

# **STRUCTURE AND DYNAMICS OF RURAL POVERTY IN EAST SIKKIM**

Dissertation submitted to  
Department of Economics  
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in partial fulfillment of the requirement for award of the degree of  
**MASTER OF PHILOSOPHY**  
in Economics

**Submitted by**

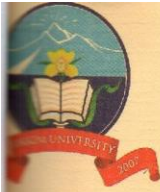
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# सिक्किम विश्वविद्यालय

(भारतीय संसद के अधिनियमद्वारा स्थापित केन्द्रीय विश्वविद्यालय)  
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### DECLARATION

I, Nyima Tenzing, hereby declare that the subject matter of this thesis entitled "Structure and dynamics of rural poverty in east Sikkim" is the record of the work done by me, that the contents of this thesis did not form basis of the awards of any previous degree to me or to the best of my knowledge to anybody else. The thesis has not been submitted by me for any research degree in any other university/institute. This is being submitted in partial fulfillment of the requirement of the degree of Master of Philosophy in the Department of Economics, School of Social Sciences, Sikkim University, Gangtok, India.

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We recommend that this thesis be placed before the examiners for evaluation.

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### CERTIFICATE

This is to certify that the dissertation entitled "Structure and dynamics of rural poverty in east Sikkim" submitted to Sikkim University in a partial fulfillment of the requirement for the degree of Master of Philosophy in Economics, is the result of bona-fide research work carried out by Mr. Nyima Tenzing under my guidance and supervision. No part of the thesis has been submitted, to the best of my knowledge, for any other degree, diploma, associate-ship and fellowship. All the assistance and help received during the course of the investigation have been duly acknowledged by him.

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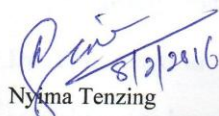
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Nyima Tenzing

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## CHAPTER I

### INTRODUCTION

The concept of poverty has been for long strait-jacketed since the days of Rowntree in 'income space' (Rowntree, 1902). Although a lot of critique of this approach is extant in the literature, the sheer size of 'operationalizing' challenges to the analysts and the appeal of simplicity to the policy circles have perpetuated the orthodoxy in the approach. Needless to say, the evidence of successes in the field of poverty alleviation, armed with the extant approach, is at best a mixed bag the world over. The logical inference that ensues there-from is that poverty in income space is symptomatic of a larger malaise somewhere upstream (Chaudhuri, 2003). In the conventional literature, these malaises are generically clubbed together as 'vulnerabilities'. Poverty however defined is always mediated through vulnerabilities that, in turn, are engendered by inequality-enhancing growth processes. In a stylized way, poverty is an ex-post concept, whereas vulnerability is an ex-ante one. Therefore, all the anti-poverty measures which are based on professed intent of alleviating official income (expenditure) based poverty ratio are, in a sense, intuitively, reactive at best. Moreover, not all the income-enhancing anti-poverty measures are necessarily vulnerability and, for that matter, inequality reducing. Thus, we may reach 'zero poverty' but we sure will not stay there for long. The trajectory of official poverty study in India started with the Task Force under the Chairmanship of Dr. Y K Alagh in 1979. The framework for poverty identification adopted by the committee was based on the calorific adequacy for a normal physical well-being. This was operationalized in the 'space' of minimum consumption that begets the minimum Required Daily Allowance (RDA) of calorie as arrived at by the various expert committees on nutrition under the aegis of Indian Council of Medical Research

(ICMR). All the subsequent changes recommended by the different committees like Lakdawala Committee (1993), Tendulkar Committee (2009) and the most recent one, Rangarajan Committee (2014), have been, in all fairness, some variant of this minimum consumption basket approach, thus maintaining a de-facto continuity in the orthodoxy. The single biggest drawback of such a macro-economic and standardized approach to an issue of such implosive implications as poverty is the fact that it implicitly treats all the other dimensions of human welfare as inconsequential. The spotlight on income is so bright that it blights out the other critical dimensions that also inform on welfare and thus on poverty as well. But all the meritorious criticisms notwithstanding, this approach has been immensely useful in stock taking and inventory keeping of this socio-economic malaise. Income has an instrumental value in bringing about welfare and well-being, but has no intrinsic value as such. By the same token, there are many variables other than income which has instrumental value in the attainment of welfare and well-being. Moreover, many of these variables have intrinsic value in itself. Therefore, exclusive focus on income as a way of comprehending poverty is theoretically on shaky grounds to begin with. And this is further affirmed by many empirical works on Multi-dimensional poverty analysis (United Nations Development Programme [UNDP], 1997; Narayan, 2009; Alkire, 2007; Krishna, 2005). This is succinctly summarised as follows by the Stiglitz-Sen-Fitoussi Commission, subsequently called The Commission on the Measurement of Economic Performance and Social Progress (CMEPSP). To quote the Commission's words, "what we measure affects what we do; and if our measurements are flawed, decisions may be distorted." (CMEPSP, 2008).

Another important weakness of the conventional method of comprehending poverty is in terms of the overall trajectory of poverty over a period of time. Poverty is

essentially a dynamic concept and a static approach howsoever comprehensive would by definition fail to capture the totality of its essence. Poverty is created as it is being destroyed. There are two distinct phenomena that are at play at any given point of time— some people are escaping poverty while at the same time some people are falling into poverty. And the reasons for these phenomena are distinct and independent. Thus, theoretically, there is a need to broaden the approach of poverty study. The present study attempts to investigate into poverty and its dynamics in the rural areas of East Sikkim<sup>1</sup> embedded in an approach that is not merely income/expenditure centric but transcends the circumscription of income/expenditure. A study of this nature would be potential laden and insightful in general and since there has not been serious study of this nature conducted so far in the state of Sikkim, it is reasonable to expect some benefits would accrue in the context of poverty study in Sikkim. This, we earnestly hope, would definitely add to the discourse of poverty debate for the mountain state of Sikkim. Interestingly, the state government has a professed intention of making the state a poverty-free state; a mission to this effect was initiated in 2013. Intuitively, an effective way of speeding up the rate of poverty alleviation is to prevent people from descending into poverty, while at the same time championing policy measures that facilitate people to escape poverty. Further, since the Head Count Ratio [HCR] of poverty in Sikkim is relatively on the lower side, we can safely infer about effectiveness of policy measures in so far income-poverty alleviation is concerned; Sikkim's HCR is 17.8 percent vis-a-vis national HCR of 29.5 percent. But, equally important focus should be to not lose any ground that has already been covered. Thus, a study of this nature would be a significant help in filling the blind-spots of the macro-level poverty alleviation measures of the country,

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<sup>1</sup> East Sikkim is one of the four districts of the state of Sikkim



and also feed into the state government's Mission Poverty-Free Sikkim. The pathways into poverty can be uncovered that will facilitate effective policy prescriptions successfully pre-empting any descent into poverty.

As hinted at the beginning of this chapter, poverty analysis in the state of Sikkim may have to take a broader approach as the state is ostensibly doing well in poverty alleviation in the space as subscribed to by the official approach. Some of the statistics that have been dished out in early September 2013 by the erstwhile Planning Commission are heartening to say the least. According to its report, Sikkim is ranked among the five best performing states in poverty alleviation in the country. States with the least proportion of poor living below poverty line are Goa (5.09%), Kerala (7.05%), Himachal Pradesh (8.06%), Sikkim (8.19%), Punjab (8.26%) and Andhra Pradesh (9.20%). Sikkim has 3.66% of urban population living below poverty line which is the lowest among all states and is followed by Goa (4.09%), Haryana (4.33%) and Kerala (4.97%). In rural areas, 9.85% population of Sikkim is living below poverty line and the state is ranked with the five top states Goa, Himachal Pradesh, Kerala and Punjab in terms of reduction in rural poverty. Of course these official claims need to be checked against the facts obtained on the ground but even if we accept the received wisdom there is the larger question begging for an answer that we can ignore at our own peril: whether the conceptualisation of poverty has been in the right space? In other words, does space of income is really the only thing that matters? Is it able to comfortably reflect the true essence of development understood intuitively by the people at large? In the celebratory mode of commendable achievements by the state in the sphere of income poverty eradication, there is a 'clear and present' danger of confusing the achievements in income as the end in itself. To reiterate, it is of utmost importance to be always aware of the fact that values can be

either of instrumental or intrinsic nature. And in that parlance, income only has instrumental value, unless one is an incorrigible Daniel Dancer<sup>2</sup>. So the real test of development is in looking at what this instrument of income is actually able to beget the people. Sen(1980) brought the concept of 'functionings' to the debate and argued for enlarging set of functionings, both achieved and achievable, as the real objective of development. This implies that poverty is a multi-dimensional concept and as much as we would like to, it is a near impossibility to straitjacket the concept of poverty in a single space, not even of income, and hope to have a better world because one is equipped with a convenient but constricted measure of poverty for policy analysis. Such being the convolution of poverty analysis it is but proper to enlarge the conceptual arena of poverty. It is with this normative conviction that the present study endeavours to analyse poverty not only in the conventional income space as subscribed to by the policy circles but also in the space of other dimensions that are strong co-variates of well-being. In addition, the study also attempts to capture the varied pathways enabling mobility of households on the well-being ladder over a period of time.

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<sup>2</sup> Daniel Dancer (1716–1794) was a notorious English miser whose life was documented soon after his death and continued in print over the following century.

## CHAPTER II

### THEORETICAL BACKGROUND

#### 2.1: Conceptual Framework

The pioneering works on poverty was grounded in a broader framework as evident from the early works of Charles Booth. The poor, according to Booth, "are those whose means may be sufficient, but are barely sufficient, for decent independent life; the 'very poor' those whose means are insufficient for this according to the usual standard of life in this country." (Booth, as quoted by Spicker P. , 1990). In informed hindsight it was but apparent to Booth that poverty, like any social problem, is a complex phenomenon, manifested in several ways and not easily amenable to reductionism. Although Booth's work was to have a great influence in its day, in subsequent years it has been virtually eclipsed by Rowntree's works so much so that its substance is all but forgotten (Ibid, 1990). 'Income poverty paradigm', originating in the pioneering work of Rowntree in 1901, has been the chosen framework in poverty and inequality studies (Rowntree, 1901). It was, undoubtedly, helpful as for the first time any systematic quantification of the extent of deprivation could be operationalized. The common sight of squalor and miseries around could be comprehended, for the first time, in absolute numerical terms. But this very accomplishment of the paradigm, perhaps to a great extent, became its own undoing. The initial successes emboldened the analysts to sharpen their focus on income (consumption) as the sole effective indicator, in the process losing sight of the real object behind the entire exercise in the first place. The convenience accrued by having a single indicator capturing the phenomenon of poverty has lured the poverty narratives through the pathway of income and consumption route since. Hence it is no surprise that majority of the studies that tried to comprehend the issue of poverty are

unidimensional in focus and static in approach (Deaton & Dreze, 2002; Foster, Greere, & Thorbecke, 1984 & Rowntree, 1901). They considered poverty in the 'income/expenditure space' and looked at the incidence at a point in time. Such an approach was, without a doubt, helpful as a starting point for stock taking in terms of poverty malaise. Having settled on the 'income/expenditure' space, the debate was about the appropriate quantum of the benchmark income/expenditure for segregating the total population into poor and non-poor. In fact, the most immediate critique to any official poverty enumeration exercise based on 'income/expenditure' has been in terms of the meagerness of the benchmark quantum. These critiques, with the best of intentions, are essentially of incremental and status-quoists nature (Subramaniam, 2014; Edward, 2006 & Desai, 2006). But the main problem with the use of income as a headline indicator has been the tendency of focus on income to drive out other forms of discussion (Spicker, 2004).

Be that as it may, it is also highly unlikely that they did not see income, in the ultimate analysis, as only an instrument for enabling outcomes in other substantive spheres of life. After all, this realization is at least as old as 'Nichomachean Ethics' of Aristotle as cited by Sen very often. Sen also argues that even Adam Smith was keenly aware of the distinction between indicators of instrumental and intrinsic value (Sen, 1995). The obsession with income paradigm could have been necessitated by the nature of the data availability then, during those early period of data paucity. But the period of 1970s and early 1980s were of conceptual ferment of how to incorporate distributional value judgments (Grusky & Kanbur, 2006). Along with the development of axiomatic indices incorporating value judgments (Foster, Greere, & Thorbecke, 1984 & Atkinson, 1970), this was also a time of cross fertilization between disciplines of philosophy and economics. Maxi-min strategies of Rawl

(1971) in the face of uncertainty further bolstered the support for the weakest section of the society. Robert Nozick's (1974) (Nozick, 1974) equal liberties and John Roemer's (1982) (Roemer, 1982) equality of resources also helped in bringing the discipline of social justice closer to economics, in the context of inequality and poverty study. But all these developments were basically geared towards the question of 'why inequality', not poverty *per se*. The real spotlight on inadequacy of the conventional income or consumption space came about in the beginning of the decade of 1980s (Sen, 1999; 1995; 1987; 1981 & 1980). It became obvious that the conversion of income into outcomes was not as automatic and inevitable as was thought out to be. It became more and more apparent that there are a lot of structural and behavioural mediating factors in between income and outcomes obfuscating conversion processes (Rabin, 1998; Kahneman, 1994; Stiglitz, 1975; Spence, 1973 & Akerlof, 1970). The income paradigm failed to take cognizance of other aspects of life such as health, education and gender that are not well correlated with economic advantage, even when distribution is factored in (Nussbaum, 2006). Some experts even venture so far as to say that the conventional monetary and reductionist approach to poverty was originally devised for the developed countries and hence there are problems in translating their application to the developing world whereas the newer capability approach and participatory methods were first devised with developing countries in mind and hence may be much more precise and relevant to the context (Laderchi, Saith, & Stewart, 2003). Chambers (2002) was essentially echoing the same thing when he rhetorically asked 'Whose reality counts? Ours? Or theirs?'. These alternative perspectives have refocused the concept of poverty as a human condition broadly similar to what Booth originally comprehended when he was obviously spawning the literature. Parr (2006a) asserts that these alternative ideas are not new



but the emerging consensus among policy makers, the public and the development specialists is. This is reflected in the conceptual shift in the treatment of poverty by the World Bank in their World Development Reports since 1980s (Parr, 2006b).

In India too poverty enumeration exercises conducted by various task forces and expert committees of government of India and independent experts are a salient testimony to this fact (Patnaik, 2007; Patnaik, 2013; Rangarajan, et al., 2014). But being based on a unidimensional and static framework, these exercises have not been as effective in capturing the scourge of poverty in its entirety. Despite being on the policy radar for more than half a century for explicit policy thrust, poverty is still widespread and ravaging (Subramaniam, 2014; Rangarajan, et al., 2014; Chandrasekhar & Ghosh, 2013; Deaton & Dreze, 2009; Himanshu, 2008 & Patnaik, 2007). On the broader global arena the same sort of story is evident. Even after attaining incredible affluence, poverty scourge is still ravaging a huge chunk of humanity. So much so that the Millennium Development Goals (MDGs) put the alleviation of poverty as its number one goal. The relentless persistence of poverty compelled the search for a revamp, if not a complete overhaul, of the approach in the field of poverty study. There is now a general consensus that poverty can be understood and explained not only by economic reductionism through quantitative and non-contextual prism but can also be richly understood and explained by anthropological particularism through qualitative and contextual prism and participatory pluralism through commonalities prism (Chambers, 2007; Laderchi, Saith, & Stewart, 2003; Spicker, 2002). Among these, participatory method has gained a lot of currency after the publication of works like 'Voices of the Poor' volumes since 2000 (Narayan & Petesch, 2002; Narayan, Chambers, Shah, & Petesch, 2000 & Narayan, Patel, Schafft, Rademacher, & Schulte, 2000). The novelty of this

method is that it explicitly seeks to recognize and incorporate the perspectives of the poor in understanding both the status and the trajectory of poverty through community based enquiry giving primacy to the poor themselves in narrating their perception and perspective of poverty (Krishna, 2011; Narayan, 2009). By employing a bottom up approach these studies could beget deeper insights into the pathways both out of and into poverty. But the qualitative researches in the field are by no means a new one. The late 1970s was a kind of silent revolution in the sphere of understanding poverty in a dynamic context. So much so, that it almost seemed like a cottage industry. The theatre of action was but obviously South Asia and Sub-Saharan Africa. The World Bank sponsored studies like 'Voices of the Poor, 1999' and 'Moving out of poverty, 2005' led by Deepa Narayan uncovered many invaluable insights into the dynamics of poverty trajectory. In south Asia, Bangladesh has been a focus of the study by many experts and analysts ( Hulme & Sen, 2006; Davis, 2006). Davis (2006) used the method of life histories to understand the dynamics of poverty in Bangladesh, and his findings uncovered the harsh and long-term impact of a number of categories of crisis in a fresh way. These included: illnesses, dowry, underemployment and low income, court cases, business failures, crop loss, divorce, household breakdown, violence, conflicts and crimes. The different vantage points taken address many of the blind spots of other methods and provide a complement to the existing suite of research approaches that have already been informing the social policy in development contexts (Ibid, 2006, p. 33). A similar kind of study was done in rural Peru, though this study was not strictly a qualitative one (Krishna, et al., 2006). The authors used household surveys method but the predominant feature and emphasis was the in-depth targeted study households of the rural community with special focus on livestock. Another dynamic study in Indonesia by McCulloch, Timmer, & Weisbrod (2007)

suggests that there is no single and simple answer to the question of poverty alleviation measures, implying that a standardized measure at macro-level might not be so effective as conventionally thought of. A micro level study by Kristjanson, et al., (2004) related to livestock as an important means of pathways out of poverty in Kenya reveals that 18 percent of the study village households have managed to escape poverty and 19 percent have fallen into poverty during the same time period. There are active pathways both into and out of poverty, and the reasons for, and livelihood strategies associated with, each pathway is different. What this essentially means is that different projects, programs and policies will be needed to address these different pathways. A study by International Rice Institute (IRI) also reached a similar kind of conclusion in rural Philippines (Fuwa, 2006). The results suggest, therefore, that while various theoretical models point to different mechanisms of economic mobility it is important to examine empirically the relative importance of the determinants of economic mobility in country specific contexts before designing policies for poverty reduction. A bottom-up approach for studying escape of poverty and descent into poverty, more carefully at the grassroots level was done by Krishna (2005) in the Indian states of Gujarat, Andhra Pradesh and Karnataka. His study revealed that (a) escape from poverty and descent into poverty have occurred simultaneously in every study village; (b) even some quite well-to-do households have succumbed to descent; and (c) the set of factors associated with escapes differs from the set of factors associated with descents. Further, the study unambiguously suggested that two separate sets of poverty policies are required therefore: one set to assist households to escape from poverty and another set of policies to head off descent. Because reasons for escape and descent vary by region, both sets of policies need to be regionally differentiated. A similar kind of insights are also evident from many other studies

(Muyanga, Jayne, & Burke, 2012; Banda, Hamukwala, Haggblade, & Chapoto, 2011; Woolard & Klasen, 2004; Robb, 1998 & Jodha, 1988). Reviewing the extant literature it is unmistakably apparent that poverty is essentially a social construct to operationalize the deprivations that are not always objectively measurable. Being a construct it lends itself to many varied constructions given one's paradigm and prejudice. This, hence, is the fountainhead of all the disagreements in the field of philosophy of poverty. Conceptually, nothing much has changed in the idea of a threshold benchmark that Seebom Rowntree innovated in 1901 to identify the incidence of poverty in space and time. The reality begot through these benchmarks was quite contrary to what anecdotal evidences suggested, fuelling many empirical investigations. Not surprisingly, to a great extent these empirical studies seemed to vindicate what the anecdotal evidences were suggesting all along. Over and above all these idiosyncrasies, poverty trajectory in hilly areas are impacted by spatial idiosyncrasy too. Even an exhaustive and comprehensive study of poverty in plain areas is, at best, a poor predictor of poverty trajectory of the hilly areas. To provide salience to these specificities and emphasize the operational difference in the concept of poverty in the context of hilly areas International Center for Integrated Mountain Development (ICIMOD) termed poverty in hilly areas as 'Mountain Poverty'. Owing to such conundrum and contradictions new methodology and hence, methods were adopted to look into the issue of poverty. The monopoly of macro-perspective and framework to study poverty was severely questioned. In such a backdrop, the proposed study seeks to capture the essence of poverty in the rural areas of East Sikkim with its context-specificity.

The present study endeavours to accomplish two conceptually distinct yet organically related phenomena. In keeping with the order of the things, the first part would try to

conceptualise poverty in the most appropriate space. And the second part would try to investigate the varied pathways that have enabled the poor to escape poverty over the course of more than a decade in the sampled villages of the study. Since Sikkim is one of the more successful states in alleviating income poverty (Rangrajan, Dev, Sundaram, Vyas, & Datta, 2014 & Tendulkar, Radhakrishna, & Sengupta, 2009), it will not be an exaggeration to term its performance as eradication as opposed to alleviation, in the true sense of the term. Such being the obtained situation, the present study puts an effort to accomplish two things: one; cross-check the official claims against the ground reality in the sampled villages, two; find out to what extent these official understanding of poverty synchronises with the understanding of poverty by the poor who actually lived and live the daily reality of poverty. To accomplish this, needless to say, we needed to adopt a different framework of thinking about poverty than the official framework that has income as the focal variable. Poverty conceptualised in the space of income and or consumption has a respectable ancestry (Rowntree, 1901) and equally illustrious adherents subsequently (Foster, Greere, & Thorbecke, 1984), but starting with the Sen's Tanner lecture of 'Equality of what?' in 1979 the exclusive focus on income in conceptualising poverty began to be questioned. This critique culminated in what is now popularly known as ' Capability Approach (CA)'. There is now a vast extant literature on CA spawned by Sen's critique in 1979 (Sen, 1980).

