State strategies for defining and alleviating poverty in Kerala, India.

This briefing paper looks at state strategies for identifying and alleviating poverty in Kerala, and at the implementation and impact of these strategies within two Districts of the State. Kerala’s approach to the management of poverty is shaped by national policy, which promotes economic self-reliance and political empowerment, and the State has shown innovation in its adaptation of these policy goals to its particular circumstances. However, at the grassroots level, the way that poverty alleviation policies have been framed and implemented has meant that current poverty interventions have failed to reach some of the poorest and most marginalised individuals and communities.

KEY MESSAGES

- In India, although national policy documents sometimes refer to the multi-dimensional aspects of poverty, in practice poverty is often framed as an individual attribute, rather than something which is context-specific and arises from existing social relations and patterns of social exclusion.

- Within dominant definitions of poverty, ‘the poor’ are thus seen as a separate group in need of specific interventions to address their economic ‘uplift’ at a household level, and current practices for measuring poverty produce a broad, undifferentiated category of ‘the poor’.

- Kerala’s official definition and treatment of poverty has largely accepted the terms of the national policy debate, and the State is putting these policies to work within a context shaped by Kerala’s particular history of political mobilisation, and its current devolved system of local self government institutions.

- However, poverty measurement and alleviation operates in an environment which is both more overtly politicised, and more divided by long-standing forms of social exclusion, than is acknowledged within national or State-level poverty politics.

- As a result, Kerala’s poverty alleviation initiatives are failing to reach – or even recognise – some of the most socially and politically marginalised groups of the poor.
BACKGROUND

Kerala, a State in the south-western part of India, is famous as a political stronghold of the Left. Poverty alleviation across the State has therefore historically been associated with the provision of a range of welfare measures won through the mobilisation of different labouring groups. Kerala is also internationally recognised for innovation in decentralised and participatory governance, and it has been celebrated since the mid-1970s for its achievements in improving Human Development Indicators. Given these factors, Kerala is an interesting place to study the implementation of India's current national strategies for the management of poverty.

POVERTY ALLEVIATION ACROSS INDIA: DEFINITION, MEASUREMENT AND MANAGEMENT

The Government of India recognises that poverty is multi-faceted. However, it also has a practical need to define ‘the poor’ as a category within which poverty alleviation efforts and resources are targeted. As a result, its Eleventh Five Year Plan focuses on defining a nominal poverty line and ‘lifting’ individual poor households above it. This approach is seen in both its measurement of poverty, and the key programmes through which poverty is tackled.

Measuring poverty – ‘BPL’ Households:
Under the guidance of the Ministry of Rural Development, all rural households in India are periodically surveyed, and categorised as BPL (below poverty line) or APL (above poverty line) on the basis of a number of poverty indicators. Although the methodology for categorisation is contested, and has changed in each of the five-yearly surveys of poverty conducted since 1992, this process of labelling households remains key to governmental efforts in targeted poverty relief. Many benefits – including old age pensions and subsidised food – are dependent on BPL status.

Providing work and promoting self employment
In accordance with the Government of India’s drive to reduce poverty through economic growth, income-poverty reduction and human capital formation, current policies focus largely on enabling secure livelihoods through the provision of wage work and opportunities for self employment.

The National Rural Employment Guarantee Act (NREGA) of 2005 (now renamed the Mahatma Gandhi Rural Employment Guarantee Scheme) is the latest in a series of public works programmes for the rural poor. It goes beyond earlier schemes in that it is a statute which ensures the universal right to work: eligible job-seekers are provided with appropriate work or, if this is not possible, given unemployment benefit.

Like NREGA, the Swarnjayanti Gram Swarozgar Yojana (SGSY) builds on another long-standing anti-poverty strategy: the promotion of self-employment. SGSY’s innovation is to distribute loans to Self-Help Groups of Households. Group formation is voluntary, with at least 70% of their members being from BPL households. Groups may then access credit and loans to support group-based income-earning activities: in addition to their economic benefits, group formation and development is also intended to contribute to social mobilisation.
Taken together, these national policies provide an internally coherent story of how individual households can be ‘lifted’ out of poverty, but it is a limited view of how poverty should be managed, for example:

- Poor people's problems are represented as a series of gaps – in skills, information or ‘capital’ (financial, human or social) – which can be ‘filled in’ by government action. What isn’t addressed or challenged are asymmetrical social relationships and social exclusion that actively produce these gaps in the first place.
- There is a lack of consideration given to the dynamic nature of poverty, and the fact that livelihoods are open to change and new forms of poverty are constantly emerging as a result.
- There is a lack of reflection on the state’s own role, and no acknowledgement that the state’s own strategies for managing poverty might themselves expose households to new risks or create inequalities.

THE IMPLEMENTATION OF THESE STRATEGIES IN KERALA
Kerala has a level of absolute poverty that is low by all-India standards, but it has been enthusiastic in taking up this anti-poverty agenda. Its innovations in poverty relief have won it praise and recognition nationally, but are occurring within a particular political context:

- There has been dramatic decentralisation of government since the 1990s – local councils therefore play a more important role in implementing anti-poverty programmes than in many other states.
- Kerala’s dynamics of political competition mean that various groups (workers’ unions, religious/community groups and party-political supporters) have all been active and successful in making claims on the state’s resources.

Together, these factors mean that poverty alleviation measures are actively contested, potentially at the expense of socially/politically marginalised groups.

Recognising poverty
The state recognises ‘the poor’ in various ways in Kerala. Its history of labour mobilisation has produced many employment-related benefit schemes, and, as elsewhere in India, Scheduled Communities also receive various forms of state support. In addition, Kerala’s Ashraya programme directly meets some of the immediate needs of destitute families (clothing, food etc.) on a case-by-case basis.

