

THEME 01:
ECONOMIC ASPECTS OF INEQUALITY:
IMPACT OF NEOLIBERAL POLICIES ON
POVERTY TRENDS, SOCIAL POLARIZATION

An Analytical Study of Poverty, Consumption and Asset Inequalities in South Asia: A Case Study of India

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Despite South Asia's remarkable economic progress over the last decade, social and economic inequalities remain a problem in the region. Inequality in access to basic social services such as education and health has worsened and income inequality also persists. Rising inequality is an emerging challenge for South Asia. About a third of developing South Asia economies including India have shown worsening Gini Coefficients in recent years as per the available data. The objective of this paper is to look at Indian situation (across the states and social category wise in terms of i) the asset inequalities ii) poverty trends and iii) to further analyze consumption inequalities. We have analyzed asset position based on land ownership among social groups such as ST, SC, OBC, OTHERS and all using 59th NSSO round for 2003. Also we have analyzed operation holdings using the data of agriculture census. We also analyzed value of assets, average asset value, average debt and incidence of indebtedness for all social groups and by rural and urban also. We also dealt with employment situation for all India level for different social groups over the period 1983 to 2009-10 for rural and urban and male-female as well. We also examined changes in consumption pattern among social groups: 1990-00, 2004-05 and 2009-10 for all the social groups. We have also analyzed poverty ratio all India from different rounds of NSS data by social groups 1993-94 to 2011-12 by Rural, Urban and Combined (R+U) classes as well. The empirical results show that in rural areas the landlessness is the highest among STs (Scheduled Tribes) with 12.8 percent of the households not owning land, followed by SCs (Scheduled Castes) (11.3 percent), OBC (9.5 percent) and OTHERS (8.7 percent). Data reveals that throughout the periods among STs, the share of operated area is higher than that of operation holdings. Among SCs the average size was less than that of all groups throughout the periods. Other categories, maintained a marginally higher average size of area than that of all groups over these periods. The results relating to the value of total assets and two major components (land and buildings) along with respective shares, among social groups at rural and urban levels revealed that in rural areas, average value of total assets among STs is Rs.1,36,640 which is 8.5 percent higher than the average of SCs (Rs 1,25,954). However, OBC and OTHERS have 94.7 and 214.3 percent respectively higher average values than that of STs. Regarding employment situation, work participation rates of both rural males and females among STs being located in forest areas mostly, are higher than those of their counterparts among SCs, OBCs and others as the earning of livelihoods are precarious and time consuming along with manual work. Regarding consumption and poverty, the gaps between the monthly per capita consumption expenditures of STs and those of SC, OBC, Others and all groups rose in the first phase (1999-00 to 2004-05), but in the second phase (2004-05 to 2009-10), the gaps have narrowed down. Regarding poverty, data points out that the second period (2004-05 to 2011-12) has been more favorable in reducing the rates of poverty than the first period (1993-94 to 2004-05). This is because the second period due to its better economic growth acceleration could bring in broad based benefit to all sections of the society.

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