### **2.1.1: Capability Approach (CA) versus Expenditure-oriented Approach**

The orthodox framework of income poverty is an extension of the orthodox welfare economics based on utilitarianism. As it obtains in the utilitarianism, in empirical world income is a proxy for what in theory is known as utility. This being so, there



are two fundamental flaws that ensues henceforth. One; income is, at best, a rough proxy for wellbeing and utility. There are many intervening factors in between that can render the presumed strict relationship between income and utility asunder. For example, a differently-abled person may need more income than an abled-body person to attain the same level of utility. Two; similar amount of utility may result from two very dissimilar predicaments. This is so because utilities are, in actual reality, not fixed and given as assumed by utilitarianism, they are adaptive instead (Sen, 1989). For example, although men and women are paid unequally for the same job, yet the utility of both groups would be more or less same because women folks have adapted their utility in the long history of gender inequality. Hence, even if we assume, for argument's sake, that income reflects the true well-being, the reflected true well-being may actually be a distorted well-being in the first place. This is forcefully argued by Sen through his now-well known 'Adaptive preferences' critique (Ibid, 1989).

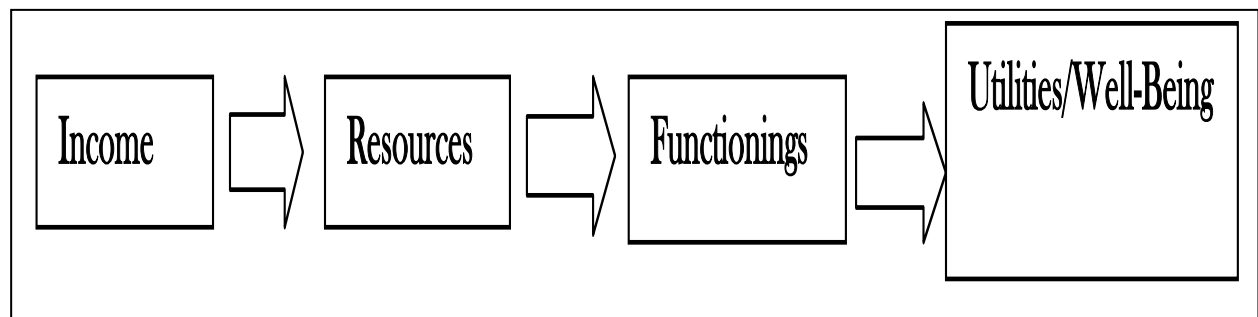
Another variant of utilitarianism that are generically named as 'resourcist' has taken cognizance of this flaw and has endeavoured to refine the framework by focusing on the actual resources rather than its proxy in the form of income. The approach is spawned by Rawl's 'Theory of Justice' of 1971. His schema has 'primary goods' in the form focal variable. Here 'primary goods' includes not only the tangible goods but also basic freedom and individual liberties. It is pertinent to note here that Rawl's schema is not limited to only affirming an evaluative space, it in fact treads further and proposes an aggregative rule of social choice. The rule is of 'maximin'; maximising the utilities proxied by 'primary goods' under the hypothesis of an 'original situation' that is under the 'veil of ignorance'. In this sense, it is not a mere framework of thought but is an actual theory of social choice and justice. Be that as it

may, it is also an approach of evaluating a social choice. The basic needs approach to evaluating poverty is a culmination of this mode of thought. Although a step in the positive direction, this approach too has two flaws, one; a fundamental flaw in the form of its presumption of resources being equivalent to well-being, the conversion of resources into utility and for that matter well-being is a highly idiosyncratic process. There is no inevitability, let alone automatism. Two; a logistical flaw in the form of having to necessarily adopt income as the proxy in enumerating at least some of the resources. It is analogous to income being pushed out of the front door only to be accepted in through the back door. Suffice to say here that this approach too leaves a lot to be desired. Amidst such a conceptual conundrum and fervour Sen delivered his fecund lecture of 'Equality of what?' and spawned a new and novel mode of thinking about development in particular and social choice in general (Grusky & Kanbur, 2006).

CA is inspired by the all too frequent confusion among development thinkers between instrumental and intrinsic value (Sen, 1980). The various doings and beings which Sen calls 'functionings' are what income is instrumental in bringing about. Seen in this light, income is not valuable of and in itself, it has an instrumental value instead. This lucidity in terms of ends and means being distinct and having distinctively differing importance is what capability approach contributed to the development discourse in the late seventies. In all fairness, mention must be made of the fact that the intuitive reality of human beings being the ends in the final analysis is not an artifact of the twentieth century economists. It can be traced back in the metaphors of *Upanishads* and musings of *Buddha*. In 'Nichomachean Ethics' Aristotle seems all sorted out, sans any confusion, when he says, "wealth is evidently not the good we are seeking; for it is merely useful and for the sake of something else." (Sen,

2000). Sen also never tires in quoting Adam Smith and Karl Marx for their incisiveness when it comes to the elusive conundrum of means and ends. Moreover, even some of the functionings that income mediates in begetting are themselves of only instrumental value. For example, the communication functioning mediated by mobile phone begotten through income is itself an instrument for further doings and or beings. A stylised sequential schema like the one shown below can better represent the chain that is involved.

**Figure 2.1: Conversion of income into outcome**



The issue with income and for that matter consumption is that it has, at best, a loose relationship with functionings. This loose relationship is mediated, inter alia, by human diversities in the relevant spaces. There is no inevitability of outlay translating into outcome, let alone desired one. The ability to convert income into consumption or whatever is the desired functioning is different for different individual. This conversion capacity is informed and impacted by factors that can be broadly categorised as personal, social and environmental (Robeyns, 2005). To elucidate, if the person is completely illiterate or if the society forbids one from using a mobile phone or if there is no electricity then the mobile phone is of no avail to him. Since functionings are all the various 'doings and or beings' they are the mere possibilities.

There is nothing in functionings as such that connotes its realisation and hence they can be categorised into either 'achieved functionings' or 'potential functionings'. A set of functionings both achieved and potential, make up an individual's capabilities set. Hence, capability is a vector of functionings, both achieved and potential. In other words, capability not only includes the varied functionings but also the freedom to choose among these functionings too. This is important because by incorporating freedom to choose CA explicitly accorded primal importance to individual liberty in social choice exercises. Rather than shying away from making value judgements it explicitly upholds the political philosophy of individual liberty. So is it a complete theory of social choice then? As Sen (1980) says a theory needs to have two components present in it to be called so in the true sense of the term. These two components are, first; aggregative rule or norm and second; a proper space to apply those rules or norm on. Clearly, CA is devoid of the first component, it in fact focuses on the second component, namely the evaluative space. Therefore, it is a framework of thought, a mode of thinking about normative issues for a wide range of evaluative purposes (Robeyns, 2005). Does that mean CA is inadequate to be a full-fledged theory? Far from it, there is nothing inherently inadequate in the concept of capability to be a wholesome theory of social choice. In fact, Martha Nussbaum, the other prominent proponent of CA, has made it out to be a partial theory of social justice. She accomplished it by endorsing a set of functionings as basic and core (Nussbaum, 2006). In other words, it is only Sen's refusal to commit to any list of functionings as core and primal that has stopped it short of being a full- fledged theory. Sen's reluctance stems from his liberal philosophy of letting people judge for themselves when it comes to their well-being. He is of the strong opinion that public discourse

within a deliberative democratic process would be the proper channel for deciding on the constitutive elements of the list of relevant functionings (Robeyns, 2005).

So it may not be too way off the mark to say that the sheer challenge of conceptualising human beings as an end into an operational metric may have been pivotal in compelling the intervening thinkers in side-stepping the saintly advices of the sages and worldly insights of the philosophers. Here lies the real ingenuity of Sen. He has relentlessly over the several decades argued and aroused discussion on the choice of a proper evaluative space, all along resisting the urge within and provocations without of endorsing a particular set of metrics of measurements. For example, Nussbaum has been very vocal in her disappointment with Sen for not endorsing a list of 'central capabilities' (Nussbaum, 2006). What Sen (1980) has to say, below, in response to this critique leaves no doubt about his intention to make his approach a general framework and not a specific theory.

*"The problem is not with listing important capabilities, but with insisting on one predetermined canonical list of capabilities, chosen by theorists without any general social discussion or public reasoning. To have such a fixed list, emanating entirely from pure theory, is to deny the possibility of fruitful public participation on what should be included and why public discussion and reasoning can lead to a better understanding of the role, reach and significance of particular capabilities" (pp: 77-80)*

In the 1990s and the early 2000s there were many empirical applications that have been done based on the CA. CA, inter-alia, has been used to investigate poverty, inequality, well-being, social justice, gender, social exclusion, health, disability, child poverty and identity, etc. The most well known measure is the human development index (HDI), which covers income (opportunities), life expectancy, and education.



This kind of quantitative applications based on aggregated data has become widespread, especially in development studies. Just to get a sense of its broad scope and applicability, some studies have tried to capture capabilities in terms of freedom to choose and human talents and skills (Jasek-Rysdahl, 2001). Furthermore, several studies have investigated the links between income (or expenditure) and various capabilities (Klasen, 2000; Ruggeri-Laderchi, 1997 & Balestrino, 1996). There have been numerous attempts to apply the CA to the measurement of poverty and well-being (Majumdar & Subramaniam, 2001; Klasen, 2000; Chiappero Martinetti, 2000; Chiappero Martinetti, 1996; Balestrino, 1996 & Sen, 1995; 2000). A major recent book on the capability approach is Sabina Alkire's *Valuing Freedoms: Sen's capability approach and poverty reduction* (Alkire, 2002). Part II of *Valuing Freedoms* consists of one specific empirical application of the capability approach: a capability evaluation of three Oxfam projects in Pakistan. Another very elaborate study that used the capability approach as its theoretical spine is the evaluative study of India by Dreze and Sen (2002). Their analysis of India's recent development achievements focused on a number of missing capabilities and the goods, institutions and practices needed to enable them, which were each analysed at length: education, health, hunger, political participation, reproductive health, violence and the effects on human well-being of nuclear threats, among others. Both the theoretical arguments as well as the empirical applications show that it has proven unfounded to conclude that the capability approach is not operationalisable. Many of these studies provide empirical support for the CA by suggesting that income and capabilities do not always go together.

The following quote from Robeyns (2005) succinctly sums up the appeal of this framework:

"The approach highlights the difference between means and ends, and between substantive freedoms (capabilities) and outcomes (achieved functionings). The capability approach is not a panacea for research on development, poverty, justice, and social policies, but it can provide an important framework for such analyses."

### **2.1.2: Pathways into and out of poverty**

Poverty in the space of income is neither a static concept nor a one way traffic, so to speak. Poverty is created as it is destroyed, in other words, the dynamism in poverty can be either ways. At any given time, there are many people who are escaping poverty and in the same temporal setting many are falling into poverty as well (Krishna, 2006). Now it goes without saying that there can be many different pathways out of poverty and equally as many into poverty. Needless to say the analysis would be rendered manageable if a framework of thinking about it is developed first. A proper place to pick up the pieces would be among the underlying causal factors that bestow dynamism to the phenomenon of poverty in either direction. In this regard the freedom and ability to self-exploit one's labour would be a basic driving force. This freedom to self-exploit one's labour can be broadly termed as economic opportunities. These opportunities facilitate movement out of poverty. Conversely, lack of these opportunities precipitate falling into poverty (Narayan, 2009 & Krishna, 2005). But real and effective economic opportunities do not arise in vacuum. These economic opportunities are a result of enabling and responsive institutions and governance. Hence effective and sustainable economic opportunities are carefully fostered and not fortuitous. But the mere presence of economic opportunities engendered by favourable institutions and governance may not lead to movement out of poverty. Given the real effective economic opportunities, the pathways out of poverty would be determined by individual and collective agency

(Narayan, 2009 & Krishna, 2007). Agency, both individual and collective, again in turn is constituted by individual initiatives and social cohesiveness. Individual initiatives are motivated, among others, by psychological and social factors whereas social cohesiveness is determined by what is broadly termed as 'social capital' (Narayan, 2009; pp: 243-245). In a nutshell, individual initiatives and social cohesiveness are constitutive components of both individual and collective agency. It is only pertinent here to emphasise the potency of individual and collective agency; wherever and whenever active they almost always prove to be capable of overcoming the impediments to pathways out of poverty posed by institutional rigidities and opaque governance. Thus, it can not only capitalize on the enabling effects of responsive institutions and transparent governance but also have the capacity to overcome the disabling effects of rigid institutions and opaque governance. But individual agency is determined by a sense of self-confidence, a sense of power over decision making and capacity to aspire. Similarly, collective agency is determined by a level of social capital in the community (Narayan, 2009). Thus, a robust framework of thinking about dynamics of poverty will be through the matrix of opportunity-agency interactions while also taking cognisance of the psycho-social dimensions of the community as well.

It is not hard to see that economic opportunities are pivotal for pathways out of poverty, converse being equally true. But as aforementioned these economic opportunities have to be complemented by individual agency. Thus the pathways out and into poverty is, plausibly, determined by this matrix of opportunities and agency. In other words, the interactions between opportunity and agency will inform the dynamics of poverty overtime.

## CHAPTER III

### METHODOLOGY AND OBJECTIVES OF THE STUDY

#### 3.1: Research gap

Poverty is essentially a social construct to operationalize the deprivations that are not always objectively measurable. Being a construct it lends itself to many varied constructions given one's paradigms and prejudices. This, hence, is the fountainhead of all the disagreements in the extant literature on poverty. Conceptually, nothing much has changed in the idea of a threshold benchmark that Seebohm Rowntree innovated in 1901 to identify the incidence of poverty in space and time. What we see today around the world is essentially an inflated version of this benchmark. This seemed to serve the purpose well enough till about 1980s for the world in general and India in particular. Disenchantment started growing in the decades since 1990s. The reality begot through these benchmarks was quite contrary to what anecdotal evidences suggested, fuelling many empirical investigations. Not surprisingly, to a great extent these empirical studies seemed to vindicate what the anecdotal evidences were suggesting all along. New methodology and hence, methods were adopted to look into the essence and trajectory of poverty. The monopoly of macro-perspective and framework to study poverty was severely questioned. In such a backdrop, the proposed study seeks to capture the essence and trajectory of poverty in the rural areas of East Sikkim with its context-specificity.

#### 3.1.1: Research questions

Rooted in an alternative way of making sense of poverty dynamics, following are the broad research questions:

- Does poverty in income space actually capture the sum total of poverty for the poor in the mountain state of Sikkim?
- Is the essence of poverty as experienced by the poor in the rural areas of East Sikkim meaningfully captured by variables other than income/consumption?
- What informs the trajectory of poverty in the rural areas of East Sikkim?

### **3.1.2: Objectives**

The study has following three core objectives:

- To find out whether there is any conceptual mismatch between the poverty described by the policy officials in the country and the poverty understood by the poor in the rural Sikkim.
- To uncover the nuances beneath the macro data of poverty of the study area in particular and Sikkim in general.
- To understand the actual impact of opportunity-agency matrix on the trajectory of poverty in the study area.

### **3.2: Methodology**

Research methodology refers to the theory of the research and the reasons for the way the research has been designed. The present study is broadly a qualitative study, based primarily on the self-reporting method of investigation. It is a community-based study giving primacy to the voices of those who lived and live poverty. Of course, the findings would be subject to objective and logical analysis but the analysis would be of experiences and narration of the sampled community members and not so much of the researcher's independent worldview of poverty. The motivation for such a methodology for the present study follows from the three research questions that we

mentioned in the preceding section . All the three questions are, in a way, geared towards providing some kind of ownership to the respondents in the findings that would emerge from the study.

### **3.2.1: Research Design and its rationale**

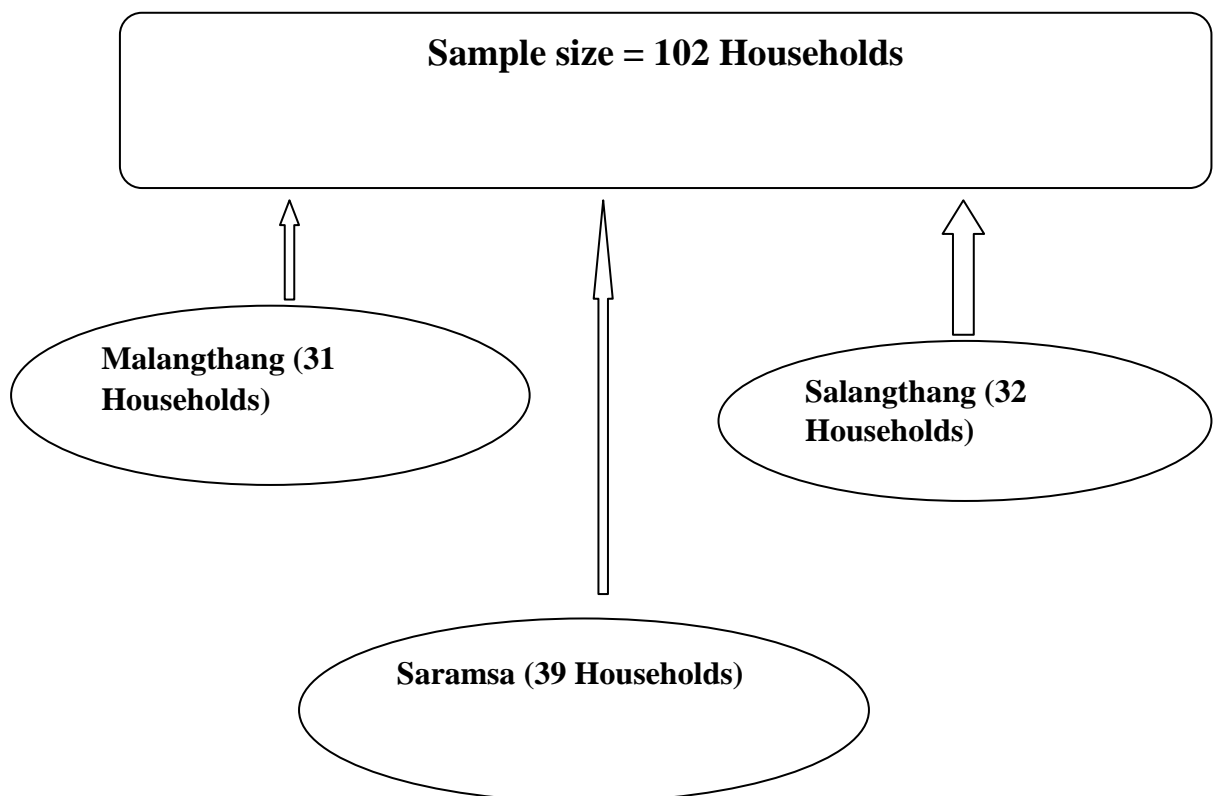
On a broad level, the present study can be viewed as a two phase study. One phase is concerned with comprehending poverty in both etic and emic perspectives and investigating whether any congruence between the two different concepts of poverty that is obtained using a mix of both quantitative and qualitative methods akin to what has come to be known as Q-Squared or Qual-Quant framework. The second phase is oriented towards an opportunity-agency framework to explore the dynamics of poverty, using the approach of community-based method, by and large, similar to the one employed by the World Bank sponsored study led by Deepa Narayan, entitled 'Moving out of Poverty' in 2005. The focus of the method is to understand poverty from the poor themselves, as opposed to the conventional method of a top-down, extraneous prescriptions. Premised on the empirical realisation that the concept of poverty as situated the way it is in the conventional construct is distortionary at best, the present study endeavours to accomplish two things at a broad level; one, to see if the notion of poverty as defined conventionally is congruent with the ground reality and two, whether an alternative construct of poverty is more appropriate. This then necessitates the study to adopt a qual-quant (Q-Squared) approach as its overarching superstructure. The conventional poverty identification exercises based on income or consumption adequacy is a typical example of a quantitative method. Although this approach is helpful as a starting point in comprehending and conceptualising the phenomenon of poverty it is far from adequate at best. There is a growing consensus arguing for moving beyond this uni-dimensional approach. The result is a huge body

of work extant on poverty that sought to move beyond income and consumption like Human Poverty Index and Multidimensional Poverty Index that are more in the nature of a qualitative method. However, it needs to be mentioned here that qualitative studies are far from a homogeneous method. Although paradigmatically they may exhibit homogeneity, the specific methods are far from being so. Capability approach, anthropological approach and participatory approach are all steeped in qualitative paradigm but they are unique in their own way of reaching the truth. Convinced by the wisdom of all these three different approaches, the present study seeks to blend all these three approaches. And since the present study is not restricted to any one of these three approaches, rather it makes use of all the three approaches, it is more appropriate to see the present study situated within the broad umbrella of qual-quant edifice.