Increasingly, however, it is owning a BPL card that really matters in Kerala. This gives a household access to subsidised goods in government ration shops and access to targeted all-India programmes such as SGSY. Importantly, it also gives households cover for medical bills up to Rs. 30000 under the Comprehensive Health Insurance Programme, making BPL status desirable for many middle-income households.

Encouraging self-employment: Kudumbashree
Within Kerala, the national SGSY programme has been subsumed within Kudumbashree\(^1\), the State’s Poverty Eradication Mission. The Mission has many different elements, but ideas of group-

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\(^1\) For more information on Kudumbashree, please see SIDNET’s Policy/Research Briefing No.3: Poverty alleviation and participatory citizenship for women in Kerala, India, available at [http://www.shef.ac.uk/internationaldevelopment](http://www.shef.ac.uk/internationaldevelopment)
based savings, revolving credit and ultimately self-employment remain central to its proposed pathway out of poverty.

Kudumbashree has two key features: firstly, Kudumbashree self-help groups are women only; and secondly, these groups are actively linked into the local state with the explicit intention of aiding women’s political empowerment. However, although empowerment remains an important goal of Kudumbashree, its broad conceptualisation of challenging poverty appears to have narrowed over time, so that most groups now only focus on thrift, credit and microfinance activities.

**Providing work: Kerala’s Rural Employment Guarantee Programme**

Kerala’s performance in the first year of the NREGA (2006) was poor. This was due to the nature of the work offered through the programme, which was poorly suited to a State with some of the best rural infrastructure in India, and also the fact that the scheme’s wage rates were below local market rates for construction work.

However, the State has shown innovation by giving responsibility for implementing public work schemes to the ward-level Kudumbashree groups. As a result, 66% of NREGA work went to women in Kerala in 2006 (the third highest proportion in India).

**IMPLICATIONS FOR INDIVIDUALS AND COMMUNITIES**

**The politics of poverty identification**

Fieldwork in two Districts of Kerala identified two broad groups of poor people:

- The *traditional* poor were from the Scheduled communities, recognised since Independence as requiring support from the Indian state. For this group, poverty was associated with factors such as poor health and housing, a lack of education, and often social stigmatisation.

- The *new* poor included marginal farmers and artisan castes, who were facing livelihood crises, but were not commonly recognised ‘outliers’ to Kerala’s social development successes. Poverty among these groups was masked behind ‘decent’ living conditions, but experienced as livelihood decline and associated rising levels of personal debt.

BPL surveys, which attempt to categorise ‘the poor’ as a fixed group of households, do not easily reflect these diverse experiences of poverty. For example:

- For marginal farmers in particular, housing quality and land ownership were seen as problematic elements of the BPL checklist, as these masked the declining profitability of agriculture and the impact this was having on their livelihoods.

- Within the BPL survey, reliance on formal credit suppliers was seen as low risk, but this did not capture the unmanageable size of farmers’ debts.
More worryingly, many of the ‘traditional’ poor were not categorised as BPL despite clear material deprivation.

The interpretation of the list’s criteria was also problematic, for example:
- The criteria of ‘families who do not have even a single earning member having permanent income’ meant that many people working in the informal and private sectors reported that they did not have permanent jobs, even though their income levels and job security were often high.
- Ward members responded to pressure to include ‘deserving’ households unequally, and organised political interests were actively engaged in this process. For example, in one District an agricultural labourers’ union instructed the local council to register all agricultural labourers’ families within the BPL list. By contrast, members of the artisan community noted that their political isolation meant that they did not have similar leverage within these struggles.
- In both panchayats, the continued exclusion of some of the most marginalised households from the BPL list emphasised that classification was not just an administrative process, but a political one too.

**Kudumbashree in practice**

Although Kudumbashree is of relevance to all poor households, in practice, those most able to take advantage of the opportunities Kudumbashree offered were those who were relatively well placed to begin with. For example:
- The absolute constraints on the money and time participants could commit to Kudumbashree were causing some groups to fail, or stopping the poorest households from joining them at all.
- The women best placed to become group leaders were often those who already had social capital and political support, rather than the most marginalised.

**Grassroots operation of NREGA**

As noted above, NREGA is implemented in Kerala through the Kudumbashree groups. This had the effect of drawing more women into the labour market – albeit at below market rates – and stretching local definitions of ‘women’s work’. However, NREGA should have been a universal programme, but because it was routed through Kudumbashree, membership of the self-help groups had become an unofficial entry criterion for participation in NREGA. This meant that the poorest and most marginalised women who were excluded from Kudumbashree were also excluded from NREGA.

**RECCOMENDATIONS**

- Policy makers need to ensure that poverty is understood as something that is dynamic, context-specific and relational – not an individual attribute.
- Broad, undifferentiated categories of ‘the poor’, such as those created by India’s Below Poverty Line (BPL) survey, ignore the multidimensional aspects of poverty. Lack of differentiation within this category also downplays the needs of the poorest individuals and groups.
- There needs to be explicit recognition of the role resilient forms of social and political exclusion play in the reproduction of poverty. Policy therefore needs to move away from
a focus purely on individual economic and social uplift, to ensure that it also addresses structural and systematic exclusion.

- Policy makers need to ensure that the experiences and needs of poor people are placed centre-stage. This will suggest a different order of priorities for poverty alleviation efforts.
- Policy makers need to understand that the implementation of national policy at a State level is greatly the local historical, social and political contexts. For example, decentralisation has localised the management of poverty in Kerala, often to the detriment of socially and politically marginalised groups.

FURTHER READING


CREDITS

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