

## INTRODUCTION

The following eight papers on poverty dynamics in South Asia were presented at the “South Asia Update and Poverty Dynamics” Conference in September 2007 and subsequently refereed for publication.

**Raghav Gaiha**, Faculty of Management Studies, University of Delhi & **Vani S. Kulkarni**, Harvard Centre for Population and Development Studies: *‘On the Dynamics of Poverty in Rural India’*

This paper looks at questions related to the effect of sudden changes in rural economies for both the chronically poor and those who are vulnerable to ‘shocks’. The study draws on data from ARIS (Additional Rural Income Survey) carried out by NCAER in 1975 and village-level studies data sets that cover the semi-arid tract (SAT) in selected villages in Maharashtra and Andhra Pradesh carried out by ICRISAT (International Crop Research Institute for Semi-Arid Tropics) between 1975 and 1984. The paper has three sections: ‘extent and characteristics of chronic poverty’, ‘vulnerability and the persistence of poverty’ and ‘policy options’. The third section includes a review of the place and effects of ‘workfare’ (i.e., ‘the income-stabilising effects of rural public works’). The authors conclude that ‘a shift of emphasis in anti-poverty strategy from meeting income shortfalls of the poor to enabling the vulnerable to protect themselves better against various shocks is called for’.

**Ramani Gunatilaka**, [affiliation not given]: *‘Poverty Trends, Correlates and Policies in Sri Lanka: 1990-2002’*

This study of poverty in Sri Lanka ‘integrates the findings of a number of recent studies within a new conceptual framework that aims to enable a better understanding of the complex causal conditions that trap people in poverty’. Against this background it discusses the development of poverty-reduction policies, the present government’s approach to poverty-reduction and the constraints that are operative in terms of institutions and Sri Lanka’s ‘macroeconomic prospects’.

**Jyotsna Jalan**, Centre for Studies in Social Sciences Calcutta & **Rinku Murgai**, World Bank: *‘Intergenerational Mobility in Education in India’*

This paper draws upon the 1992-93 and 1998-99 National Family Health Surveys in India ‘to look at inequalities in educational outcomes across groups of individuals and the perpetuation of these inequalities across generations’. It explores the ‘roles of caste and class, asking whether particular caste or wealth groups have experienced lower education mobility, and whether these factors still matter once parental education is controlled for’. The paper has four sections: ‘Setting the Context: trends and disparities in educational outcomes’; ‘Estimating Inter-generational Education Mobility: Methodology and Data’; ‘Empirical Results’ and ‘Robustness of Parental Education Estimates’. The paper argues that the major gaps in terms of educational mobility outcomes ‘arise not between castes

but between rich and poor'. Its statistical analysis shows that 'inter-generational mobility in education has improved significantly and consistently across generations ... for all major social groups and wealth classes'. It concludes that the gaps which persist are basically those which are derived from 'differences between rich and poor'.

**Samina Yasmeen**, Centre for Muslim States and Societies, University of Western Australia: *'Primary Education and Poverty: Going Beyond the Numbers'*

This paper is concerned with the problems which the poor face in Pakistan in accessing effective education and the difficulties which confront attempts to improve the quality of public education. It argues that 'educational policies in Pakistan have gradually come to be linked with strategies to counter poverty' and that 'these initiatives, supported by local and international agencies, have shown some signs of success' but that 'the overall picture remains grim'. The paper has three sections: the first looks at education and poverty; the second at 'The Knowledge Deficit' in terms of 'context' and 'causes'; and the third at how to 'tackle' the knowledge deficit. The paper's discussion of the background issues is based on a reading of official documentation and the secondary literature. Its analysis of the practical problems facing public education, including new forms supported by NGO groups, reports on personal observation of schools in which the author's family have been closely involved in NGO attempts to strengthen the quality of education. 'Drawing upon experiences in educational institutions in close proximity to Islamabad', the author identifies 'a set of structural and societal factors that limit the extent to which the quality of education provided to poor people is improved in reality' and argues that these impediments 'require creative approaches which engage both local and international agencies in exploring possible solutions tailored-made to different areas'.

**Kuntala Lahiri-Dutt**, Resource Management in Asia Pacific Program, Research School of Pacific and Asian Studies, The Australian National University: *'Balancing on Water: Managing Water Resources of India for People and the Environment'*

This paper targets the management needs of water in the contemporary Indian context by bringing together elements of the cultural values associated with water ('water as a symbolic text', 'water and society') and the ways in which water becomes a central element in various aspects of Indian political life ('water, state and perceptions', 'a finite resource' and 'gender in water management').