### **3.2.2: Setting and Participants**

The study selected three villages in close proximity to the town of Gangtok, the capital of Sikkim and arguably the most developed spatial unit of the state. The reason for selecting villages around Gangtok is based on the rationale of testing the broad validity of the official version of poverty alleviation achievements. Remember this is one of the research questions of the present study. The expanded logic here is that if the immediate hinterlands of the development hub is somehow failing the test than the predicament of the more remote areas are absolutely a foregone conclusion. With this broad overarching rationale the actual selection of the villages were done on purposive basis keeping an eye to capture the geographical spread. Two small villages from rural areas north of Gangtok and one large village from the rural areas south of Gangtok were selected. In the two small villages although we decided to cover all the households, some houses were locked on the survey days. But all in all, we could

cover more than 90% of the households in both these small villages. As for the large village, the total number of households were around 350, so we decided to take a sample size of 40 households. This sample was selected based on a combination of convenience and random process; we went to different directions of the village on different days and covered the first 40 households that were available and willing to be interviewed.



### 3.2.3: Instrumentation

The study used an interview schedule that has two distinct parts as its instrument. This is so because the field study was both a quantitative survey and a qualitative enquiry. For capturing quantitative data a schedule was developed that contained the relevant questions that elicited answers that are expected to help in elucidating the research



questions of the study. But since the present study seeks to go beyond mere quantitative analysis we supplemented this data collection method by qualitative interviews. It was a confounding challenge to draw up a schedule for it, there was always the risk of blurring the line between quantitative and qualitative component by overemphasising on the categorisation and structure. On the other hand, simply leaving this portion unstructured was running the risk of losing focus and traversing on the irrelevant tangents. Nevertheless, we did frame up a rudimentary schedule and ran a pilot as described in the following section. This piloting immensely helped in designing the final schedule for the qualitative component.

#### **3.2.4: Pilot Study**

For any effective fieldwork based study a pilot survey is an indispensable part of it. This stylised fact is all the more true for the present study as it seeks to capture the essence and dynamics of poverty through both quantitative and qualitative methods. A preliminary survey schedule was drafted based on the research questions of the study. Since the study was situated in qual-quant approach, the drafted schedule had two sections, one for the quantitative data capturing and second for the qualitative narrative capturing in a form of a broadly unstructured interview schedule. The designed instrument was piloted in the outskirts of Gangtok Town. The pilot study had a respondent size of 10 households. Although these households fall under Gangtok Municipal area, it is, de facto, a rural area. The respondents were of different age group from late 20s to early 80s. The realities and nuances encountered during the pilot survey helped in tailoring the final survey schedule, making it more in tune with practicability. During these pilot surveys we found that the quantitative part of the schedule was broadly translating into readily practicable. But the qualitative component of the survey was, as expected a priori, to a significant extent challenging.

Qualitative interview, by its very nature being unstructured, tended to extend for long duration. And because the interview gives the respondents a chance to relive their life retrospectively, it was at once emotionally taxing yet nostalgically covetous for the respondents. The pilot survey unmistakably made us realise the pitfalls that are shadowing qualitative interview at any given time. Because qualitative interviews are more personal; respondents, once comfortable, tend to speak at length, emoting and opinionating all along. Hence we saw the need to broadly structure the so-called unstructured schedule. The qualitative component of final survey schedule was immensely informed by the pilot survey.

### **3.2.5: Procedure**

The fieldwork was in two stages. First stage was a focus group discussion with the villagers wherein we sought to understand well-being and poverty from the perspective of the villagers themselves. Second stage was one on one interview with the respondents at their own household premise. To begin with, we contacted the Panchayat of the villages and set up the day and time of the village focus group meeting. Once that is accomplished, we visited the villages an hour ahead of time to have a background discussion with the respective Panchayat. Panchayat as key informant helped us attain a broad background of the village in terms of demography, size of the village, livelihood, brief local history of the village, etc. Subsequent to this, we embarked on focus group discussion and household interview. The fieldwork commenced in last week of May, 2015. This timing was purposive as any further delay would have meant risking the vagaries of monsoon and also intruding into the sowing season of Paddy, locally known as *Asar*. The method employed here is akin to what is called 'Ladder of life', devised by Narayan (2005). In this approach, an FGD is called in the sampled village. The discussion group through interactive discussion

creates a schema of 'ladder of life' for their village based on the levels of welfare they perceive in their community. The various steps on the ladder distinctly represent a level of welfare in the village. The present study adopted a similar procedure in its FGDs in the villages to prime up the discussions although we did not create any specific 'ladder' in the ensuing discussions. Instead we treated the 'ladder of life' as a broad procedural guidance for the FGDs that we conducted. For Narayan (2009) a 'ladder of life' schema facilitated in delineating a community developed poverty line which in turn helped in categorising households into poor and non-poor group. This is where the present study differs, we desisted from resorting to any kind of reductionist approach in identifying poverty. We extended primacy to the actual articulation of the discussants by avoiding any reductionist trap. After an intense brain-storming and discussion in the FGDs we arrived at a neat and near unanimous classification of the households in the villages<sup>3</sup> into poor and non-poor category.

The next step is to find out the dynamics of poverty of the community over a period of time. To do this, a reference event of the past in the village which is remembered by almost all of the members is zeroed in on. This is necessary so there is no confusion and error in the memory recall when it comes to the status of the family while referring to that past period. Needless to say, it also helps in bringing near uniformity in the recall period. Generally, this event is some popular socio-political landmark that created a significant amount of ripple at the time (Narayan, 2009). In the present study, one such event could have been the ascent of Sikkim Democratic Front (SDF) Party to power in 1994. But this was fraught with a lot of dangers. There was every possibility that the narration of the respondents would be distorted by anticipation of either a potential benefit or imagined reprimand. We, therefore,

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<sup>3</sup> This was slightly different in the third village, Saramsa. It is detailed in the section ahead.

brainstormed with the villagers about any past events which is clearly remembered by most of the villagers. We started with most recent and took them back in past one event at a time. In the first village, Malangthang, one unfortunate incident occurred about 20 years back, in 1995, that is distinctly remembered by almost all of the adult villagers. It so happened that three school going sons, ages ranging from 6 to 12, of a single family died of mushroom poisoning. In the rural areas of Sikkim wild mushroom is a popular and coveted vegetable but some of these varieties are very poisonous too. These kids while on their way back home from school harvested wild mushrooms that they happen to come across on their way back. As fate would have it, when they reached home with their wild harvest their parents were not home, they were out in the field working as it was paddy sowing season month of *Asar*. So, kids being kids, they cooked the mushroom and ate it among themselves. By dusk when the parents reached home one son was already unconscious and the other two were also very sick. Eventually, they took them to the hospital in Gangtok but all three of them succumbed within days of each other. This tragic incident is distinctly remembered by the villagers, more clearly by the adult villagers. Naturally, the sheer gravity of the tragedy was so big that it still evokes a distinct recollection among the villagers. And because this happened about 20 years back, it was a convenient, ready and almost perfect reference event to compare the situations of well-being in the village then and now. Being sensitive to the fact that it is a tragic incident of immense proportion to the family concerned, we spoke at length with the family member concerned after the FGD in order to make sure we did not even inadvertently hurt the sentiments of the aggrieved family while discussing this event with the village at large in the FGD. The family is survived by the mother and one son who is now married and has two children, a daughter and a son. Although we didn't specifically ask the

family permission to use the tragic event as a reference event for our study; we thought it would be a bit too insensitive to ask the aggrieved mother directly in the FGD (she was present in the FGD), instead we spoke with them after the FGD, particularly the mother, at length about the tragic event, all the while giving them centre stage to narrate their views on the event from all angles possible. This, by and by, brought about a sense of soft closure and comfort level to them and they were all sort of disarmed and open-minded. Ideally speaking, we should have undertaken this step before deciding to use this particular event as our reference event in our poverty identification exercise. As much as we believe that this is the proper and ideal way to go about, this couldn't have been possible as the very discovery of this tragic event in the village was through the FGD that we had. The best we could have done was to hold back the poverty identification exercise and visit the aggrieved family in private to gauge their comfort level in the study using the tragic event as a reference event. But this would have necessitated a second FGD in the village post the private discussion with the aggrieved family but it is quite a challenge to gather the village folks together repeatedly and assuming they graciously agree to meet again, there is no guarantee that we would be meeting the same set of people that participated in the first FGD. Such a situation might have potentially brought distortions in the findings of the whole exercise. Considering all the pros and cons, we decided to go about the way we went about. And since the second village, Salangthang, is immediately contiguous to the first village, Malangthang, and moreover, this second village used to be a part of the Malangthang village during the time of tragic event; only recently have Salangthang been carved out of the earlier larger Malangthang due to Panchayat ward delimitation exercise by the government, the same event could be as effectively used as a reference event in Salangthang village too. But we were compelled to take a

different approach in the case of the third village, Saramsa. First of all, this village was much larger in size than the other two and hence we had to necessarily conduct a sample survey. Also, the FGD that we had in this village was also not very well attended and even those who attended were not very well conversant with the broad economic profile of most of the households. This only left us the option of resorting to the village Panchayat member for broad poverty identification exercise of the village. Fortuitously, the concerned Panchayat member has been the village panchayat for a pretty long time uninterruptedly, he was serving his third consecutive term when we were conducting the study. This, then, not only afforded us a reliably knowledgeable key informant but also a convenient reference period. We considered time period when he was first elected as the village panchayat as our trace-back period which turned out to be roughly 13 years in his case. Given the fact that poverty transition is almost always a long term phenomenon, it is not too presumptuous to treat these two time intervals as comparable. Having thus created a reference period and event, we undertook the exercise of identifying the well-being status of the households in two different time periods, present and the past with the help of these reference events. Once the reference period/event is agreed upon in the discussion, we asked the discussants where each household stood in terms of poor and non-poor category at the time of reference event/period and where they stand today. Accordingly, similar to Narayan (2009), households are categorized into the following four categories:

- a) Became non-poor (Upward Mobile or UM);
- b) Remained poor (Chronic Poor or CP);
- c) Became poor (Downward Mobile or DM);
- d) Stayed non-poor (Never Poor or NP)

Next, we visited each household for one on one interview. This interview would capture quantitative data of socio-economic variable and also engage in qualitative interview to capture the nuances that normally eludes a quantitative perspective. Through life-history interviews the pathways out of and into poverty are investigated into. In addition, this step would act as a triangulating process to verify and validate what has already been shared to us by them in a group.

### **3.2.6: Ethical Considerations**

Being essentially a socio-economic research and that too a combination of quantitative and qualitative research, the present study recognises certain minimal standard of ethics toward the respondents in particular and procedures in general. Some of the ethical considerations we strictly adhered to are:

- a) ***Non-intrusive:*** We made absolutely sure that we are not an unwelcome intrusion by the respondents. This is accomplished both at a general level and an individual level. On a general level we timed our fieldwork during slack season before sowing month of 'Asar' and at individual level, by revealing the study's purpose and asking each respondents in unambiguous way whether they have some time free on hand to spare for sitting for a conversation with us.
- b) ***Confidentiality:*** Since the study elicited life histories from the respondents we assured strict confidentiality and non-disclosure of identity to our respondents and have adhered to it ardently.
- c) ***Respectfully extractive:*** Qualitative interviews, by nature, being open-ended there is always a lurking danger of being too extractive on the respondents, thereby exposing them to emotional discomfort and painful recall. Therefore, we earnestly

adopted a principle of being extractive in an agreeable and respectful way in all our interviews with the respondents.

### **3.3: Area of the study<sup>4</sup>**

This proposed study intends to enquire into the dynamics of poverty in rural areas of east Sikkim through the perspectives of the poor themselves. Before describing the actual study areas, we think it fit to describe the state of Sikkim for the benefit of the readers who are not very familiar with this tiny Himalayan State. Sikkim is a landlocked state of Indian union, located in the Himalayan Mountains. It is bordered by Nepal to the west, China's Tibet Autonomous Region to the north and east, Bhutan to the east and the state of West Bengal (India) to the south. With 610,577 inhabitants as of the 2011 census, Sikkim is the least populous state in India and the second smallest state after Goa in term of geographical area, covering approximately 7,096 sq.km. (2,740 sq. mile). Sikkim is, nonetheless, geographically diverse due to its location in the Himalayas; the climate ranges from subtropical to high alpine. It is also a popular tourist destination, owing to its culture, scenery and biodiversity. The state is divided into four districts, viz. East, West, North and South. Gangtok is the capital of Sikkim and the largest city of the state. Although Sikkim is near synonymous with tourism, the populace is predominantly reliant on agriculture for livelihood. In that sense, Sikkim is grappling with all the malaise that a predominantly agricultural society is beset with, poverty being one of them. Having said that, Sikkim has a commendable record in terms of poverty alleviation and the other development indicators. According to the Rangarajan Committee, the Head Count Ratio (HCR) of poverty in Sikkim was estimated at 17.8 percent in 2011-12, compared to 23.1 percent

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<sup>4</sup> This section is extensively borrowed from the Sikkim Human Development Report 2014



in 2009-10. It was 29.5 percent and 38.2 percent respectively for all India level during the same period (Rangarajan, et al., 2014). Evidently, the biennial decline was 5.3 percent, much less than the national rate of 8.7 percent. At the rural poverty line of Rs. 1126.5 per month in Sikkim, one fifth of the rural people are poor. The absolute number of poor people is ninety thousand. In case of urban area, the absolute number of poor people is twenty thousand which is about 11.7 percent of the entire urban population. These are anchored on urban poverty line of Rs. 1542.67 somewhat higher than the rural poverty line to compensate for the higher cost of living in urban areas. On a broader dimension of development Sikkim was among the top five states that recorded the maximum acceleration in the Human Development Index (HDI), which went up from 0.582 in 1996 to 0.665 in 2006 as per the national Human Development Report (HDR). This has been possible, arguably because of an impressive growth in incomes over the past decades. Through most of the 1990s, the net state domestic product (NSDP) grew, on an average, by 5.75 per cent per annum (between 1993 and 2000). However, between 2001 and 2012, Sikkim's NSDP grew, on an average, by 17 per cent every year—the highest among all Indian states. Much of the growth has been generated by impressive expansion in the industry and manufacturing sectors, backed by the services sector. The contribution of agriculture to Sikkim's growth has been minimal. As a result of high growth, real per capita incomes in Sikkim witnessed more than a fourfold increase from Rs 15,953 in 2001–02 to Rs 69,202 in 2011–12. Sikkim's per capita income in the recent past is the highest among North-eastern States<sup>5</sup> and ranks fifth in India (after Delhi, Goa, Chandigarh and Pondicherry). As per Sikkim Human Development report 2014 between 2001 and 2012, the government consciously stepped up investments in the

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<sup>5</sup> India's North-eastern region consists of eight states: Assam, Arunachal Pradesh, Manipur, Mizoram, Meghalaya, Nagaland, Sikkim and Tripura

social sectors particularly in health and education. In 2012–13, the Government of Sikkim allocated 37 per cent of its total expenditure to the social sector—up from 27 per cent in 2001. This resulted in nearly a sevenfold increase in nominal per capita social sector spending—from Rs 4,810 in 2001 to Rs 28,661 by 2012. In 2001 and 2013, there was, on an average, annual increase in budget allocations by 12 per cent and 18 per cent respectively for education and health. Noteworthy, for instance, are the following achievements:

- By 2009, over 85 per cent of children below two were fully immunized—the highest proportion across Indian states.
- Institutional child delivery rose to 81 per cent by 2011.
- In 2005–06, Sikkim reported the lowest proportion of under-weight children (20 per cent). Only 3 per cent of children under three were severely under-weight—as against the national average of 19.5 per cent in 2005–06.
- By 2011, Sikkim reported amongst the lowest percentage of population below the poverty line—8 per cent—across Indian states. In 2004–05, close to 170,000 people lived below the poverty line. By 2011, this number had come down to 51,000—a 70 per cent reduction in the number of poor.
- Enrolment in primary and upper primary schooling is near universal, with net enrolment ratios being the highest in India.
- Close to 93 per cent of households have electricity and 100 per cent have a latrine facility within the premise.

Reflective and appreciative of these achievements Sikkim has been recognized on several fronts for its innovations in public administration. The government has won several national awards for good performance. These include:

- Prime Minister's Award for Excellence in Public Administration 2013 for Excellence in Rural Management and Development
- Best State—Campaign Clean India Award 2011
- Best State—Comprehensive Development of Tourism Award 2011
- JRD Tata Memorial Award 2009 for outstanding performance in population, reproductive health and family planning programmes
- Nirmal Rajya Award 2008 for achieving 100 per cent sanitation and being the first and only state in the country to do this

Even on the Multidimensional Poverty Index (MPI, 2005-06) Sikkim ranked eighth with an MPI value of 0.150 given the fact that Indian states varies from as low as 0.051 value in Kerala to a high of 0.479 in Bihar. The biggest contribution to this low MPI value has been attributable to significant improvements in health and nutrition. Equally significant is the progress that Sikkim has made in providing improved sanitation. Following social indicators bear salient testimony to these facts:

- around 11,000 babies are born annually (given the birth rate of 17.6 ),
- around 280 babies die as infants annually (given the IMR of 24 as against 42 for the country),
- Child malnutrition rate is 11% as against the national rate of 42%,
- Literacy rate as per 2011 census is 82% (87% for male & 76% for female)

The present study is situated within the backdrop of such a development profile of the state. Our focus area is East Sikkim and the study villages are located in the immediate periphery of the capital city of the state, Gangtok. First, let us delve a bit on the rationale of choosing the focal areas chosen. We have twofold rationale for choosing the focal area that we have chosen for the study. One; representativeness of the entire state and two; reflectivity of the ground reality as is obtained:

***Representativeness:*** Why East Sikkim? Because East Sikkim is significantly dominant in terms of the population share among all the districts, 46 per cent of the state's population resides in this district. It was but obvious for us to have the study situated in the district for any meaningful inference for the entire state, if any that follows from the study. Why rural areas? As per Census 2011, Sikkim is a predominantly rural state, Seventy five per cent of the state's population resides in rural areas and furthermore the percentage of rural population in the study district is 67 per cent.

***Reflectivity:*** The study selected three villages in close proximity to the town of Gangtok, the capital of Sikkim and arguably the most developed spatial unit of the state. The reason for selecting villages around Gangtok is based on the rationale of testing the broad validity of the official version of poverty alleviation achievements. The expanded logic here is that if the immediate hinterlands of the development hub is somehow failing the test than the predicament of the remoter areas are absolutely a foregone conclusion. Karl Popper once famously said, "Confirming evidence should not count except when it is the result of a genuine test of the theory; and this means that it can be presented as a serious but unsuccessful attempt to falsify the theory." (Popper, 1963, [pp: 9-13 ]). Rooted in the tradition of Popperian philosophy the present study upholds falsifiability as the strongest test of any derivative finding of a

quantitative socio-economic enquiry. And what better way to look for falsification than starting with the most immediate periphery of the economic hub of the state? In case the findings of the present study affirm the realities projected by the official development profile of the state, it is one more confirmation of the official findings. But if the findings of the present study contradicts the extant official findings, it would be a near conclusive refutation of the official claim as logically it is difficult to imagine the remoter peripheries doing any better in any reckoning.

With this broad overarching rationale the actual selection of the villages were done on purposive basis keeping an eye to capture the geographical spread. Two small villages from rural areas north of Gangtok and one large village from the rural areas south of Gangtok were selected. In the two small villages although we decided to cover all the households, some houses were under lock and key on the survey days. But all in all, we covered more than 90% of the households in both these small villages. As for the large village, the total number of households were around 350, so we decided to take a sample size of 40 households. This sample was selected based on a combination of convenience and random process; we went to different directions of the village on different days and covered the first 40 households that were available and willing to be interviewed.

## CHAPTER IV

### POVERTY ERADICATION IN SIKKIM: A CONTRARIAN VIEW

The poverty debate in India is a vast but murky field (Himanshu & Sen, 2014). Nationally, some analysts are of the view that poverty has consistently decreased over the last few decades (Deaton & Dreze, 2002), but at the same time there are some analysts who are strongly contesting these views from both popular (Nilekani, 2009) as well as academic quarters (Patnaik, 2011). Although there appears to be a broad agreement in so far as poverty reduction in the recent years is concerned, however a consensus is still elusive. In this context, Sikkim has had a comfortable record in poverty alleviation for a significant stretch of time when looked at from a national perspective, pronouncedly so when considered juxtaposed with the worst performing states like Bihar and Odisha. Even comparing with the nearer regional states too, the appraisal is unambiguously bright. This is amply evident from poverty statistics compiled by the numerous national poverty enumeration exercises conducted so far under the aegis of the erstwhile Planning Commission of India. We will look at them sequentially in the following section.

