

Falling into Poverty in AP

This is with reference to the special article 'Falling into Poverty in Villages of Andhra Pradesh: Why Poverty Avoidance Policies Are Needed' (July 17, 2004). While agreeing with the interesting work done by Anirudh Krishna and the other authors, I would like to make the following points.

The poverty situation is different in north Telangana districts from that in south Telangana, or even the coastal districts of Andhra Pradesh. While accepting the methodology of 'locally respected understanding' of poverty, I would like to say that there is a relative difference in approach towards education in the two parts of Telangana. Generally, people in north Telangana have shown greater interest in educating their children than those in south Telangana. Studying some of the villages of north Telangana as well as Rayalaseema would have given a more balanced picture.

'Debt repayment' as one of the reasons for falling into poverty is absolutely right, as a majority of small and marginal farmers and labourers in the countryside do not have access to institutional credit. Indeed, in one of our own recent surveys, it was found that about 80 per cent of small and marginal holders do not have access to institutional credit. Therefore, it is appropriate to consider debt repayment in 'the stages of progress' approach, which is more relevant than others. As regards the high death feast expenses among certain caste groups and their descent into poverty, this is a cultural aspect that varies from region to region and caste to caste within the state. High death feast expenses among the kamma caste group, and thereby causing their fall into poverty is an issue that needs to be re-examined. It is common knowledge in the state that kmmas are a well-off caste in rural Andhra. 'Growth engines' in the study area too need to be examined insofar as escaping poverty is concerned. Indeed, there are some identified growth engines in each district that have contributed to the increase in per capita incomes during the past 5-6 years.

The reasons for scheduled tribes falling into poverty in substantial

numbers include debt from private sources at exorbitant interest, oral tenancy and payment of fixed market rent, failure of rainfall and poor irrigation. Therefore, undertaking a record of rights regularly every year would help the tenants get credit from institutional sources. The high percentage of households falling into poverty in Andhra Pradesh compared with Rajasthan and Gujarat, due to lack of proper health facilities, is an extremely important finding for policy purposes. The expenditure on health, which is a meagre 1 per cent of net state domestic product, has to be considered while budget allocations are made for the social sector.

Another pertinent point for public policy is that while extending government assistance to the poorer sections, there is a need to identify the specific sub-groups within SCs, STs, and OBCs (who are poor and needy) and target them effectively, so that poverty reduction programmes can serve the purpose and one can avoid exclusion error in the selection of beneficiaries.

Despite the development of irrigation in some northern Telangana districts such as Nizamabad and Karimnagar, the poor have not been able to benefit from it. Rather, it has helped the large farmers to accumulate surpluses only to transfer these and invest in Hyderabad or towns in the districts. On the other hand, the non-poor who were already on the brink have fallen into poverty, as lack of irrigation has destroyed agriculture and avenues for daily wage income have also not been available. This situation can be partly attributed to technology advancement, which has displaced labourers from agriculture. Hence, we cannot generalise that the development of irrigation alone would benefit the majority of farmers and landless labourers in Telangana. There is a need to design specific policies for each district to achieve poverty reduction and also for poverty avoidance.

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[The views expressed here are those of the author and do not represent those of the organisation with which he is working.]

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