**Anu Rammohan**, Discipline of Economics, University of Sydney: *'Infant Health Care Delivery in South Asia'*

This paper examines the progress made in South Asia 'in the areas of infant and child health outcomes and the extent to which government programs have been successful in improving public health and medical facilities.' The paper's discussion is organized in four sections. In 'Trends in Child and Infant Health in South Asia' there is discussion of the problem of malnutrition which concludes that 'despite dramatic falls in child

mortality rates since the 1990s, child mortality rates continue to remain high; Sri Lanka is the only country in the region with low levels of child mortality and good nutritional outcomes for children. ... the experience of [the other] South Asian countries in combating malnourishment among children is mixed'. The second section discusses 'Low cost interventions to reduce the risk of infectious disease' in terms of immunization, Vitamin A deficiency and oral rehydration salts. The third section deals with 'Gender Differences in Child Health Outcomes', drawing attention particularly to 'discrimination against girls, the resulting excess female child mortality and adverse sex-ratios for females in India'. 'Child Health Delivery Programs in India' considers public, private and NGO healthcare programs, with special attention to India's Integrated Child Development Scheme (ICDS), and concludes that 'despite the rapid economic growth over the last decade or so, child health outcomes continue to be poor in the South Asian region, with the exception of Sri Lanka. ... From a policy perspective, the Programs that are currently in place to improve child health outcomes such as the ICDS program in India have not been successful in their goals, due to problems with Program delivery and the training of personnel. Furthermore, there have been inequities in program placement with the result that the benefits have not reached the target populations.'

**V.Thiruppugazh**, Department of Social and Political Change, Research School of Pacific and Asian Studies, The Australian National University: *'Post-Disaster Reconstruction: A Case Study of Gujarat Earthquake Reconstruction'*

This paper seeks to share 'insights gained in the process of reconstruction following the Gujarat earthquake 2001'. The author argues that while 'reconstruction interventions are location specific', there are 'some common issues relevant in the context of developing countries'. The paper provides an overview of the Gujarat earthquake of January 2001 and draws out lessons about reconstruction to be learnt from the Gujarat experience. These lessons concern a wide range of tasks from housing reconstruction, mobilization of financial resources, accountability, transparency and grievance redress to re-location, land acquisition and equity issues.

**Richard Vokes**, Country Director for Sri Lanka, Asian Development Bank: *'Services for the Poor: What Works, Why and Where? An Overview with Special Reference to Microfinance'*

This paper begins with a survey of the dimensions of the problem: 'Asia remains home to the majority of the world's poor. ... [and] India remains at the epicenter of poverty both within South Asia and the World'. It explores the effectiveness of approaches to poverty reduction, developing a critique through several sections concerned with strategic decisions on how to approach poverty reduction. These include 'the issue of access to services', the 'pros and cons of targeting' particular groups of the poor, particular forms of poverty or particular regions where poverty is a major problem. The paper proceeds to look at ways in which governments and other institutions can approach the key question of 'making services work for the poor'. The main concern at this point is with microfinance as 'a means to poverty reduction'. The paper outlines 'institutional' and 'non-institutional' forms of microfinance; deals with the 'development and growth of

microfinance’; and highlights the ‘key features of microfinance’. It provides a generally positive summary of ‘outreach and impact’:

‘The generally accepted view is that microfinance has been successful in helping poor households and specifically poor women in moving improving incomes and livelihoods and moving out of poverty. ... [some] studies also point to drop out rates as high as 30%, with many borrowers still poor and still borrowing from non-formal sources (money-lenders) even after having access to MFIs. Equally, the majority of the poor, especially in rural areas, still relies mainly on informal sources (moneylenders) and have not yet benefited from microfinance. ... When effectively combined with social mobilization it [microfinance] can and does empower the poor, especially women, and impact on wider social, economic and political power structures.’

With regard to the future, the paper argues that MFIs must increase outreach and impact, which should be ‘linked to the issue of sustainability and the ability to generate more of their own funds through deposits and members contributions’. It considers possible trade-offs ‘between sustainability and development impact’. The final section draws conclusions on the importance of microfinance in poverty reduction.