**Table 4.1: Poverty Lines and Poverty Incidence Ratio in rural Sikkim**

| Methodology                                     | 2009-10          |                   | 2011-12          |                   |
|---|------------------|-------------------|------------------|-------------------|
|   | Tendulkar Method | Rangarajan Method | Tendulkar Method | Rangarajan Method |
| <b>Poverty Line (in Rs. Per Capita Monthly)</b> | <b>729</b>       | <b>882.49</b>     | <b>930</b>       | <b>1126.25</b>    |
| <b>Poverty Incidence Ratio</b>                  | <b>15.5</b>      | <b>25</b>         | <b>9.9</b>       | <b>20</b>         |
| <b>Persons (in Lakh)</b>                        | <b>0.7</b>       | <b>1.1</b>        | <b>0.4</b>       | <b>0.9</b>        |

Source: Rangarajan Report, 2014

It is interesting to note that the real poverty enumeration for the state of Sikkim started with the Tendulkar Committee. The previous one, Lakdawala Committee, didn't engage in the actual exercise but imputed the poverty ratio of Assam as obtained to Sikkim. The ostensibly ascribed rationale was its physical contiguity and similarity in economic profile. Now it is not very difficult to sense the preposterousness of the ascribed rationale. Not only is Sikkim not contiguous to Assam in a real sense of the geography, it also doesn't have any meaningful similarity in the field of economic profile. So it is in the fitness of the things to be careful not to quote the ratios begotten from the said committee report for the state of Sikkim. But the succeeding committee led by Dr. Suresh Tendulkar did see it fit not to follow the flawed logic of its predecessor. The committee explicitly engaged in the actual enumeration based on hard data collected from the field in the state. Thus, it is but proper to look at the ratios arrived at by the said committee. However, Tendulkar Methodology (TM) is notorious for having an exaggeratedly low poverty lines. So it is no wonder that when the report was made public by the erstwhile Planning Commission there was a loud resentment not only among the academics but also among the masses and popular mass media too. Buckling under the pressure of undying criticisms a new committee was formed under the chairmanship of Dr. C Rangarajan, former governor of Reserve Bank of India (RBI). Be that as it may, it may still be instructive to look at the statistics arrived at by the TM as it is the first official committee that actually did compute these statistics from the real data for the state. The rural poverty line for the state of Sikkim is Rs.532, Rs.729 and Rs.930 for the year 2004-05, 2009-10 and 2011-12 respectively. Overlooking the revolting distraction of the distorted normative of these poverty lines for a moment, we can see that the incidence ratios on the basis of the above poverty lines are 31.8%, 15.5% and

9.9% for the three years respectively. This is a remarkable feat in itself, if anything. In less than a decade; eight years to be precise, the poverty ratios fell by 21.9%. In terms of absolute number of people, the change is heart-warming as well. From 1.6 lakh poor to 0.4 lakh poor in the rural areas across the state in the eight year period, 2004-05 to 2011-12. This translates into a decrease of exactly 75%. As much as these achievements are marvelous, these are based on a benchmark that is generally agreed to be too unrealistically low. As an amend of a sort due to loud and incessant ubiquitous critique of the TM for its niggardly poverty lines, the new Committee under the chairmanship of Dr. C Rangarajan inflated these lines to some degree. As we can see from the Table 4.1 above, at revised poverty line of Rs.882.49 per month for 2009-10, the resulting poverty ratio is 25% which translates into 1.1 Lakh people being poor. This has decreased to 20%, in turn translating into 0.9 lakh people being poor based on the poverty line of Rs.1126.25 per month for 2011-12. There are few implications that we can derive from these new statistics vis a vis the old ones emanating from TM. One, poverty level is not so negligibly low as it is made out to be by the earlier methodology, one fifth of the rural folks in the state are poor. It is hard not to feel an urgent sense of unfinished business therefrom. Two, just by increasing the benchmark with a meager amount of Rs.5 a day, for the year 2009-10, poverty ratio increases by a whopping 9.5% which renders 40000 more people poor. Similarly for the year 2011-12, just by raising the bar by a mere Rs.6.5 a day the incidence ratio jumps by 10.1% thereby pulling 50000 more people into the category of poor. So for a moment even if we resist being convinced by the critique and accept TM as sacrosanct, it unmistakably suggests that there is significant proportion of rural people in the state of Sikkim who are very vulnerable and found to be non-poor simply because they happen to just cross the benchmark poverty line as delineated by



the committee. Three, both methods with different poverty benchmark conveys almost similar reduction in the poverty ratio between the two year period 5.6% between 2009-10 to 2011-12 based on TM and 5% for Rangarajan Methodology (RM) for the same time period. This is an unequivocal evidence of progress in the field of poverty alleviation. It is, then, no wonder that Sikkim has earned a rare laurel of being declared poverty free (negligible incidence) by some of the national media houses<sup>6</sup>. With such a backdrop this Chapter arrives at a contrarian view by analysing the data on distributive shares of Net State Domestic product (NSDP) of the state that are available in public domain. We have used the data from Reserve Bank of India (RBI) website. We have also used the decadal census data. The chapter is divided in two sections, section one deals with structural churning that have been occurring in the last decade. Section two deals with the poverty statistics and analysis of distributive shares of NSDP. The final part is the concluding section that dwells on the implications of the truths that are gleaned from the available official facts.

### *Sectoral churning*

The economy of Sikkim has been on a roller coaster ride for the last decade or so. Hence, structural changes in the economy is a foregone conclusion. Let us look at the table 4.2 below:

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<sup>6</sup> See [http://www.business-standard.com/article/politics/sikkim-records-steepest-fall-in-poverty-level-113091500125\\_1.html](http://www.business-standard.com/article/politics/sikkim-records-steepest-fall-in-poverty-level-113091500125_1.html), accessed on 29/10/2015  
<http://www.livemint.com/Opinion/PUvkZAswQKN1h6kkUS9KtN/Spatial-poverty-in-sikkim.html>, accessed on 29/10/2015

**Table 4.2: Sectoral share in Net State Domestic Product (NSDP)**

| <b>Year</b>    | <b>Primary</b> | <b>Secondary</b> | <b>Tertiary</b> |
|----------------|----------------|------------------|-----------------|
| <b>2013-14</b> | <b>10.37</b>   | <b>42.36</b>     | <b>47.27</b>    |
| <b>2012-13</b> | <b>10.78</b>   | <b>44.05</b>     | <b>45.16</b>    |
| <b>2011-12</b> | <b>11.08</b>   | <b>45.65</b>     | <b>43.27</b>    |
| <b>2010-11</b> | <b>9.06</b>    | <b>47.49</b>     | <b>43.45</b>    |
| <b>2009-10</b> | <b>9.57</b>    | <b>41.52</b>     | <b>48.91</b>    |
| <b>2008-09</b> | <b>16.07</b>   | <b>13.96</b>     | <b>69.97</b>    |
| <b>2007-08</b> | <b>16.99</b>   | <b>8.06</b>      | <b>74.96</b>    |
| <b>2006-07</b> | <b>17.13</b>   | <b>8.22</b>      | <b>74.65</b>    |
| <b>2005-06</b> | <b>17.79</b>   | <b>7.59</b>      | <b>74.62</b>    |
| <b>2004-05</b> | <b>18.76</b>   | <b>7.26</b>      | <b>73.98</b>    |

Source: RBI NSDP time series data

We can see that agriculture and allied sector has gone down in the last 10 years, from 18.76% of the NSDP at constant 2004-05 prices to 10.37%. There is a drop of more than 8% in the decade. Now let us look at what has been happening to industrial and allied sector. The upheaval in the industrial and allied sector has been nothing short of a wonder spell. From a low of 7.26% in 2004-05, it has reached 42.36% in 2013-14. The decisive break came in the year 2009-10 owing largely to North East Industrial and Investment Promotion Policy (NEIIPP) of 2007 of Government of India. This is in accord with what the orthodox economics would predict. With the passage of growth primary sector shrinks and secondary sector swells in importance in an economy (Lewis, 1954) . However, tertiary sector instead of increasing its share, which normally is expected as an economy develops (Soubbotina, 2004, pp. 51-52) , has been moving otherwise. In 2004-05, its share was 73.98% which has gone down to a low of 47.27% in 2013-14. So the structural change is blatantly biased towards the industry and allied sector. There is a drop of almost about 81% in the last decade in agriculture and allied sector, tertiary sector experienced a 56.5% drop in the same

time period. However, secondary sector has witnessed a marked gain in the decade. The increase is more than 483% in these 10 years. This is a clear indication that the economic growth spear-headed by the abrupt spurt in the industrial output in the last decade has not translated into economic development in the real sense of the term. But this in no way negates the fact that Sikkim has industrialized in the last decade, available data to this effect is hardly controvertible. Can this drastic structural change provide any insight on the poverty predicament of the state? It indeed can.

### *Distributive shares of NSDP*

In Table 4.3, we have arrived at the proportion of rural population for the inter-census years using the average yearly percentage change from the decadal percentage of the census data. Without any pretension of accuracy, this is as robust as it gets, given the fact that there is no authoritative data that fills in the intervening years of decadal census with respect to change in the rural-urban mix of any state. Having thus arrived at the rural population, we have computed the per capita NSDP for rural population by imputing the entire primary sector NSDP to rural areas. The assumption of imputing the entire primary sector to rural areas may seem too crude but it need not be too unrealistic either. Some of the primary sector NSDP that accrue to urban areas may, to a great extent, be counter-balanced by the secondary and tertiary sector NSDP that accrues to rural areas. Thus, it stands to reason that such a seemingly crude assumption may in fact be plausible. Table 4.3 is a computation based on such an assumption.

**Table 4.3: NSDP Components and per capita NSDP**

| <b>Year</b> | <b>NSDP<br/>(in Lakh<br/>Rs.)</b> | <b>Total<br/>Population<br/>(Persons)#</b> | <b>Rural<br/>Population<br/>(Persons)#</b> | <b>Primary<br/>Sector<br/>NSDP<br/>(in Rs.)</b> | <b>Rural per<br/>capita NSDP<br/>(in Rs.)*</b> | <b>RMPCNSDP<br/>(in Rs.)**</b> |
|-------------|-----------------------------------|--|--|---|--|--------------------------------|
| 2004-2005   | 151065                            | 555001                                     | 436619                                     | 28339.8   | 6490.7   | 540.89                         |
| 2005-2006   | 166213                            | 562840                                     | 439859                                     | 29569.3   | 6722.4   | 560.20                         |
| 2006-2007   | 176003                            | 566669                                     | 439905                                     | 30149.3   | 6853.6   | 571.13                         |
| 2007-2008   | 186210                            | 577789                                     | 445533                                     | 31637.1   | 7100.9   | 591.74                         |
| 2008-2009   | 210593                            | 584656                                     | 447788                                     | 33842.3   | 7557.7   | 629.80                         |
| 2009-2010   | 365859                            | 592738                                     | 450896                                     | 35012.7   | 7765.1   | 647.09                         |
| 2010-2011   | 393982                            | 600213                                     | 453461                                     | 35694.8   | 7871.6   | 655.96                         |
| 2011-2012   | 426283                            | 607688                                     | 455948                                     | 47232.2   | 10359  | 863.25                         |
| 2012-2013   | 490000                            | 610577                                     | 454941                                     | 52822   | 11611  | 967.56                         |
| 2013-2014   | 530000                            | 618123                                     | 457349                                     | 54908   | 12006  | 1000.48                        |

Note: # Interpolated from census data

\* Primary sector NSDP divided by rural population

\*\* Rural Monthly per capita NSDP

Source: Author's compilation from various sources

We see that the rural monthly per capita NSDP (RMPCNSDP) has been always lower than the official poverty line for the years for which Rangarajan Committee has computed poverty statistics as shown in Table 4.4. For the year 2004-05 the poverty line is arrived at by the Tendulkar Method (TM). Although this poverty line is slightly lower than the RMPCNSDP for the year we would do well to remember a couple of things here. One, it is not huge difference and two, this poverty line is generally agreed to be too niggardly and hence has given way to Rangarajan Method (RM). Also, a slight numerical analysis shows that RM poverty lines are, on an average, 20 percent higher than TM poverty lines. If we extrapolate this to poverty line of 2004-05, even this poverty line is markedly higher than the RMPCNSDP of

the said year. Table 4.4 brings together these numbers under one roof.

**Table 4.4: Poverty lines and Per capita NSDP**

| <b>Year</b>      | <b>Poverty Line *</b> | <b>RMPCNSDP*</b> |
|------------------|-----------------------|------------------|
| <b>2004-05**</b> | <b>638.4</b>          | <b>540.89</b>    |
| <b>2009-10</b>   | <b>882.49</b>         | <b>647.09</b>    |
| <b>2011-12</b>   | <b>1126.25</b>        | <b>863.25</b>    |

Note: \* Rs. Monthly per capita

\*\* Extrapolated RM by inflating TM by 20 percent

Source: Author's own compilation from various sources

In all the three years for which we have official poverty statistics per capita NSDP of rural folks is lower than the official poverty line of the corresponding year. At a crude level this means all the rural folks are poor, however, it does not take a lot of imagination to realise that such an eventuality is absurd. So what do we make of this, then? Assuming Sikkim's Gini coefficient for rural area is non-zero, even this meager per capita NSDP is also unequally distributed. This may push up some of the rural people above poverty line but concurrently it also pushes many into destitution as well. It may not be too far off the mark to say that majority of the rural people are living a precarious condition if not downright vulnerable. And since more than 70 percent of the population are in rural areas, this is an absolute contradiction to the narratives of official poverty statistics.

## CHAPTER V

### ANALYSIS OF DATA AND INTERPRETATION

#### **5.1: Study area: Descriptive statistics**

The study covered a total of 102 households in the three villages in East Sikkim. These three villages are located in the periphery of the capital town of Gangtok. Two of these villages, Malangthang and Salangthang, are located at the western side of Gangtok and the third village, Saramsa, is located at the southern side. We have divided the households into two broad groups, poor and Non-Poor, based on the dual definition of poverty. One of them is given by the official circle and the other one is articulated by the villagers of the respective villages. Table 5.1.1 is a snapshot of the broad socio-economic profile of the villages embedded in these two different definitions of poverty.

Although our unit level data is of households but since we also captured the size of these households we are also able to identify poverty incidence right to the individual level as well. The total population of these 102 households turns out to be 518 people.

Table 5.1.1: Socio-economic profile of the study area

|                                |                                | Official Definition |          |       | Local definition |          |       |
|--------------------------------|--------------------------------|---------------------|----------|-------|------------------|----------|-------|
|                                |                                | Poor                | Non-poor | Total | Poor             | Non-poor | Total |
| <b>Religion</b>                | <b>Hindu</b>                   | 17                  | 67       | 84    | 25               | 59       | 84    |
|                                | <b>Buddhism</b>                | 4                   | 7        | 11    | 4                | 7        | 11    |
|                                | <b>Christianity</b>            | 2                   | 5        | 7     | 2                | 5        | 7     |
|                                | <b>Total</b>                   | 23                  | 79       | 102   | 31               | 71       | 102   |
| <b>Family demography</b>       | <b>Average No. of Children</b> | 1.86                | 1.08     | 1.26  | 1.87             | 1        | 1.26  |
|                                | <b>Average size</b>            | 6.78                | 4.58     | 5.07  | 6.54             | 4.45     | 5.07  |
| <b>House Type</b>              | <b>Kutchha</b>                 | 6                   | 8        | 14    | 9                | 5        | 14    |
|                                | <b>Semi-Pucca</b>              | 7                   | 35       | 42    | 10               | 32       | 42    |
|                                | <b>Pucca</b>                   | 10                  | 36       | 46    | 12               | 34       | 46    |
|                                | <b>Total</b>                   | 23                  | 79       | 102   | 31               | 71       | 102   |
| <b>House ownership</b>         | <b>Owned</b>                   | 19                  | 59       | 78    | 26               | 52       | 78    |
|                                | <b>Rented</b>                  | 4                   | 20       | 24    | 5                | 19       | 24    |
| <b>Occupation</b>              | <b>Formal sector job</b>       | 6                   | 45       | 51    | 9                | 36       | 45    |
|                                | <b>Self-employment</b>         | 17                  | 34       | 51    | 22               | 35       | 57    |
| <b>Head of the household</b>   | <b>Male</b>                    | 19                  | 64       | 83    | 24               | 59       | 83    |
|                                | <b>Female</b>                  | 4                   | 15       | 19    | 7                | 12       | 19    |
| <b>Benefits from the Govt.</b> | <b>In-cash</b>                 | 6                   | 9        | 15    | 5                | 8        | 13    |
|                                | <b>In-kind</b>                 | 18                  | 53       | 71    | 18               | 44       | 62    |
| <b>Access to credit</b>        | <b>Formal</b>                  | 1                   | 14       | 15    | 1                | 14       | 15    |
|                                | <b>Informal</b>                | 1                   | 2        | 3     | 1                | 2        | 3     |

Source: Compiled from primary data

Note: Hh-Households

## 5.2: Poverty: Objective and subjective definitions

It would be interesting to find out how congruent the poverty statistics are with the ground reality as obtained on the field. That is what we would precisely endeavour to do in the section ahead. Three villages in the vicinity of the capital city of Sikkim were selected for the present study. We covered a total of 102 household in these villages. Although our unit of enquiry was household we have calculated the poverty incidence at the level of individual based on the data we captured about the family size. We will keep up with the practice of treating consumption as the proxy for actual

income in an effort to have a meaningful juxtaposition of the poverty ratios vis-a-vis the official ones. Following is the table we arrived at by doing so:

**Table 5.2.1: Poverty incidence ratio of the study area**

| <b>Methods</b>   | <b>Tendulkar:<br/>2011-12</b> | <b>Current<br/>Study: 2011-<br/>12</b> | <b>Rangarajan:<br/>2011-12</b> | <b>Current<br/>Study:<br/>2011-12</b> |
|--|-------------------------------|--|--------------------------------|---------------------------------------|
| <b>Poverty Line ( in<br/>Rs. Per Capita<br/>Monthly)</b> | <b>930</b>                    | <b>930</b>                             | <b>1126.25</b>                 | <b>1126.25</b>                        |
| <b>Poverty Ratio</b>                                     | <b>9.9</b>                    | <b>19.49<br/>(14.7)</b>                | <b>20</b>                      | <b>30.30<br/>(22.5)</b>               |

Note: Figure in bracket is ratio of households

Source: Compiled from the primary data of the study

As can be seen from Table 5.2.1, the actual poverty ratio is considerably higher than what the Tendulkar committee has deduced from its calculations. To be precise, the actual poverty incidence emanating from the present study is 9.59% higher which is about twice as large if we consider the official poverty ratio as our baseline. Now it is reasonable to argue that this higher incidence is only based on a sub-sample of the population whereas the official ratio is based on a much larger, if not whole, population. That indeed is the case. But that is besides the point, the real point here is to realise that these ratios although very much deduced from a sub sample of the population, are expected to err on the right side rather than on the wrong one. This is because these villages are located in the immediate periphery of the economic hub of the state. If anything, these ratios should be lower than the official ratios. The fact that the converse is true is curious at best and alarming at worst. Now it is almost a foregone conclusion that RM would yield higher ratios if at all. This is because the poverty lines arrived at by the committee are comparatively less niggardly. Evident from Table 5.2.1, the poverty ratio that the present study arrived at is closer to the RM, albeit a



difference of 10.30%. This is equivalent to more than 50% if we consider the official ratio as our baseline. Although not a negligible divergence it pales as compared to the ratio that is gotten by TM for the present study. Varied as these statistics are, emanating from different poverty lines, they all are uniform in so far as the conceptualisation of poverty is concerned. They all essentially subscribe to the official definition of poverty to begin with. Staying within that circumscription the two methods differ only in the magnitude of the amount of the poverty lines drawn. Looking at the divergence of TM's ratio for the state from the actual sample of the current study it is indeed difficult to summarily dismiss the vociferous critique of the method across the spectrum. Having said that, even the supposedly better RM also doesn't come out unblemished from our micro exercise as evident in the foregoing analysis however smaller the divergence may be. Now, it would be interesting to look at how these three villages are faring on their own. Lets trace our steps back from the collectivity to the components of that collectivity. We will look at each individual village of the present study in terms of their individual poverty predicament. We surveyed three villages in the immediate periphery of the capital of the state, Gangtok, which is also the epicenter of state's economic activities. Two of these villages namely Malangthang and Salangthang are on the western side of Gangtok and the third one, Saramsa, is located at the southern side of Gangtok. The first two villages are of small size, both has 40 households each but the third one is relatively a large one with more than 350 households. So, we decided to cover first two villages in its entirety and in the third villages we sampled 39 households. Although we did try to cover the first two villages in its entirety, we could only cover about 32 households in each of these villages, rest of the houses were locked or no adults were available for interview. As for the third village, the 39 households were randomly selected through

random walks that we took in different directions of the village. Table 5.2.2 shows the poverty ratios of these three villages based on both the TM poverty lines.

