Subhash Chandra¹ and Naresh Kumar Sharma²

ABSTRACT

This paper is a partial account of a study conducted in 2012. It probes socio-economic factors associated with poverty among SCs and STs in rural parts of Mau District (population: 2.2 million in 2011; 77% of the people are rural; 23% are SC, less than 1% ST), and seeks to analyze the impact of government programmes on this poverty. As per the Planning Commission methodology of 2011, a rural household is reckoned as poor if its daily per capita consumption-expenditure is no more than Rs. 26.

In the present independent study of households, primary data from questionnaires has been integrated analytically with data from the Indian Census, NSS, Planning Commission etc. Analytical techniques have included cross-tabulation, regression and correlation. The study focused on family size, age and gender composition, monthly per-capita consumption expenditure, assets, main sources of income or earnings, employment, level of formal education, amenities, quality of available health care facilities, and mitigations of poverty due to government programmes. There is special focus on the problem of "misidentification" of the poor (i.e. house-holds falsely tagged as poor). 12% of the households had been "misidentified" as poor and so were wrongly getting central and state government advantages intended ostensibly for poor people. This percentage was significantly higher in areas farther away from the main town of the district (Mau). There has been significantly pervasive corruption in implementation of schemes for the poor. 40% of people seeking IAY housing allocations, 30% of those seeking PDS goods, and nearly 20% of those seeking employment under MNREGA had to pay bribes.

Nearly 30% of the people surveyed in this study were found to be illiterate (a portion not significantly different from the overall average for the district). Only 10% of the others had graduated from secondary school. However, nearly all the children were attending school-a-hopeful sign. Among the poor, 69% of them were found to be in chronically poor households, that is, with poverty having persisted from one generation to the next, as ascertained by detailed questioning of the household heads. More than 40% of the adults did not have gainful employment. Of those who did have it, nearly 85% were agricultural workers. Finally, it is found that 75% of the respondents to the questionnaires reported that adequate medical facilities were unavailable anywhere near their village.

Keywords – Chronic poverty, Exclusion, Uttar Pradesh, Entitlement, Misidentification

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Policies and Programmes for Poverty Reduction among the Scheduled Castes and Scheduled Tribes in Rural Uttar Pradesh, India

Subhash Chandra*

*School of Economics, University of Hyderabad,
Hyderabad, Telangana, India*

Abstract: Poverty reduction remains a major goal of many states. The major policy shift has taken place in the post-reform period from trickle down to pro-poor to inclusive growth. Increasing the capability of the masses and the social security safety net, and creating productive employment remain the major factors of the inclusive growth. Several social security and welfare measures have been undertaken by the government. But at the ground level we see many discrepancies. This study considers several government programs which are having relevance for poverty reduction among the Scheduled Caste in rural Uttar Pradesh. As we know, Central and State governments have provided some special programs for the rural BPL peoples. This study analyses the working of some specific policies for the scheduled castes and scheduled tribe people such as IAY, PDS and pension scheme at the ground level of UP. In reality, the functioning of these programmes are way below expectation, and massive irregularities and corruption are involved in it.

Keywords: Rural Poverty, Discrimination, Policies, Programmes and Schedule Caste

JEL Classification Number: I32, I38 and J16.

1. Introduction

Poverty reduction is the main goal of the policy makers but progress towards this goal is slow. Of course, there are many areas in which the central and state governments and the private sector have done excellent work and contributed to the country's general prosperity. One of the major issues in development debates is how to tackle poverty, especially rural poverty among the Scheduled Castes and Scheduled Tribes. The incidence of poverty differs significantly across all social and occupational groups. Rural poor people have little access to productive assets and low capabilities in terms of health, education and social capital. The social segregation, initial inequality, unemployment, low growth rate, failure of the government policy, illiteracy and corruption are the important causal factors for poverty in India.

Uttar Pradesh is the most populous (19.98 Crores, Census, 2011) state, and also one of the poorest (40% -2011-12) state of India. In spite of the recent signs of progress, Uttar Pradesh

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The author is thankful to Prof. Naresh Kumar Sharma for his comment and constructive suggestion.

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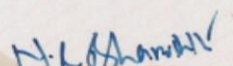
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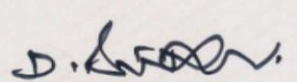
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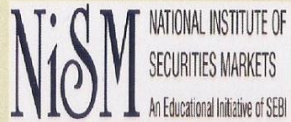



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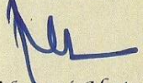
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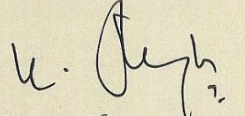
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