**Table 5.2.2: Poverty incidence in the study villages based on Tendulkar Method (TM)**

| <b>Tendulkar Method</b>                        | <b>Sikkim (Rural)</b> | <b>Malangthang</b>    | <b>Salangthang</b>     | <b>Saramsa</b>         |
|--|-----------------------|-----------------------|------------------------|------------------------|
| <b>Poverty Line (Rs. per capita per month)</b> | <b>930</b>            | <b>930</b>            | <b>930</b>             | <b>930</b>             |
| <b>Poverty ratio</b>                           | <b>9.9</b>            | <b>36.47<br/>(29)</b> | <b>11.11<br/>(9.3)</b> | <b>12.62<br/>(7.6)</b> |

Source: Compiled from the primary data of the study

Note: Figures in bracket are ratio of households

As can be seen from the Table 5.2.2, barring the village of Malangthang the Tendulkar ratio for the state of Sikkim is quite close to the ratios we found in our study although it underestimates the actual incidence in both these villages by a non-negligible margin. This is not very difficult for us to comprehend. Given the lowly amount of the poverty line it is hardly surprising to find so low a ratio, almost neatly anticipating the official incidence ratio of the state. Thus it is a long shot of being a revelation, it is a simple truism if anything at all. But it is Malangthang that is a clear outlier when compared to the incidence ratio for the state of Sikkim. When initially we got this outlying ratio we impulsively revisited our survey sheets to make sure we were not erring on the sheets. We meticulously checked each sheet and also, as a triangulation, cross-checked the robustness of the income and consumption figure with the other co-variates like type of house, asset ownership, livelihood, etc. After having satisfied ourselves on that front, we sat down to make sense of this seemingly anomalous statistic, so to speak. During our field visits to these three villages it was cursorily apparent that Malangthang was poorest among all. But we were not ready for such a drastic difference in terms of numbers that the eventual data analysis threw up. One thing is worth mentioning here though. Malangthang is the farthest from

Gangtok among the three villages. In fact, in that sense, Saramsa is nearest to Gangtok and also, it is immediately contiguous to the major roads connecting with Gangtok. Salangthang also is as nearer but doesn't have the added advantage of major roads, except one, connecting with Gangtok. Be that as it may, what to make of Malangthang's higher ratio? Well, it implies quite a few things. To start with, it is a painful reminder that even the lowly poverty line of TM is unable to prevent a significant proportion of the population of this village from being classified as poor. After all, poverty ratio is not as comfortably low as made out to be and is certainly not evenly distributed as the official ratio may have us implicitly believe. It is a glowing testimony to the much repeated but not thoroughly appreciated phrase 'pockets of poverty'. It amply proves that there can be open afflictions amidst ostensible affluence. But if we consider Malangthang's case as an outlier and atypical, the poverty incidence ratio of the state based on TM is remarkably predictive of the relevant ratios in the study villages. But the near congruence of the ratios notwithstanding, we would do well not to consider this as a vindication of the TM itself. This congruence may plausibly be a truism given the fact that a lowly poverty line like TM's have only but one way for the poverty ratios to head, to wit, downward. Keeping these substantive issues aside, we find that the TM is comfortably predictive of the actual poverty ratios computed from our fieldwork in two of the three villages. Do things look markedly different if one were to look through the lens of the RM? We are afraid, not much. Table 5.2.3 shows the ratios in the three villages as computed on the basis of RM.

**Table 5.2.3: Poverty incidence in the study villages based on Rangarajan Method (RM)**

| <b>Rangarajan Method</b>                       | <b>Sikkim (Rural)</b> | <b>Malangthang</b>  | <b>Salangthang</b>  | <b>Saramsa</b>      |
|--|-----------------------|---------------------|---------------------|---------------------|
| <b>Poverty Line (Rs. per capita per month)</b> | <b>1126.25</b>        | <b>1126.25</b>      | <b>1126.25</b>      | <b>1126.25</b>      |
| <b>Poverty ratio</b>                           | <b>20</b>             | <b>47.79 (38.7)</b> | <b>19.60 (15.6)</b> | <b>24.75 (15.3)</b> |

Source: Compiled from the primary data of the study

Note: Figures in bracket are ratio of households

Again, Malangthang is a clear outlier. This was expected as it was an outlier even with the TM. One thing that stands out in so far as RM is concerned is the fact that it overestimates the poverty ratio in one of the villages, Salangthang, albeit a negligible 0.40%. On a broad level, both the methods place the three villages in a same sequential order in terms of poverty incidence ratio. The poorest being, of course, Malangthang, followed by Saramsa and Salangthang in that order. This consistency in the order of the villages is very heartening and reassuring to us as we saw and felt such a sequential order personally when we visited these villages for the survey work.

So, how close is the official poverty ratios, based on both the methods, to what is actually obtained on the ground? Well, we have seen in our foregoing analysis that a simple answer to this question would be, well, not very close. Although, a cursory look at the total ratios, begotten from both the methods, may suggest that the official ratios consistently underestimates, the actuality beneath the total conveys a totally different insight. If we look at the totality of the three villages then TM underestimates the actual ratio as obtained on the ground by 9.59 percentage points whereas RM also underestimates, albeit at a level almost half that of TM's. This then can be taken as a vindication of the stand that the critique of the official methodologies, more specifically the TM, has been taking. Such a pronouncement,

although undeniably seductive, would be a classic example of 'jumping the gun'. Why so? Because as they say, the devil is in the details. Once we look at each of the three villages that make up the totality of our study, we are reasonably persuaded to have a more sympathetic view towards both the methods. As clear in our foregoing analysis, one of the three villages that make up the totality of our sample is absolutely an outlier. What is more remarkable is the fact that it is an outlier by a significant margin, for example; in context of TM this outlier village has poverty ratio more than three times the official ratio for the state. In the context of RM the difference is relatively less but still significant, almost twice the official ratio. These facts have an important bearing on the overall ratio thereby giving the impression that the official poverty ratio of the state consistently underestimating the actual poverty ratio as obtained, regardless of the methods used. Now as alluded to earlier, it is tempting to subscribe to such an assertion given the ubiquity of the critique against the methods in that direction. Table 5.2.4 sums up the picture clearly.

**Table 5.2.4: Total poverty incidence**

| <b>Methods</b>    | <b>Official ratio (Rural Sikkim)</b> | <b>Current Study (Study Villages combined)</b> |
|-------------------|--------------------------------------|--|
| <b>Tendulkar</b>  | <b>9.9</b>                           | <b>19.49<br/>(14.7)</b>                        |
| <b>Rangarajan</b> | <b>20</b>                            | <b>30.30<br/>(22.5)</b>                        |

Note: Figures in bracket are ratio of households

Source: Compiled from the primary data

So, the message is unequivocal for sure. From the Table 5.2.4 we can safely assert that the official poverty ratios, regardless of the method, is broadly in the right direction in the light of the actual poverty ratios obtained in the villages. We hasten to add that they do underestimate the actual poverty ratios as obtained, not by a huge proportion but in no way negligible either. However, these poverty ratios, both the

official and the from the present study, are underpinned by the concept of poverty as conjured up by the experts belonging to the respective committees. In other words, these conception of poverty are not necessarily a comprehensive reflection of what actual poverty is, let alone being a true reflection. To say the least, it is no secret that the actual poverty conceptualising processes of virtually all the committees on poverty enumeration put together by the erstwhile Planning Commission so far are highly centralised and, by implication, removed from the lived realities of the poor. In the pursuit of being objective the subjective element is so completely hounded out that the resulting objective definition and measures of poverty resulting thence are hardly fit subjecting on any population group without any substantive contradiction. We found a similar vicissitude staring at us too in the course of present study. The following section delves into precisely these issues.

To start with, it would be very interesting to juxtapose these varied statistics vis-a-vis the ones derived from a conception of poverty as understood and articulated by the poor themselves. The section ahead will endeavour to take up precisely such an exercise. But before we do that, we see it fit to delve a bit into the processes of exactly how we captured the narratives of the poor into a single concrete benchmark of poverty. Before embarking on household survey we held meetings with some key informants and also had a focus group discussion (FGD) in all the three villages. These discussions were well attended by most of the villagers. From the key informants we were able to get a fair acquaintance with the local history of the villages along with the a broad bird's eye view of the villages in terms of their broad socio-economic profiles. Panchayat members of the villages were considerate and cooperative enough to share the house listings of their respective villages. Armed with these vital and acclimatizing information and the house lists, we called FGDs in all

the three villages separately. As mentioned above, these meetings were well attended by villagers although we hasten here to mention that the attendance was not comprehensive in the literal sense of the term in any of these villages. Be that as it may, we feel these discussions were well participated, both male and female, to be comfortably considered a barometer for the extant realities of their respective local settings.

At the very beginning of the FGD we made it amply and explicitly clear that we are in no way related to any government or semi-government and for that matter even any aid organisation. This we considered a strategically important move, ambiguity in this aspect on the part of the community members would have, with every possibility, informed and influenced their narratives in the direction of maximising their chances of landing the imagined potential benefits. We went to extra lengths driving home the message that ours is just an academic project with no linkage, whatsoever, with any imminent potential correctives looming in the background. Only when we were sure of the participants being rendered unambiguous with regards to the nature of the exercise that we are undertaking, did we furthered the FGD. We broached the idea of brainstorming on the concept of wellbeing and quality of life. These two topics were chosen purposely as they are both vague and emotive at the same time. Because it is a vague topic, it broadens the horizons for the members to speak on and because it is emotive it incites them to speak up. This we expected would be a great ice-breaker too. We intended to be mere facilitator in this brainstorming sessions and remain passive as much as possible. This we believed would enable an unhindered and ostensibly uncircumscribed discussion, thereby bringing forth as many angles and insights as possible on discussed topics. No wonder, as expected the discussions were all but dull and sparse. Some of the participants got so animated that we had to step in

periodically to channel their excitement in the right direction so the discussions are prevented from regressing and digressing on the unintended tangents. It was so heartening to see that these discussions churned out many important insights which were hitherto conspicuous by its absence in any of the literature we reviewed prior to embarking on the fieldwork for the study. Some of these would be discussed in the following chapters of this thesis. By the time the brainstorming sessions were through, the ice was broken amongst us, so to speak. We could feel the difference in their body language too, they were more readily smiling and more at ease. The entire atmosphere was now akin more to a family get-together than a community meeting. Having established such a comfortable backdrop, we began to ask them to categorise the households that are on the house listing provided to us by the Panchayat members, into poor and non-poor. We called out the households sequentially from the list and asked them to categorise. It was surprising for us to find that there was near unanimity when it comes to categorising the households thus, except in the village of Saramsa which is the largest among the three that we surveyed. In the largest village we had the challenge of low attendance in the FGD in proportion to the number of households the village has. So, in this village there was no perceivable unanimity in their categorisation, in fact, many households were categorised as poor and non-poor at the same time by different participants. So we invariably had to circle back to the village Panchayat for triangulating what we found from the FGD with respect to household categorisation. Fortunately, the Panchayat member is a long-time incumbent in that role, this is his third term consecutively as a Panchayat member of his village. His long stint as a Panchayat and consequent lucid knowledge of the circumstances of the households helped us in hammering down what remained vague in the FGD in terms of household categorisation. The other two villages were small in size as well as well



participated by in the FGD. Not surprisingly, the categorisation that ensued from the FGDs in these two villages were very clear cut and unanimous. We believe this is due, inter alia, to the fact that these villages are small in size and everyone knew everyone else quite well. Having arrived at such categorisation for each of the three villages, we took the average consumption of designated poor households of the three villages. In so far as the identification process was concerned, this was suffice but for aggregating the three we needed a representative yet common benchmark that can stand for all the three villages. This we accomplished by taking the average of the per capita consumption expenditure of the three villages as the poverty line. The resulting poverty line arrived at is Rs. 1159.90/- as shown in Table 5.2.5. The striking thing to note is that the poverty status of a household as conveyed by the villagers does not correlate well with low income to a remarkable extent.

**Table 5.2.5: Overall Poverty incidence based on objective and subjective methods**

| <b>Methods</b>                                 | <b>Tendulkar</b>    | <b>Rangarajan</b>   | <b>Local (Average)</b> | <b>Local (Subjective)</b> |
|--|---------------------|---------------------|------------------------|---------------------------|
| <b>Poverty Line (Rs. per capita per month)</b> | <b>930</b>          | <b>1126.25</b>      | <b>1159.90</b>         | <b>None</b>               |
| <b>Poverty ratio</b>                           | <b>19.49 (14.7)</b> | <b>30.30 (22.5)</b> | <b>30.30 (22.5)</b>    | <b>39.18 (30.3)</b>       |

Note: Figures in bracket are ratio of households

Source: Author's own compilation from primary data

Based on this poverty line 22.5% of the households in these three villages are poor which translates into a poverty ratio of 30.30%. Apparently this is a neat congruence with the RM based poverty ratio for the rural Sikkim. The picture gets completely reversed when it comes to the TM based poverty incidence ratio. Whereas we get a poverty ratio of 30.30% from the subjective poverty line the comparable figure based on TM is only 19.49%. Evidently there seems to be a perfect congruence in so far as the poverty ratios based on these two different methods are concerned, i.e., RM and the subjective method. But it needs to be appreciated here that this seemingly

subjective method is in fact an arbitrary artifact of a sort. The original subjective conception of poverty is converted into an objective poverty line in the space of income. Therefore, though it has its genesis in the subjective conception of poverty, it no longer is subjective in the true sense of the term. The villagers themselves never defined poverty in terms of any cut-off criteria, much less income. Based on the number of households identified by the villagers themselves as poor we find a much higher poverty incidence ratio. Overall, 30% of the households are poor, in other words, the poverty ratio is 39.18%. This contrasts starkly with a cut-off based figure, irrespective of the methods. So it is very evident that there is a huge disconnect between the policy circle on the one hand and the perception of the poor people on the other in terms of comprehending the notion of poverty . But this is not a novel insight by any measure, the literature on poverty in India is replete with critique of the Government appointed Expert groups on poverty identification precisely on this disconnect. More specifically, the critique is pointedly on the unrealistically low cut-off benchmark for segregating the population into poor and non-poor. TM, arguably, took it to a whole new level with its abhorrently low cut-off benchmark. It is a clear vindication of these critiques that another Expert Group committee was constituted within an unprecedented short interval of time. Never in the history of poverty study in India that two Expert Groups were located so close to each other in time. The unrealistic nature of the official poverty lines become all the more glaring if we begin to look at the daily cut-off poverty line. The TM gives a daily per capita expenditure, inclusive of both food and non-food, of Rs.31 for the rural areas of Sikkim. Anyone who is familiar living in the rural areas of a mountain state like Sikkim would be hard-pressed to ponder in bewilderment at such an unrealistically low amount. Based on a such a measly poverty line it is no wonder that the resulting statistic is also

reflectively low. This is exactly what Ravi Kanbur meant when he said that at a very unrealistically low poverty line there would be very low poverty because most of the people who are falling below the line would be either dead or dying. RM was mandated to make amend on the unacceptable artifacts of the preceding committee. In all fairness, this method is definitely an improvement over the last method. But even this method does not go a long way to absolve itself of the substantive critiques. It is not difficult to feel a sense of skepticism towards this new and supposedly improved method as soon as one starts looking at the daily poverty line given by the method. The improved daily poverty line for rural areas of Sikkim is Rs.37.50. This is an improvement of Rs.6.50 from the earlier measly benchmark. Now it is reflective of vulnerability of the general populace that even not so high an improvement, Rs.6.50, more than doubles the percentage of the poor people. In other words, pulling the daily poverty line up by Rs.6.50 pushes 10.81% of the people of the state into the category of poor. Now it is not at all difficult to imagine that a higher poverty line would be pushing more people into poverty. And that's exactly what happens in our exercise too. The local poverty line that we arrived at after deliberating and consulting with the poor themselves is higher than the official poverty lines underpinned by the notion of poverty conceptualised by the Expert group without any pretense of such a deliberation and consultations with the poor. The consensual daily poverty line articulated by the poor themselves is Rs.38.65 which becomes Rs.1159.6 per month per capita. This then gives a poverty incidence ratio of 30.30%, taking all the three villages together. Now it stands to reason that a higher poverty line would almost always lead to higher poverty ratio. But that is besides the point here. First of all, compared to Rs.31 or Rs.37.50 per capita per day Rs.38.65 is a higher figure and therefore much more reasonable and defensible, although a convincing case can be

made also of even this amount being too stingy. Anyone who has lived in the rural areas of Sikkim would readily concur. Moreover, even though the locally generated poverty line is mildly higher compared to the official ones, this line doesn't include the rent portion as almost all of the households owned their houses, whereas the official poverty lines are inclusive of the house rent however meagre amount that is to begin with. So in a way, even this seemingly higher poverty line that is locally articulated and generated is at best an underestimation of the actual poverty line that a comprehensive view of poverty would warrant. In other words, if we were to impute the rent portion also then the actual poverty ratio would be much higher. Table 5.2.6 summarises these various poverty lines.

**Table 5.2.6: Poverty incidence based on objective and subjective methods in the individual villages**

| <b>Method</b>                           | <b>Malangthang</b>            | <b>Salangthang</b>            | <b>Saramsa</b>                 |
|---|-------------------------------|-------------------------------|--------------------------------|
| <b>Local Poverty ratio (Average)</b>    | <b>47.79</b><br><b>(38.7)</b> | <b>19.60</b><br><b>(15.6)</b> | <b>24.75</b><br><b>(15.3)</b>  |
| <b>Local Poverty ratio (Subjective)</b> | <b>62.26</b><br><b>(51.6)</b> | <b>34.64</b><br><b>(28.1)</b> | <b>24.75</b><br><b>(15.38)</b> |
| <b>Rangarajan ratio</b>                 | <b>47.79</b><br><b>(38.7)</b> | <b>19.60</b><br><b>(15.6)</b> | <b>24.75</b><br><b>(15.3)</b>  |
| <b>Tendulkar ratio</b>                  | <b>36.47</b><br><b>(29)</b>   | <b>11.11</b><br><b>(9.3)</b>  | <b>12.62</b><br><b>(7.6)</b>   |

Note: Figures in bracket are ratio of households

Source: Author's own compilation from primary data

The poverty ratio obtained in the individual villages according to the locally articulated poverty line is consistent with what is gotten from the official methods. Almost two fifth of the households are poor in Malangthang, the comparable figure for the other two villages are relatively milder. In other words, the poverty ratio in Malangthang is 47.79% whereas it is 24.75% and 19.60% for Saramsa and

Salangthang respectively. But this is sharp contrast to what we find when we look through the lens of the villagers' understanding of poverty. As mentioned earlier poor do not necessarily comprehend poverty on the basis of an explicit income benchmark. Based on the narratives and articulation of the villagers more than 50% of the households in Malangthang are poor, the comparable figure for the other two villages are milder but much higher, invariably, than the figure gotten by way of an explicit income cut-off benchmark, irrespective of the methods. To be precise, the poverty ratio is a whopping 62.26% for poorest village Malangthang followed by Salangthang with 34.64% and Saramsa with 24.75%. This is exactly in tune with what we did observe first hand in these villages when we were surveying. Based on the subjective narrative method, Malangthang is the poorest followed by Salangthang and Saramsa in that order. A rudimentary explanation can be found in the fact that these three villages exhibit an inverse relationship between their poverty ratio and proximity to the economic hub of the state, Gangtok. Among the three, Saramsa is not only proximate to Gangtok but it also lies in the vicinity of few pharmaceutical companies and big tourist hotels. Malangthang is the poorest, as seen in Table 5.2.6, whichever method is resorted to. This, as we said earlier, is quite congruent with the actual reality on the ground. There are fewer salaried households, houses are mostly of semi-pucca type and some or the other form of land-based livelihood is the mainstay of the village. However, as much as the trend in the poverty ratio is same whichever benchmark based method is resorted to, the magnitude of the ratio does change depending on which particular method is resorted to for the exercise. This is clearly evident from the Table 5.2.6 above. Therefore it is almost unambiguously evident that the definition of poverty as proposed by the official methods is in need of revisiting. The poverty lines are so shockingly low that it is a travesty to call them

as such. In fact, if anything these lines should be called 'starvation line'. This, then, may explain why the resulting ratio of poverty is suspiciously low. Obviously people below this line are dead by definition so there is bound to be a low ratio.

Do the concepts of poverty, begotten from policy circles and the one articulated by the poor themselves, converge? The answer can be had in two parts: intra-method convergence and inter-method convergence.

***Intra-method convergence:*** When we use poverty lines developed by the expert groups, Tendulkar Committee and Rangarajan Committee, to identify poor people in the study area, we get ratios which are not starkly different from the official poverty ratio of the State. There seems to be not a huge divergence, especially so with the Rangarajan method. As can be seen from Table 5.2.4 the poverty ratio computed by the present study based on Rangarajan poverty line is 2.5 % more than what the same benchmark begot for the entire state (rural). Given the fact that state's ratio is an average of all the villages of the state, it is heartening to find that the ratio from the study area doesn't differ much from the state-wide ratio. A similar case can also be made of the much maligned Tendulkar method too. The divergence is about 4.5% which is not intolerable given the fact that the comparator ratio is an average of a much larger population.

***Inter-method convergence:*** The poverty identification exercise is done through two different ways even within the ambit of subjective definition of poverty. The first is based on the concept of deducing a cut-off income benchmark and the second one is not in any way based on any concept of cut-off income benchmark at all. We computed the average per capita expenditure of all those households that are recognized as poor by the villagers themselves and then based on this cut-off

households are segregated into poor and non-poor category. This way identifying poverty does not diverge from what we get by following the RM, though the TM, expectedly, gives a much lower poverty incidence ratio. So, all in all, there is a healthy congruence. But this is not surprising, as the poverty line is not very different from RM's poverty line. But there is real divergence, if we consider the second way of identifying poverty, the one that is not based explicitly on any cut-off poverty line at all. Counting those households as poor which were considered so by the villagers themselves, we get a much higher poverty incidence ratio. More than 30% of the households are poor. The essential point is the fact that the poor themselves do not necessarily see poverty as having any objective cut-off criteria, let alone income, although they do consider income as one of the important instruments for overall well-being.

### **5.3: Poverty : Dimensions other than income**

Poverty by nature is an all encompassing phenomenon which is a considerable challenge in itself, for it, thus, renders the concept difficult, if not impossible, to measure in a precise way. The income poverty that is the work horse of measuring poverty is a seemingly satisfactory solution to this all encompassing and hence difficult to capture in a single dimension phenomenon. But to look at poverty strictly through the lens of income so much so as to denying the other important dimensions is taking it to the extreme. Intuitively, income poverty came to be accepted not because of the irrelevance of the other dimensions but because conceptualising all the relevant dimensions into a single easily comprehensible measure of poverty was too much of an intellectual challenge for the pioneers of the field. In a monetised economy income, after all, is the potent source of purchasing power which enables one to access the consumption market in a meaningful way. And since consumption

broadly determines the level of welfare, a higher income that broadens access to consumption market would reflect a higher welfare level. This, then, is the *raison d'être* of income as the instrument of choice in poverty measurement. Hence, it is conceptually evident that income poverty at best would be a mere indicator, hopefully a robust one, of the extent of poverty. This is more so true in context of settings where markets are absent and or monetisation is not complete. Given the fact that poor economies are notorious for absent markets and incomplete monetisation, a case for analysing poverty in other dimensions along with income is a foregone conclusion. To be fair to the vast extant literature, this possibility has not escaped the scrutiny of the poverty analysts. There is a vast body of work enquiring into the dimensions of poverty other than the income. With such a conviction in the backdrop we attempt a multi-dimensional analysis of poverty in the three villages that the present study covered.

To begin with, we found that income poverty based on the benchmark income poverty line as suggested by the latest expert committee, Rangarajan Committee, is far from being a reliable reflection of the actual poverty incidence as narrated by the villagers themselves. We found that out of 31 households that are understood as poor by the villagers themselves only 21 of them could be accounted for by the official definition as poor. This turns out to be about 68% of congruence by the official definition vis-a-vis the actual ground reality obtained. In other words, the poor households identified based on the official definition almost always underestimates the extent of poverty, such is true for the first two villages. Only in the village of Saramsa does it squarely coincides with the locally defined poverty incidence. Such being the case, what other features of a household correlate significantly with its poverty status?



### **5.3A: Female headed households**

Sikkim like most of the states of the Indian union is predominantly a patriarchal society. So the gender disparity in the socio-economic sphere that is a hallmark of a such a social set-up is unmistakably prevalent here too. Having said this, it also needs to be mentioned out loud here that Sikkim has a much favourable overall record in terms of gender justice in every sphere of life. This is borne out by the favourably comparing anthropometric and socio-economic statistics of the state vis-a-vis all the other states of the country (Government of Sikkim, 2014). Crime rate against female gender is also negligible; as per National Crime Records Bureau (NCRB) crime rate against women is 36.9 whereas the national average rate is 56.3 in 2014. In other words, there is near absence of blatant and prosecutable discrimination against female gender. But the extant discriminations are more nuanced and intangible yet powerful and pervasive. One succinct testimony is the record of skewed sex ratio that the state unfailingly threw up in the last few decadal censuses. Opportunities in all the spheres are professedly open yet constricted when it comes to meaningfully accessing them at least in the poorer settings of the society, typical of any patriarchal societies at large. The present study also loudly echoed these undercurrents. First of all, there were few female-headed households, only about 19% of the households are female-headed i.e., 19 out of 102 households. This means that the females are not active decision maker in most of the situations, although their voices plausibly are heard like in any typical family decision dynamics. Moreover, we found that the female-headed households are more prone to being poor as compared to a male-headed household. Whereas 29% of the male headed households are poor, the comparable figure for female-headed households is about 38%, a difference of about 9%. Not surprisingly, the poorest of the three villages also happens to be the one that has proportionately larger number of

households headed by a female member. Malangthang, the poorest village among the three, has 10 female-headed households out of the total of 31 households; in terms of percentage it is about 32%. This, then, is emblematic of a social milieu that is ostensibly non-discriminatory in gender equity but constricted in substantive access at the same time. A higher income, then, may at best lessen the severity of poverty. Poverty eradication in such a dimension would necessarily have to be more substantive and exhaustive than a mere income supplement.

### **5.3B: Household size**

A large household size can both be a cause and effect of poverty. A household, a priori, is poor because it has many members to feed and clothe; converse is equally true. Direction of causality may be still a matter of debate and empirical evidences. In other words, size of the household is undoubtedly a distinctive correlate of poverty both in a priori and a posterior sense. This is exactly what we came across in our study villages. We invariably found that the average size of poor household is almost twice that of a non-poor household, this is true of all the three villages. All in all, the average size of a poor household is 7 whereas the comparable figure for the non-poor household is 4. Now it may conjectured here that plausibly the bulk of the members in these poor households are either children or are not an earning member, hence, they are poor. Thus, income commanding a centre stage again in the notion of poverty as it is made out by most of the literature on poverty. Indeed, such an explanation is not only plausible but is a logical conclusion as well. However, such a conclusion is still compatible with income poverty being not nearly congruent with the poverty defined locally by the poor themselves as is the case with the present study. An important question is whether the larger size of the household is the cause or the effect of poverty of these households. A priori, a convincing case can be made for the either

direction of causality and thereby have a contrarian view to each of the arguments so developed. One interesting thing that we found in all these large but poor households is that they are not disproportionately more populated with children as compared to the small but non-poor households. The average number of children are roughly about same, 2 children per household. This is a definite rebuttal of the much paraded development cliché ' rich get richer but poor get children.' At least, in the three villages of the present study poor do not get any more children than their non-poor counterparts. Therefore, poverty doesn't seem to be the cause of a household having a larger size. On the other hand, the poor households have invariably more adult members as compared to their non-poor counterparts. And most of these members are either openly or disguisedly unemployed at the time of the present study. So, in so far as income poverty is concerned the larger size of the households seems, plausibly enough, to be the cause of poverty and not the other way round. Of course, it would be interesting to explore the reasons as to why many of these adult members are unemployed, openly or otherwise. But suffice to say that the size of the household and its welfare status are inversely correlated.

### **5.3C: Access to credit: Formal and informal**

Although credit facilities both formal and informal are scant in all the three villages we can see a clear pattern notwithstanding. The availability of credit both formal and informal, are closely in keeping with the overall economic strength of the village; Malangthang being the poorest has the least credit recourse followed by Salangthang and Saramsa in that order. Not only is credit scarce its accrual also predicts the poverty status of the households. Barring one household in Malangthang, none of the poor households could accessed credit of either type, whereas 15 non-poor households have accessed some kind of credit. In a way, at least in these villages, we can exclude

a household from list of poor households by simply determining whether they currently own any credit. While any poverty identification exercise is way too complex than such a simplistic ad-hocism, it nevertheless is instructive of significance of this dimension. Of course, it can be argued equally well as to which is the cause and which is the effect in so far as poverty and credit access are concerned. The causality, like in the case of household size, can run in either direction. A household is poor because it does not have access to credit but it may also be true that a household does not have access to credit because it is poor. It may seem more like a chicken and egg problem. However, it is more likely that a poor household would have less ability in terms of both tangible and intangible collateral to command credit, formal or informal. So in a sense, even though unavailability of credit may not necessarily be the cause for poverty in the first place, it definitely makes it that much more harder to escape poverty for a household. Be that as it may, the more important point here is the fact that access to credit facilities is an important dimension in the economic mobility of the households. By implication, making credit accessible to the poor households does hold a lot of promise in the fight against poverty. In this regard it is heartening to see that government of India has a program of financial inclusion intending to reach all those who are hitherto left out of the financial super-structure of the country. But it also needs to be mention that simply opening a bank account for these households in itself may not make credit accessible to them, there is a need for affirmative actions that are innovative as well effective for the local settings as obtained.

### **5.3D: Life satisfaction and social capital**

We also enquired into the feeling of satisfaction with life and its circumstances with households in these three villages. We came across surprising yet heartening finding in so far as the overall sense of satisfaction with life and its circumstances are

concerned. We asked them two precise questions: One, whether they are satisfied with the quality of disbursement of government subsidies in cash and kind; two, whether they are satisfied with fellow feelings that is available in their community? As regards to the first question, we find that the poor households are more likely to be satisfied than their non-poor counterparts. This is expected as the poor households are more likely to attract larger share of these government subsidies as compared to the non-poor households but these poor households explicitly articulating their satisfaction almost across the board is indeed surprising. Poverty after all through prolonged impoverishment is expected to render people bitter and grudging. The fact that respondents from poor households do not, broadly, seem bitter and grudge-laden is amply clear from how they responded to the first question that we asked in the context of life-satisfaction gauging. More than three fourth of the currently poor households are satisfied with the government subsidies disbursement whereas the comparable ratio for the non-poor households is three fifth of the total households. In absolute terms 24 out of the total of 31 poor households have affirmed their satisfaction with the government subsidies disbursement. On the other hand, for the non-poor households it is 42 out of total of 71 households. In so far as individual villages are concerned, we found that the first two villages are markedly more satisfied than the village of Saramsa. In these villages more than 80% of both the poor and non-poor households have affirmed satisfaction whereas in Saramsa it is at most 50% for both the types of households. This, plausibly, has a lot to do with the overall size of the village, the first two villages are smaller but the third village is a relatively of a larger size. In a small setting it is more likely that the community bond is stronger and a sense of belonging is distinctively greater. This is also affirmed by our second question which specifically asked if they are satisfied with the quality of community

fellow feelings for each other in the village. Unsurprisingly, the two smaller villages have unequivocally responded in affirmative on this question but the answers in that we got in the larger village was of a mixed kind. This then may have had an important impact on the kind of answer they gave on the first question in the first place. Although seemingly far-fetched logic, it unambiguously points towards a potent way of defanging ill-effects of poverty both for the individual who are poor and the society at large. While poverty, without a doubt, is taxing on physical well-being, it need not be so on mental well-being. A strong social capital in the community can go a long way in fostering and nurturing a positive mental attitude even amidst material deprivations. Moreover, while a smaller setting is more conducive to a strong social capital a larger setting is not an anathema to it either. Social capital can be fostered through conscious community building exercises. The strong community of Marwari and many church parishes are microcosmic examples to this effect. To sum up, while mental well-being in the form of life satisfaction as a dimension may not have a definite predictive power of one's poverty status it is an important dimension nonetheless.

### **5.3E: Self-employment and poverty**

An important dimension that predicts poverty status of a household as well as income, in the present study, is self-employment as a livelihood. Based on the income benchmark suggested by the Rangarajan Committee, 21 households out of the total of 31 locally considered poor are poor. This is similar to what we found based on self-employment as a source of livelihood. 22 of the 31 locally considered poor households are eking out a livelihood in some or the other form of self-employment in these villages. So, in a way self-employment as a livelihood is mildly better in predicting the poverty status of a household than the official income benchmark.

Moreover, self-employed are disproportionately over-represented in the category of poor households in all the three villages. While more than 70% of the poor households are dependent on self-employment for their livelihood, the comparable figure for the non-poor households is just about 45%. This is instructive of the fact that although income is an important factor in the well-being of a household how that income is earned is an equally important dimension that informs where a household is situated in so far as its position on the economic ladder is concerned. By implication, then, income augmentation alone is not enough for a substantive poverty alleviation. What route this income augmentation comes off is arguably more important for an effective poverty alleviation in these villages in particular and poor households at large. Lest it begins to seem like an over-generalisation we hasten to put a caveat in here. Self-employment as a group is a composite of multitude of occupations most of which are fairly and many a time highly also, stable and enriching. We, in no way, pretend to controvert this reality by our findings of the present study. Far from it, self-employment would be the engine of progress given the fact that public sector is downright shrinking and private sector is growing in a jobless fashion. It is the kind of self-employment in these three villages that has to do with it being highly correlated with deprivation and poverty status of relevant households. In the present study only a countable number of occupations formed the composite of self-employment. These are farming activities including horticulture and floriculture, poultry and dairy, daily wage, driving, quarrying, lumbering, masonry and petty shops. Not surprisingly precariousness and niggardliness are the two salient features common to all these occupations

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### **5.3F: Some not so readily understood dimensions of well-being as well as poverty: Anecdotal analysis**

#### ***Public sector employment potential***

The threat of oft-repeated cliché of 'Demographic dividend' turning into a 'Demographic disaster' poses a real challenge in our times. It is a moot point to say that there are many reasons that are hindering the attempts to harvest this dividend. But on a broad level, it is incontrovertible to say that the sheer paucity of job opportunities that are available at any given moment is the main culprit. And this is a sad reality that is plaguing, virtually, the whole of the country. So, it won't be too far off the mark to say that the solution lies in enlarging the size of the pie, so to speak. Having said that, this is as self-evident as the light of the day and is absolutely a no brainer. But the tragic irony is that this all too clear prescription has been, for quite some time now, staring at an economic growth that is now popularly known as 'jobless growth'. Of late, some economic thinkers have found that labour intensities in even the labour intensive industries have been decreasing, let alone the capital intensive industries. So when the size of the pie has no real promise of enlarging, at least not in the immediate future, its distributive shares have to be given particular attention to. It goes without saying that the distribution should be based on merits as opposed to demerits. This is doubly beneficial; first, it is readily acceptable on the ethical grounds and second, it doesn't distort the incentives in the socio-economic sphere of the society. This, then, is how the things look from a macro level for the nation as a whole. Is Sikkim in any better position? Well, we have serious doubts about it and we have reasons for harbouring these doubts. Among the varied things that we have come across in our discussions with the village folks during our fieldwork for the present study, intoxicant abuse among youth is salient. They ascribe



a mix of reasons for this saliency. But all the varied reasons cited for this affliction among youth have an unmistakable hue of frustrated aspirations. The avenues for giving wings to their agencies are limited in the first place and it is further constricted unfairly by network externalities. This phenomena is so well established & entrenched in their life experiences and social psyche that they have even added new words in their lexicon; 'Thelification', a modification of 'Qualification' by replacing 'Qual' with 'Thel' from local language which means 'Push' and 'Pellification', by replacing 'Qual' with 'Pelli' which stands for money ('Pais(h)a'). With surprising unanimity they say qualifications may have been critical in fetching a job in the government department in the past but today 'Thelification' & 'Pellification' are more important for landing a job. Here it needs to be mentioned that in Sikkim, especially in rural areas, jobs almost always refers to government jobs. This is, arguably, both because of its attractive terms and precariousness of private sector jobs if at all available. To better appreciate the resulting frustrations from these negative use of 'Social & Physical Capital' we would have to understand the cost that goes into making these youths qualified in the first place. We came across stories about families being financially ruined in the process of educating their children. Parents invest not only their liquid incomes, but also liquefy their assets when their liquid incomes don't seem to be enough. Eventually when the child finishes his/her studies and comes back with hard-earned educational credentials in their baggage and enthusiastic hope for a brighter future in their hearts, they are confronted with the 'nemesis' called 'Thelification' & 'Pellification'. We met an elderly respondent who is working as a Night Watchman for a government department. He is retiring next year after more than 30 years of keeping night watch for the Department. Despite his humble job he supported his two sons through graduation. His wife has been a housewife all through which means there is

only a lone source of income for the family. Those with school going kids would have absolutely no difficulty appreciating how hard it must have been for the couple to manage. Subsequently, as if adding insult to the injury, none of his sons got a job so far. The elder one is in his late thirties and has stopped looking for one quite some time back. He is running a petty computer-peripherals shop; self-exploiting but under-utilised. The younger one has only some years left before he too becomes too old to be eligible for any job opportunity that will, with luck, happen to come by. While speaking with their parents we could not help noticing in them an acute sense of disillusionment, more so in the mother. She said they are doubly disadvantaged; firstly they don't have influential network so could not back up their sons' qualifications with 'Thelification' and second, they don't have enough money to provide their sons 'Pellification' either. In another village, one young girl-respondent even went so far as to say that its of no use studying as at the end of it, she has to come back home and do household chores and there is no use of her degree. She poignantly says if all she gets to do is what her parents did and do, she can do it without the degree as well. Such is the pervasiveness of the extent of gloom that is afloat among the rural youth. The agency that the youth so painstakingly, with the help of their parents, developed has no real avenues to see the light of the day. The problem is compounded by the societal expectations that is extant around. With the level of education they have attained it is not in keeping with their perceived societal dignity to accept any lesser job. This makes them invisible on the radar of official unemployment statistics. They are unemployed but are so with their own active volition which is shaped by norms as described above. Now, it is not too difficult to speculate that by virtue of being youthful and educated they may be keeping their struggles going on for some time, but repeated rejections and the increasing

impoverishment of the family all along would be too much to bear for any mortal, howsoever much educated. Subsequently, some resort to drastic step of taking their own lives while some hang on with the help of escapist crutches. Not surprisingly, Sikkim is notorious for its high rate of suicides in the country. When these once-promising youths become addicts and alcoholics, the neighbourhood and the society at large stigmatise them as 'problematic'. There is a strong argument in favour of introspecting by both the neighbourhood and the society at large before so expediently apportioning the blame on them, instead. Who is socio-systemically responsible for bringing about such a predicament in the first place?

Now, there can be many ways in which this problem can be tackled. And, to give credit where it is actually due, the state has many programmes to alleviate the problem of youth unemployment. The capacity building initiatives of the government of Sikkim are a succinct example in this regard. Having said that, promotion of self-employment avenues is, essentially, a supplementary measure in the space of the real issue. Of course, we need these initiatives; in fact, the need can be hardly over-emphasised, but this does not take away the scourge of 'Thelification' & 'Pellification' either.

### ***Environmental degradation and well-being***

Talks about environment and its fragility and the ensuing effects of its excessive degradation is almost a part of the folklores around the world these days. This, certainly, is heartening because these very narratives happened to be a preserve of the intellectuals and scientists not so long ago. This democratisation is, certainly, at once ethical and logical culmination of the issue. Having said that, there is a touch and tinge of impersonality in almost all the popular reports on environmental degradation

and its effects. Most of the reports speak in terms of big and abstract statistics that do not really exude a sense of immediacy, both in time and space, for the general readers. This, perhaps, may have a lot to do in explaining the procrastinative mindset that people, in general, have when it comes to appreciating the issues of environment and its progressively unsustainable degradation. So what is the way forward then? Well, a speculative remedy to make people more empathic towards this issue is, perhaps, a change in the methodology and as a result the ensuing language of the study reports on the issue. One such example is a chance encounter of narratives that we came across while doing our fieldwork for the present study. In most of the discussions that we have had with the older respondents, they invariably referred to environmental aspect of their livelihood in their lifetime thus far. After a lot of one on one conversations with many of these older respondents, both male and female, we could get an unmistakable sense of how, over their own lifetime so far, environmental stresses have constricted their livelihoods and day to day lives as well. Almost all of the respondents who are in the twilight of their old-age now have begun their earning lives about three decades ago. Being in rural areas they have invariably started in agriculture. Life, although very strenuous, was, nonetheless, self sufficient. They ate what they grew in their fields. The green paddy fields were the source of food security then. *Drejong*, the indigenous name of the state literally translating into 'Rice Valley' in the indigenous language is a salient testimony of the importance of rice in the lives of its people from, arguably, antiquity. That reality is now survived in the nostalgia of these older respondents only. Now paddy fields are not so ubiquitous, of course due to a complex of socio-economic reasons, but even the few surviving fields are not as bountiful as it used to be back in the days. There is a surprising unanimity in their voice about the decline in the productivity of the rice fields. The soil fertility has

degraded to such an extent that it is not a viable option for livelihood anymore. Although some of them still do cultivate rice, they are far from dependent on its harvest for their food security, it simply is not stake-worthy. One female respondent mentioned in one of our conversations that in the not so distant a past they could count on a plant of local chilli (*Daley-Khorsani*) to last them for not less than three years with bounties but these days many of the plants do not even last for a single season and withers away. This is reflective of the fact that not only has fertility of the soil degraded, as shown by the narratives on rice crop, but even the climate has also changed in subtle but unfavourable ways. We say this because chilli plants are usually grown in sacks filled with good soil, amply mixed with local manures. Another important source of livelihood for these respondents were livestock, both for milk and meat. But degraded and shrinking common property resources like grazing space have put a meager limit on their rearing capability. In many cases, people have stopped rearing them outright due to paucity of fodder and grass that they earlier used to fetch from now barren & shrinking but once lush green common lands. We even came across one female respondent who told us that she returned a cow that she was allotted from government scheme as she felt she would not be able to procure enough grass. In the villages that we visited, all the households were dependent on natural spring for water, both for drinking and other uses. Although government has helped in construction of storage tanks and pipelines in many places, the source is nature. And all these villages, again, with near unanimity in our one on one conversations have expressed apprehensions about the scarcity of water, particularly during the winter. From their narratives we could make out the fact that the source is getting thinner by each year. It goes without saying that there can be many reasons for this phenomenon but the hard fact is that water is getting scarcer by each year in the rural areas. This

should be a matter of concern for the government of the day too as it might not be an easy task, financially, for a small state like Sikkim to create 'Selep Tanks'<sup>7</sup> for all the 905 villages of the state.

These are the ways in which the environmental degradation is impacting, in real way, in a single lifetime of our respondents. There can be no better argument than these tangible effects to usher in a sense of urgency and a touch of immediacy in terms of environmental issues.

### ***Grassroots democracy and well-being***

If you take away the phenomenon of contestation, the fine line between democracy and dictatorship begins to blur. Hence this phenomenon of contestation, essentially, affords democracy its moral acceptability and social appeal. This is not to say that everything proceeds smoothly henceforth. We do not have to look far to seek a testimony to this effect. A quick look at any of our parliament's proceedings provides a convincing exemplification. Yet, precisely this space of argumentations afforded by the contestability feature of democracy is the beast that holds the key to all the beauties worth fighting for. As a nation, we pride ourselves for being the largest democracy in the world. Our elections are in itself a festivity of people's power over running their own affairs and hence, destiny. The sheer size and scale of Indian elections make almost the entire world sit up and watch in awe. Well, amidst these self-patting, it is also imperative that we preserve and protect the contestability and contestations in our democracy. This tone of apprehension that we exude here is born of a somewhat disturbing narratives that we came across while doing our field work in the three villages around Gangtok for the present study. A caveat is in order though; these aberrations might simply be just some isolated cases and perhaps is not the

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<sup>7</sup> Selep Tank is the water reservoir, the largest in the state, that supplies water to Gangtok Town

general reality across the board. In fact, there are some strong reasons to believe that this might indeed be the case. For a starter, it was a humbling experience, given the cynicisms usually associated with anything that has anything to do with government, to see first-hand how, to a large extent, government schemes that are extant in these villages are informed by the actual predicaments of the rural folks. The near adequacy of sensitivity and responsiveness of the governance is amply reflected in the incontrovertible anecdotal evidences that we unmistakably encountered in the villages we visited. Compared to about 10-15 years ago, there are more and better roads, better health amenities both in terms of availability and access, quality of shelters have changed for the better, number of schooling years is decidedly higher in the cohorts that were of school-going age in the last 10-15 years, spectre of hunger is a distant reality, etc. Be that as it may, these aberrations, nonetheless, are a matter of concern and introspection for the government of the day in particular and people in general. A peculiar feature of Sikkim's polity is the fact that one party has been in power for a very long time; this is, in fact, its 5th term, a record of sorts in its own right. This, arguably, is reflective of the good work that the party has been doing in terms of bringing positive changes in people's lives. But the flip side of it is that there is no effective opposition, at least not in the lowest tier of polity & governance. At the ward level, the foundation of Panchayati Raj Institutions (PRI), there is hardly a semblance of competitive democracy in the villages that we have visited. Lest we are misunderstood, we don't mean to imply there is outright dictatorship. Nothing can be further from the truth than this. All we want to emphasise is the fact that democracy is constricted, at best. Among some of the panchayat members we met and spoke with, one has been a panchayat member for about 30 years and another one is serving his 3rd term. We were, initially, humbled by these facts. Being elected back to office for

many terms back to back is no small feat by any measure. It, a priori, reflected their popularity; and popularity in democracy is begotten from good work and sensitivity towards one's constituencies. But a somewhat different reality started surfacing when we sat down with household respondents for a private one on one conversations. It turns out that none of these long-term Panchayats were elected ever in their terms they served and are currently serving, they were all the so called 'uncontested candidates'<sup>8</sup>. Undoubtedly, many respondents accorded legitimacy to these long-term panchayat members, but there were many who held a contrarian view as well. Now it is tempting to regard these as cases of disaffected individuals who happened to be passed over in the distribution of welfare schemes locally called 'Bikas'. Still more tempting is to neglect these privately dissenting voices on the justification that 'Bikas' cannot be reached to each and every household of a Ward, the compulsions of laws of economics just simply don't permit. But keeping the politics of it aside, this dichotomy of view is indicative of something amiss. Now some may say that dichotomous (differing) views are the very hallmark of a true democracy. Of course it is, there can hardly be two views about it. In fact, it is a sign of healthy democracy if these differing views are generated within the contour of a true democracy. However, if it is generated within the distorted contour of democracy, as it seems is the case at least with the uncontested Panchayats, there is a real need for debate and introspection. Given the fact that there aren't any effective opposition party in the horizon in the villages we visited, some innovative 'second-best' ways can be devised that can engender cooperative competition, simulating the reality of an effective opposition party. For example, the party, instead of nominating just one candidate, can nominate about 4-5 candidates and then let the villagers cast their ballot to reach a

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<sup>8</sup> Candidates who are elected unopposed



decision. We say 4-5 candidates because we found that if there are only 1-2 opponents, the dominant candidate finds a way of persuading the others to withdraw their candidature amicably. Given the wealth of experiences in electoral politics by virtue of being in power for more than two decades it wouldn't and more importantly, shouldn't be very difficult for the ruling party to churn out innovative ideas to stem this malaise of the last-mile democracy.

#### **5.4: Poverty: Pathways of escape**

##### **5.4A: Reference point**

With dynamics of poverty over a period of time being one of the research questions of the present study, we needed a meaningful reference point in the past to trace out the broad trajectory of poverty in the villages of the study. The easiest way to go about this task would be to grab hold of any secondary source. But this possibility is precluded by the very nature of the present study given the fact that this study is also an attempt to capture the concept of poverty as understood and lived by the poor people themselves. The approach endeavors to bestow a sense of ownership in the definition of poverty to the poor people as they are possibly the best experts if at all there could be one. This thus forecloses the possibility of using any poverty identification exercises that might have been done in the past by either the government or non-government agencies. Given such a predicament, we first undertook the exercise of defining poverty with the help of the narratives that the poor people themselves shared with us in the FGDs. Armed with the household lists, we asked the discussants to identify the current status of households as either poor or non-poor. This then gave us a neat categorization of households as obtained at the

present time. Once this is done, we brainstormed with the villagers about any past events which is clearly remembered by most of the villagers. In the process we discovered that in the first village, Malangthang, one unfortunate incident occurred about 20 years back, in 1995, that is distinctly remembered by almost all of the adult villagers. It so happened that three school going sons, ages ranging from 6 to 12, of a single family died of mushroom poisoning. This tragic event served us as our reference point as detailed in chapter III under sub-section 3.2.5. But we were compelled to take a different approach in the case of the third village, Saramsa. First of all, this village was much larger in size than the other two and hence we had to necessarily conduct a sample survey. Also, the FGD that we had in this village was also not very well attended and even those who attended were not very well conversant with the broad economic profile of most of the households. This only left us the option of resorting to the village Panchayat member for broad poverty identification exercise as well as its trajectory. This we accomplished as detailed under sub-section 3.2.5 of chapter III. Having thus created a reference period and event, we undertook the exercise of identifying the well-being status of the households in two different time periods, present and the past with the help of these reference events. In the section ahead we will discuss in detail the well-being status of the households obtained thus.

#### **5.4B: Trajectory of well-being in the three villages**

For analyzing the trajectory of poverty in the study villages we have considered the concept of poverty as defined by the villagers themselves in the FGDs in these villages. Not only is this decision based on the conviction that the true nature of poverty would be better reflected by the narratives of the villagers themselves, it is to a significant extent dictated by the data availability for the villages too. While in the

preceding chapter we identified the poor households on the basis of subjective approach in two different ways namely, a solely articulation based identification and a benchmark based identification where the said benchmark is a simple average of the income and consumption of the those who were unanimously agreed by the villagers in the FGDs as poor. Although the latter method would bring uniformity in poverty definition by virtue of being based on a common benchmark in the space of income and or consumption, it can be meaningfully used only when we are interested in looking at poverty incidence in a static sense. It can give a rich snapshot of poverty at a given point in time, in this case the present situation as obtained. But in analyzing the trajectory of poverty since we do not have comparable and reliable data on income and consumption of the past reference period, resorting to the said method would at best be an arbitrary exercise. A more meaningful way of approaching the trajectory analysis, then, would be one based on the former method, namely the articulation based method. Table 5.4.1 is arrived at by way of resorting to such an approach.

As can be seen from Table 5.4.1, Malangthang among the three villages is more or less stagnant in terms of poverty alleviation. No noteworthy progress is seen in this village, 18 households out of the total 31 households were poor twenty years ago coincidental with the reference event that we discovered in the FGD we had in the village. This amounts to about 58% of the households of the village.

**Table 5.4.1: Poor households in the past and present**

| <b>Villages</b>    | <b>Past *</b> | <b>Present</b> | <b>Total</b> | <b>%Change (Total)</b> | <b>% Change (Annual)</b> |
|--------------------|---------------|----------------|--------------|------------------------|--------------------------|
| <b>Malangthang</b> | <b>18</b>     | <b>16</b>      | <b>31</b>    | <b>6</b>               | <b>0.30</b>              |
| <b>Salangthang</b> | <b>24</b>     | <b>09</b>      | <b>32</b>    | <b>47</b>              | <b>2.35</b>              |
| <b>Saramsa</b>     | <b>21</b>     | <b>6</b>       | <b>39</b>    | <b>39</b>              | <b>1.95</b>              |
| <b>Total</b>       | <b>63</b>     | <b>31</b>      | <b>102</b>   | <b>32</b>              | <b>1.60</b>              |

Note: \*1995 for Malangthang & Salangthang, 1998 for Saramsa

Source: Author's own compilation from the primary data

By the year 2015 merely two households have managed to escape poverty and joined the ranks of non-poor. In terms of percentage change, it is a negligible 6% for the whole of two decades since the reference year of the study. It looks all the more discouraging if we look at the annual change in terms of percentage, a niggardly 0.30%. This is in sharp contrast to what we find in the remaining two villages, more so in the village of Salangthang. 24 of the total 32 households of the village were considered poor twenty years back but at present most of these households escaped the category of poor and have joined the ranks of non-poor. Whereas 75% of the village was poor in the past today it is only 28%, less than one third of what it was earlier. In other words, poverty in terms of number of households has decreased in this village by about 47% in the last two decades, an annual poverty alleviation of 2.35% in the last twenty years. Needless to say it is a comfortable achievement by any standard. We shall have more to say on the reasons for such remarkable transition in the village when we discuss the pathways into and out of poverty in detail in the sections ahead. Equally remarkable is the story of the third village, Saramsa. From a

poverty level of 54% about a decade and half ago it has come down to a low of 15% today. The annual percentage decline in the last two decades is 1.95% translating into 39% decline in poverty incidence in the said period. The overall trajectory of the collectivity is, intuitively, reflective of the three villages, albeit to a lesser extent in so far as the outlier, Malangthang, is concerned. Hence, poverty has, without a doubt, decreased to a considerable extent. On the whole, from a high of 62% in the past, it has come down to 30% today. In a way, poverty has been halved in the last about two decades, giving a poverty alleviation rate of 1.60% annually for the said duration.

As much as such an analysis may be instructive of the poverty alleviation performance over a period of time, it fails to reflect the churning that is going on within each of these villages in so far as the mobility, both upwards and downwards, of the households on the economic ladder over this period of time is concerned. The percentage changes in the poverty incidence that we have spoken about at length so far are but a proxy indicator of what is essentially undergoing in these villages in terms of movements of the households up and down the economic ladder. We, next, take up such an analysis based on the narratives that we have come across in our discussions with the villagers both privately and in FGDs.

When we look at poverty in a dynamic context as opposed to a single time point, we cannot help recognizing the fact that poverty is a two-way traffic, so to speak. While many households are, through a combination of hard work and good luck, bettering their condition and climbing up the economic ladder thereby escaping poverty, there are also households that are, again through a combination of adverse circumstances and bad luck, climbing down the same ladder, so to speak. So, an analysis of poverty alleviation strictly focusing on the percentage decline in terms of poverty ratio, like the one that we indulged in the earlier section, fails to capture these varied strands of

mobility that ultimately feed into the overall poverty incidence ratio. This would be evident if we take cognizance of the fact that a reduction in poverty can be a result many different permutations and combinations of the two opposite forces that ultimately make up the overall poverty reduction statistics. A decrease in poverty incidence is absolutely compatible with a large number of households newly joining the ranks of poverty. Now it goes without saying that such a situation is not at all an occasion for complacency, at the very least. Therefore, it is not a mere autopsic exercise but pertinent from the policy point of view to purposely take up such an exercise. We attempt such an exercise in the following section.

We have categorized the mobility into four types. They are:

***Upward Mobile (UM):*** These are those households that were considered poor in the reference year and is no longer considered poor at present.

***Downward Mobile (DM):*** These are the households that were not considered poor in the reference year but are considered poor at present.

***Chronic Poor (CP):*** These are the households that were considered poor in the reference year and are considered poor at present as well.

***Never Poor (NP):*** These are the households that were considered non-poor in the reference year and are considered non-poor at present as well.

**Table 5.4.2: Mobility matrix of the households over the reference period**

| <b>Status</b> | <b>Malangthang</b> | <b>Salangthang</b> | <b>Saramsa</b> | <b>Total</b> |
|---------------|--------------------|--------------------|----------------|--------------|
| <b>UM</b>     | <b>05</b>          | <b>16</b>          | <b>18</b>      | <b>39</b>    |
| <b>DM</b>     | <b>03</b>          | <b>00</b>          | <b>01</b>      | <b>4</b>     |
| <b>CP</b>     | <b>13</b>          | <b>09</b>          | <b>05</b>      | <b>27</b>    |
| <b>NP</b>     | <b>10</b>          | <b>07</b>          | <b>15</b>      | <b>32</b>    |
| <b>Total</b>  | <b>31</b>          | <b>32</b>          | <b>39</b>      | <b>102</b>   |

Source: Author's own compilation from primary data

As can be seen from Table 5.4.2 above, Malangthang is a stagnant village in terms of economic mobility of the households in that village. In contrast, the other two villages, Salangthang and Saramsa, are very vibrant in terms of mobility of the households on the economic ladder since the reference period. In Malangthang, only five households have escaped poverty but this meager achievement is also diluted by the fact that three households have fallen into poverty in the same period of time. So, as a composite picture, poverty reduction is in the form of only two households for the entire village in the last two decades. Bulk of the households in this village has remained what we call 'Chronic Poor', 13 out of the total of 31 households were poor in the reference year of the study and they continue to remain poor at present as well. This, then, accords well with our analysis on poverty incidence and narratives that we came across while conducting our FGD as well as private discussion with the individual households in this village. Having said this, we hasten to add that Malangthang does not seem to be an endemically poor village. Far from it, 10 households out the total of 31 households are what we call 'Never Poor', they were not

poor in the past and are not poor at present as well. If we add the 5 households that have escaped poverty, almost half of the village is non-poor today. In sharp contrast, the dynamics of mobility is totally different and much more vibrant in the remaining two villages of the study, Salangthang and Saramsa. In Salangthang, 16 households out of the total of 32 households are what we call 'Upward Mobile', in other words, half of the village have escaped poverty in the last two decades. But a more important noteworthy fact about this village is that not a single household has fallen into poverty in the last two decades. A high number of UM households with a zero DM household has resulted in a very positive achievement in the sphere of poverty alleviation in this particular village. At present only 9 households are what they consider as poor households which means the current poverty incidence percentage is about 28% contrasting starkly with Malangthang where 50% of the village are poor at present. A similar pattern of mobility is also exhibited by the third village, Saramsa, although we need to keep in mind the fact that the time interval we considered in this village is shorter. In all 18 households out of the total of 39 households have moved out of poverty in the reference time interval; only one household has fallen into poverty in the same time period. As a result the current poverty incidence percentage is very low at 15%. It also needs to be mention here that this village was the best out of the three in terms of the initial condition , i.e., at the time of reference event, this is reflected by the fact that a total of 15 households out of the 39 households were non-poor back then. And it continues to maintain that position at present as well. So, all in all, 66 households out of the total of 102 households were poor in the past. Out of those 39 households are no longer poor today which means 59% of the poor households have left the rank of poor households and joined the non-poor category. 27 households have remained poor in both the period, past and present. Only four household have



descended into poverty in the last two decades. Although not a massive impoverishment in terms of numbers, it, nonetheless, indicates the possibility of attaining a higher poverty alleviation but for these downward movements. So, what may have been broadly responsible for the mobility of households that we obtained in these villages? Understandably no one factor would possibly be responsible for these movements given the fact that at any given point of time households are constantly indulging in many different activities in pursuit of their aspiration for a better quality of life and equally important, they are constantly being acted upon by a myriad of socio-economic circumstances, most of them by way of active and conscious design either by the government or the environment that they find themselves in. It would be instructive and interesting to explore these varied factors that collectively enable these mobility of the households over a period of time. In the section ahead we would try to identify the factors that became pathways for movement into and out of poverty for these households.

Having observed the fact that there is a lot of churning going on over a period of time in the poverty profile of an area, we next looked at what are the pathways that these dynamic movements into and out of poverty took. What were broadly determining the well-being status of a family over a period of time? Now, intuitively, a broad brush answer to such a question would almost always allude to the fact that it is idiosyncratic. Well, that can hardly be denied but even among these idiosyncrasies, we can single out some broadly dominant pathways. This was amply clear in our study undertaken in the three villages. To get a clear sense of what enables the households to escape poverty we segregated the upward mobile households according to the current primary source of livelihood that they are engaged in these three villages. By doing so we arrived at the following table of livelihood matrix vis-à-vis

the UM households in these villages. A noteworthy feature is the fact that in none of these UM households agriculture is a primary source of livelihood.

**Table 5.4.3: Livelihood(Primary) matrix of UM**

| <b>Village</b>     | <b>UM</b> | <b>Govt. job</b> | <b>Driver<br/>(Private)</b> | <b>Petty business</b> | <b>Quarry</b> |
|--------------------|-----------|------------------|-----------------------------|-----------------------|---------------|
| <b>Malangthang</b> | <b>5</b>  | <b>3</b>         | <b>0</b>                    | <b>2</b>              | <b>0</b>      |
| <b>Salangthang</b> | <b>16</b> | <b>7</b>         | <b>1</b>                    | <b>8</b>              | <b>0</b>      |
| <b>Saramsa</b>     | <b>18</b> | <b>6</b>         | <b>5</b>                    | <b>3</b>              | <b>4</b>      |
| <b>Total</b>       | <b>39</b> | <b>16</b>        | <b>6</b>                    | <b>13</b>             | <b>4</b>      |

Source: Author's own compilation from primary data

#### **5.4C: Government jobs**

Employment in the government sector is, without a doubt, the most vital pathway out of poverty for the earlier poor households. This is invariably true for all the three villages. In our individual conversations with the villagers listening to their life stories, one recurrent aspect for those who have escaped poverty over the reference period of the study is that someone in their household somehow fortunately landed a government job before the situation of the family started improving. In Malangthang village out of the 5 households that escaped poverty over the last two decades, 3 of them have in their household at least one member who has a government job. Similarly, in Salangthang village out of the 16 UM households 7 of them have at least one member having a government job, the comparable figure for the third village, Saramsa, is 6 households out of the 18 UM households. In other words, without these government jobs the mobility of these households would have been constrained to say

the very least. As much as it is an important pathway out of poverty, the future potential of this particular pathway is very bleak as government jobs are drying up owing to a multitude of reasons (see anecdotal analysis in the preceding chapter).

But one distinction needs to be made here about the kinds of government jobs that is indeed effective as a pathway out of poverty. Government jobs at entry level is almost always of non-regular nature to begin with. They are, in the local diction, popularly called 'Ad-Hoc' or MR (Muster roll). These non-regular jobs are not very effective as a pathway out of poverty understandably because the salary paid is very meager and the tenure of the job also is not secured which also forecloses the avenues of accessing formal sector credit that may help in alleviating the vagaries of poverty. Ironically we found that all the regular government jobs, however low a level it is, almost always is gotten through serving a considerable length of time as non-regular employees such as 'Ad-hoc' or 'MR'. We found that some the villagers have served in such precarious non-regular position for as long as 15 years. In other words, one has to pay the price of escaping poverty by staying in poverty, sometimes for quite a long time. But the ready willingness to cling to these non-regular jobs may have a lot to do with both the paucity of job avenues and attractive remuneration for regular government jobs that could be landed if one perseveres with these non-regular government jobs.

#### **5.4D: Petty businesses enabled by improving infrastructure and connectivity**

In the first two villages, Malangthang and Salangthang, villagers repeatedly talked about engaging in petty businesses like horticulture, floriculture, dairy, etc. being one of the important sources of income supplements. These petty businesses were enabled, inter alia, by the construction of all weather roads and footfall generating centers around these villages by the government. The improvement in the connectivity

with the capital city, Gangtok, opened up the teeming market for the produce of these villages. Some of the villagers are earning a large chunk of their annual income through these petty trades. Although these petty trades are not the mainstay of their livelihood, these avenues have had and continue to have an important supplementing effect. But for these market options these families would be financially as much challenged. This is also borne out by the pathways matrix analysis that we did for these villages. Although Malangthang has not had as big a benefit from this pathway as Salangthang, it is considered an important supplement for their income for many of the households nonetheless. With regard to Salangthang this is a critical pathway for the households that escaped poverty, in fact it is even surpassing the government jobs as the leading pathway out of poverty. Out of the 16 households that moved out of poverty in this village, 8 of these households did so with the help of petty businesses whereas the comparable figure for Malangthang is one household out of the 5 that moved out of poverty. In contrast, household in Saramsa do not seem to have depended so much on this particular pathway. Only 2 households out of 18 households that moved out of poverty are engaged in any kind of petty business. The curious case of Salangthang benefiting relatively more than the other two villages may have to do, inter alia, with the infrastructure development by the government in the last two decades in the form of laying all weather road connectivity with Gangtok and development of multiple tourist spots like Banjhakri Falls, Ranka Amusement park, Rishithang Khel Gaon, etc. contiguous to the village area. The other two villages were not as fortunate in this context.

#### **5.4E: Private driving (Taxi and Trucks)**

Private driving, both passenger and goods carrier, is also an important pathway to move out of poverty in these villages. Between the two, plying taxi for passenger

ferrying is more important and for many the mainstay of their livelihood. Out of the 39 households that moved out of poverty 6 of these households did so with the help of this particular pathway. A noteworthy feature is that fact that almost all of these 6 households are from Saramsa village. This may have to do with fact that Saramsa is located in the immediate vicinity of Ranipool town which is another important town which in turn is located in the suburb of Gangtok town. There is a lot of footfall of local as well as tourist passenger commuting between Ranipool and Gangtok and its hinterlands. Such a strategic locational advantage is supplemented by the fact that many households in this village are well to do and able to buy vehicles and lease them out to these poor households, in turn earning extra income as well as enabling the poor households to earn some income too. Now since vehicles are costly, one would only be willing to invest if there is scope to recover that money in the form a abundant demand for vehicle services in the area. Saramsa happens to be rife with these enabling conditions whereas the other two villages are not so fortunate in this aspect. The potency of this particular pathway could be gauged from the fact that the income earned is quite significant, on an average the monthly earning is about Rs. 15000/-. During the tourist season, the earning would be much more for those who are catering to the travel needs of the visiting tourists.

#### **5.4F: Quarrying**

Apart from Taxi driving, sand and stone chips quarrying is also an important source of livelihood for many in the village of Saramsa. However, quarrying is unique to this village alone as the other two villages are not located on any river bank. Saramsa is located on the bank of Rani Khola rivulet which deposits sand and pebble chips on its shore when the river recedes. Although sand mining is a seasonal occupation, it is at its peak during the monsoon season when the river swells, quarrying as such is a year

round occupation because during the dry seasons these people are busy in breaking stones into concrete chips which is in high demand due to the never ending construction, big and small, going on around the capital town of Gangtok and its hinterlands. Out of the total of 18 households that escaped poverty 4 of them did via the pathway of quarrying activities, not to mention many more households that are dependent on this occupation for supplementary income for their household.

#### **5.4G: Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)**

The flagship program of the government has been a huge help for affording the poor and those who are just around the periphery of poverty a supplementary source of income and a safety net preventing them from descending into outright destitution. This became evident when we sat down with the villagers for private discussions with them about their life histories. Most of them did not fail to mention about MGNREGA and their association with the program. This is further reflected in the fact that about 42% of the households in these three villages have benefited from the scheme and added an average of about Rs. 10000/- annually to each of these participating households. Although this program by itself is no way near being enough to escape poverty as evident from the low average income, it is certainly a considerable supplement in their annual income. Not a single household escaped poverty with the sole help of MGNREGA in our study villages. In other words, in conjunction with income from other sources, it definitely is a potent pathway out of destitution if not poverty per se. Having said this, it also needs to be mentioned here that like in the other states this program is beset with some anomalies like late payment of wages, uncertainty of the availability of work on a regular basis from year

to year, etc. Removing these bottlenecks would make this program an important as well reliable supplementary source of income for the poor households.

#### **5.4H: Rural housing schemes of the state**

One noteworthy thing in these study villages are almost near absence of kutcha houses. In all the three villages that the current study covered, almost all the houses are pucca or semi-pucca at least. This is mostly owing to the rural housing scheme of the state government known as Chief Minister's Rural Housing Mission (CMRHM) which is a modified rural housing scheme tailored from the various centrally sponsored and state schemes on rural development. This certainly had many contributory effects in so far as escaping poverty is concerned. First of all, it has a direct impact of saving the poor and vulnerable from spending their meager income on the ownership of houses. About 58% of the households in these three villages have received some or the other form of assistance related to pucca house construction thereby saving them from a major expenditure that they would otherwise have to incur. Since money saved is money earned, this then, in a way, directly augments their income thereby opening a pathway out of poverty. Equally important, this also helps in a seemingly indirect way of boosting their morale in their pursuit of better life. Owning a secure and stable house goes a long way, as we were told repeatedly by the villagers, in keeping them motivated to work harder to better their condition. This positive psychological impetus is not without its utility, so to speak.

#### **5.4I: Education**

Education has certainly helped them in bettering their condition, there is hardly any doubt about it. Given the fact that government jobs are a major pathway out of poverty for the poor households as we saw in our analysis of pathways, it is implicit

in this fact that education has been a big enabling factor. Without some kind and amount of schooling it is not possible to land a government job; it may not be a sufficient condition but it definitely is a necessary condition. So the fact that sizeable bulk of the movement out of poverty is assisted by some kind of government employment is a clear evidence that education indeed has helped. However, we hardly came across anyone who have attained an advanced level of education in these villages though. None in the villages that we covered have qualified themselves into any specialized profession like medicine or engineering. But almost all of the households have members, especially the younger generations, who have attained or in the process of attaining elementary and secondary education. This is also borne out by the fact that almost all of the villagers who are having a formal sector jobs, like government and private, are at the lower level of the job pyramid. Especially the ones in the government jobs are almost invariably at the lower rung of the employment ladder. Although we could not get exact data on the education level of all the villagers, we did find that all the households invariably put a lot of emphasis on the education of their children. This can be sensed from the fact that although government schools are available in the near vicinity, many of these villagers are sending their children to private schools despite the fact that they have to bear the expenses. This is a succinct testimony of them realizing the importance of education as critical pathway for better life both economically and socially. So education have absolutely been an important enabling factor for them to access the formal sector jobs, especially the government jobs. And given the fact that government jobs is the one of most important pathways out of poverty, the significance of education can be hardly emphasized enough.



#### **5.4J: Health care**

Although it is difficult to document a clear and explicit link between improved health care and escape from poverty directly in the absence of relevant data. However, it is not difficult to see that any kind of morbidity is a clear stress on the effort to improve their life economically and socially as well. This was evident in the present study too. We came across few households having members who are suffering from renal complications and pulmonary chest conditions. While talking with these households it was clear that they would have done much better but for the morbidity in their households. So the contributory factor of improved health care both in terms of access and quality can be undeniably understood in a counterfactual parlance. In our private conversations listening to their life histories the villagers almost always touch upon the hardships that they had to suffer in the past due to paucity of healthcare facilities in the vicinity and even the facilities that were available at a distance could only be accessed through a lot of hardship due to near absence of motorable roads. The patients had to be carried in bamboo baskets, locally called *Doko*, till the dispensaries or hospitals. Things are drastically different today because of better roads and health care facilities in the near vicinity. As a result health does not seem to be a priority issue that bothers them at present time. This simple fact amply demonstrates that their pursuit of aspirations are not constricted by compromised health owing to improved availability of health care facilities.

#### **5.5: Poverty: Pathways of descent**

It is heartening to say that the current study found only 4 household out of a total 102 households that have descended into poverty from being non-poor in the reference period. In terms of percentage it is less than 4%. As much as it is remarkable, it also

sheds light on what might push a household into the category of poor. In so far as these particular households are concerned, there are two unmistakable features that became pathways into poverty. Both of these have to do with the demography of the household; it changed in a unfavorable way in terms of the age structure as well as the size. On the one hand, the main earning member aged and retired from active service and on the other hand the size of the household increased. This shrunk, if not altogether snapped the income of the household and the effect of this dwindling income is made more aggravated by the increase in the number of members that had to be fed and clothed. The average size of these 4 households is 8 although none of these households are disproportionately burdened with school going children. It seems the adult members other than the head of the household are simply not employed in a meaningful way. This is plausibly because they are not invested well in terms of human capital in them; be it in the form of some minimal education or a conducive health. However we are no way near to being conclusive here owing to lack of appropriate data in this regard. But the fact that 3 of these 4 households are subsisting on the pension income of the head of the household as their mainstay is a potent indicator in this direction. Ironically, none of the social safety nets that is extant through the government in the rural areas are accessible to these household. The fact that the patriarch of the family had a government job precluded them from being included in the state BPL list; 3 of these 4 households are on the above poverty line (APL) list of the state government, foreclosing the benefits of subsidized food items that they could have bought. Moreover, they do not have real access to; only 1 household out of these 4 is accessing this flagship program in some way. Thus the extra income that could have come their way via this avenue is also choked. Tangentially, this speaks volume about how it is nearly not sufficient to look at the

outside apparent realities only of a household. In other words, it is critical to look at the individual dynamics and idiosyncrasies of each household if we truly want to make sure assistance are afforded to those who indeed need it the most.

## CHAPTER VI

### CONCLUSIONS

The present study essentially attempted to answer three specific questions in the context of poverty incidence in the three villages located in the immediate periphery of the capital of the state, Gangtok, in particular and the state at large inferentially.

These specific questions are:

- a) Does poverty in income space actually capture the sum total of poverty for the poor in the mountain state of Sikkim?
- b) Is the essence of poverty as experienced by the poor in the rural areas of East Sikkim meaningfully captured by variables other than income/consumption?
- c) What informs the trajectory of poverty in the rural areas of East Sikkim?

We would summarise the answers that emerged from the study in the following section. For the sake of convenience as well as logical build up of arguments we would structure our summary in three distinct parts, each catering to one of the specific questions that culminated in the present study.

Poverty is a complex manifestation primarily because it is informed by multitude of factors. These multitude factors have differing significance at different times making the task of capturing poverty in totality a daunting challenge. One way of overcoming this challenge was pioneered by Seebohm Rowntree at the beginning of the last century (Rowntree, 1901). He took income as the determining factor of a household's poverty status. Specifically, he constructed an artificial poverty line income, an

income that is just sufficient to command a bare minimum subsistence. Little did he know then that his artifact would prove to be so simplistically ingenious that it would spawn a vast body of literature on poverty. So much so that income came to be accepted as the only factor, *de facto*, that is of relevance in measuring poverty incidence. This may be a convenient resort but it is far from being a comprehensive way of capturing the sum total of the phenomenon of poverty. Poverty identification based on a minimum cut-off income may not necessarily reflect the true extent of poverty in a setting. Such a conclusion emerges from the findings of the present study. The percentage of people who are poor based on income benchmark method is vastly lower than the percentage of people who are actually considered poor by the villagers themselves. This is not merely because the cut-off income is too low. Had it been the case, it is not income *per se* as a determining factor that is at fault then. But there is something more to it than this. The number of people who are actually considered poor by the villagers themselves are an assortment of people having varied level of income. Some of these people are at a level of income that is far higher than the cut-off income line but many of them are at a level of income that is significantly lower than this cut-off line as well. This is possible, *inter alia*, because the defined cut-off income level for segregating the population into poor and non-poor category is a low level to begin with. However the niggardliness of the cut-off income level may not be the real effective cause for the vast mismatch in the poverty ratios gotten from these two different methods is apparent when we look at the income level of the people who are considered non-poor by the villagers themselves. Among the people who are considered non-poor, there are many who are at a level of income that is considerably lower than the cut-off income line. By implication, income level does not seem to be a strong correlate with the locally understood poverty status of an individual. So, the

next logical question is what predicts poverty status better? Is there any one single factor that correlates with poverty better than income? In the present study we found many factors other than income that correlate equally well and sometimes better with poverty status of a household and individual. These other variables are gender, size of the family, quality of livelihood, access to credit formal as well as informal, age of the individuals, etc. We found that female-headed households are more likely to be poor compared to a male-headed household. Similarly a larger size household is more likely to be poor than a smaller sized households in the same village. The story is not very different in so far as the age of the individuals are concerned, more so in the case of the age of the head of the households. The ability to access credit both formal and informal also is a distinctive dimension of poverty in these villages. In a nutshell, income is not the only dimension of poverty, although it is, no doubt, an important one. The other dimensions are also a potent reflection of the poverty status of a household. Thus a richer understanding of poverty can be obtained by considering these multiple dimensions as poverty is unambiguously a multi-dimensional phenomenon.

When we looked at the well-being status of households in terms of poverty status over a period of time we found a lot of upward mobility as well as some downward mobility. Many different pathways have enabled these movements out of poverty. Some of them are formal sector employment avenues like government jobs, whereas some are informal sector entrepreneurial avenues like taxi driving, petty businesses, etc. These mainstay livelihoods are supplemented by many social safety nets like subsidised food items through public distribution system (PDS), MGNREGA, etc. The proactive initiative of the state government in the form of Chief Minister's Rural Housing Mission (CMRHM) to the rural households hitherto living in dilapidated

shelters have also given a huge impetus, both tangible and intangible, to upward mobility of the households in these villages. Better quality and access to education and health care also seem to have contributed immensely in the upward mobility although we are unable to concur with statistical precision due to unavailability of relevant empirical data in these villages. But some of these things are so much a foregone conclusion that a need for statistical precision in the form of empirical data is a moot point to say the least.

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|                                    |  |
|------------------------------------|--|
| <p><u><i>Life History:</i></u></p> | <p><u><i>Childhood:</i></u></p> <p><u><i>Around marriage:</i></u></p> <p><u><i>After some kids were born:</i></u></p> <p><u><i>Recent past:</i></u></p> <p><u><i>Present:</i></u></p> <p><u><i>Future aspirations:</i></u></p> |
| <p><u><i>Economy:</i></u></p>      | <p><u><i>Pre reference period:</i></u></p> <p><u><i>Post reference period:</i></u></p> <p><u><i>Intermediate period:</i></u></p>   |

|  |   |
|--|---|
| <p><u>Local<br/>Democracy:</u></p>       | <p><u>Pre reference period:</u></p> <p><u>Post reference period:</u></p> <p><u>Intermediate period:</u></p> |
| <p><u>Collective<br/>Agency:</u></p>     | <p><u>Pre reference period:</u></p> <p><u>Post reference period:</u></p> <p><u>Intermediate period:</u></p> |
| <p><u>Social<br/>Stratification:</u></p> | <p><u>Pre reference period:</u></p> <p><u>Post reference period:</u></p> <p><u>Intermediate period:</u></p> |





| Mortality in the family in last 5 years |     |     |  |               |       |      |
|---|-----|-----|--|---------------|-------|------|
| Name                                    | Age | Sex | Was it a natural death/unnatural death/other causes, Name of disease | Medicine used |       |      |
|   |     |     |  | Traditional   | Other | None |
|   |     |     |  |               |       |      |
|   |     |     |  |               |       |      |
|   |     |     |  |               |       |      |
|   |     |     |  |               |       |      |
|   |     |     |  |               |       |      |
|   |     |     |  |               |       |      |

| Benefits received from State government in the last 15 years. |                    |                            |                         |                          |                     |                               |
|---|--------------------|----------------------------|-------------------------|--------------------------|---------------------|-------------------------------|
| Sl. No.   | Name of the scheme | Year of receiving benefits | Name of the beneficiary | Relationship to the head | Name of item/amount | Helpful in augmenting income? |
| 1   |                    |                            |                         |                          |                     |                               |
| 2   |                    |                            |                         |                          |                     |                               |
| 3   |                    |                            |                         |                          |                     |                               |
| 4   |                    |                            |                         |                          |                     |                               |
| 5   |                    |                            |                         |                          |                     |                               |
| 6   |                    |                            |                         |                          |                     |                               |
| 7   |                    |                            |                         |                          |                     |                               |
| 8   |                    |                            |                         |                          |                     |                               |
| 9   |                    |                            |                         |                          |                     |                               |
| 10  |                    |                            |                         |                          |                     |                               |
| Do you face any problem in receiving the benefit? (Y/N)       |                    |                            |                         |                          |                     |                               |
| If yes, what type?  |                    |                            |                         |                          |                     |                               |

**Type code:** a) Not getting information at proper time, b) Late release, c) Improper distribution, d) Not sufficient, e) Any other

**Table A1: Consumption pattern of Malangthang**

| Expenses                     | Malangthang (Rs. per year) |            |          |            |
|------------------------------|----------------------------|------------|----------|------------|
|                              | Poor                       |            | Non-poor |            |
|                              | Average                    | Percentage | Average  | Percentage |
| <b>Food</b>                  | 25724                      | 35         | 67200    | 36         |
| <b>Fuel</b>                  | 3228                       | 4          | 5677     | 3          |
| <b>Clothing</b>              | 8938                       | 12         | 11333    | 6          |
| <b>Health</b>                | 6119                       | 8          | 39313    | 21         |
| <b>Education</b>             | 11350                      | 15         | 23067    | 12         |
| <b>Social Rituals</b>        | 15275                      | 21         | 30000    | 16         |
| <b>Alcohol &amp; Tobacco</b> | 2607                       | 4          | 5633     | 3          |
| <b>Others</b>                | 575                        | 1          | 4900     | 3          |
| <b>Total</b>                 | 73811                      | 100        | 187124   | 100        |

Source: Author's own compilation from primary data

**Table A2: Consumption pattern of Salangthang**

| Expenses                     | Salangthang (Rs. per year) |            |          |            |
|------------------------------|----------------------------|------------|----------|------------|
|                              | Poor                       |            | Non-poor |            |
|                              | Average                    | Percentage | Average  | Percentage |
| <b>Food</b>                  | 49599                      | 47         | 41602    | 41         |
| <b>Fuel</b>                  | 2622                       | 2          | 3507     | 3          |
| <b>Clothing</b>              | 6667                       | 6          | 8348     | 8          |
| <b>Health</b>                | 13311                      | 12         | 7557     | 7          |
| <b>Education</b>             | 12556                      | 12         | 17100    | 17         |
| <b>Social Rituals</b>        | 12889                      | 12         | 16217    | 16         |
| <b>Alcohol &amp; Tobacco</b> | 1822                       | 2          | 2599     | 3          |
| <b>Others</b>                | 7111                       | 7          | 5648     | 6          |
| <b>Total</b>                 | 106576                     | 100        | 102577   | 100        |

Source: Author's own compilation from primary data

**Table A3: Consumption pattern of Saramsa**

| Expenses                     | Saramsa (Rs. per year) |            |          |            |
|------------------------------|------------------------|------------|----------|------------|
|                              | Poor                   |            | Non-poor |            |
|                              | Average                | Percentage | Average  | Percentage |
| <b>Food</b>                  | 58000                  | 61         | 61327    | 41         |
| <b>Fuel</b>                  | 8543                   | 9          | 10714    | 7          |
| <b>Clothing</b>              | 7667                   | 8          | 10667    | 7          |
| <b>Health</b>                | 12483                  | 13         | 16976    | 11         |
| <b>Education</b>             | 1833                   | 2          | 25033    | 17         |
| <b>Social Rituals</b>        | 4750                   | 5          | 15879    | 11         |
| <b>Alcohol &amp; Tobacco</b> | 600                    | 1          | 6328     | 4          |
| <b>Others</b>                | 617                    | 1          | 4213     | 3          |
| <b>Total</b>                 | 94493                  | 100        | 151136   | 100        |

Source: Author's own compilation from primary data

**Table A4: Consumption pattern of the study area as a whole**

| Expenses                     | Total (Rs. per year) |            |          |            |
|------------------------------|----------------------|------------|----------|------------|
|                              | Poor                 |            | Non-poor |            |
|                              | Average              | Percentage | Average  | Percentage |
| <b>Food</b>                  | 133323               | 49         | 170129   | 39         |
| <b>Fuel</b>                  | 14394                | 5          | 19897    | 5          |
| <b>Clothing</b>              | 23271                | 8          | 30348    | 7          |
| <b>Health</b>                | 31913                | 12         | 63846    | 14         |
| <b>Education</b>             | 25739                | 9          | 65200    | 15         |
| <b>Social Rituals</b>        | 32914                | 12         | 62096    | 14         |
| <b>Alcohol &amp; Tobacco</b> | 5029                 | 2          | 14560    | 3          |
| <b>Others</b>                | 8303                 | 3          | 14761    | 3          |
| <b>Total</b>                 | 274880               | 100        | 440837   | 100        |

Source: Author's own compilation from primary data