

CROPnewsletter

Comparative Research Programme On Poverty

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contents

Page 1

**Poverty and Growth in
India**
by Martin Ravallion

Page 2

**CROP conference on
Poverty and Social
Exclusion in the
Mediterranean Area**

Page 3

Editorial

**Call for papers -
Law and Poverty II**

Page 4

List of CROP events

Notices

frontiers of poverty research

Poverty and Growth in India 1951-92: Some Lessons from a World Bank Research Project

There has been much debate about how much poor people share in economic growth. However, this is a difficult issue to resolve empirically, not least because of the paucity of representative and reliable data over time on the living standards of poor people, writes Martin Ravallion in the World Bank.

Amongst developing countries, India has relatively good data for addressing these issues. At the time of writing, one could compile a time series of consumption data from 35 National Sample Surveys spanning 1951-94. A recently completed World Bank research project has used these data to study the past evolution of living standards in India.

The national poverty measures over this period responded significantly to economic growth and contraction. For example, a 10% increase in mean consumption resulted in a 12-13% drop in the proportion of people who are poor. The impact of growth in India are not confined to those near the poverty line, but reached deeper.

Redistribution played a secondary role in the long run changes in poverty in India. Growth in average consumption has been

more important, accounting for about 80% of the cumulative decline by the end of the period in the proportion of people living below the poverty line. Most of the impact of redistribution was in the 1950s and 1960s.

The research found that the changes in national poverty have been for the most part driven by changes in rural poverty. The rural sector accounted for more than three-quarters of the total decline in national poverty measures over the period. Nonetheless - despite the substantial sectoral shifts in national output that have occurred over the last 40 years or so - poverty in India is still overwhelmingly rural. In 1992, three-quarters of India's poor lived in rural areas.

The relative effects of growth within each sector, and its spillover effects to the other sector, reinforced the importance of rural economic growth to national poverty reduction in India. Both the urban and rural poor gained from growth within the rural sector. By contrast, urban growth had adverse distributional effects within urban areas which militated against the gains to the urban poor, and urban growth had no discernable impact on rural poverty. The process of growth through rural-to-urban migration contributed very little to poverty reduction in India.

The investigation thus points clearly to the quantitative importance of the sectoral composition of economic growth to poverty reduction in India. Fostering the

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conditions for growth in the rural economy - both primary and tertiary sectors - must be considered (continues on page 2) central to an effective strategy for poverty reduction in India.

But there is another implication for the future. The project studied the historical experience in a period in which India's development strategy (starting from the Second Plan in the 1950s) emphasised capital-intensive industrialization concentrated in the urban areas of a largely closed economy. One may not be surprised that urban economic growth fuelled by such industrialization brought negligible gains to the nation's poor as a whole. This underlines the importance of successful transition to an alternative industrialization process.

The national aggregates for India hide large regional disparities in levels of living. Some of these differences appear to have persisted historically, though there were also differential trends across regions. Looking back over time, the more striking - though often ignored - feature of the Indian experience has been the markedly different rates of progress between states. For example, the southern state of Kerala moved from having the second highest rural poverty rate around 1960 to having the fifth lowest around 1990.

Comparing the experiences of 15 states over time, the project found that higher growth rates in agricultural yields, fluctuations in non-agricultural output, lower rates of inflation and higher growth in state development expenditure all led to higher rates of progress in both raising average consumption and reducing measures of absolute poverty. Inter-state differences in initial conditions of human and physical resource development also played an important role; higher initial irrigation intensity, higher literacy rate and lower initial infant mortality rate all contributed to higher rates of consumption growth and poverty reduction. Initial inequalities in access to physical and human infrastructure were an important factor in the differences in longer-term rates of poverty reduction. By and large, the same variables determining growth in average consumption mattered to rates of progress in reducing poverty. Thus there was little sign of a trade-off between growth and pro-poor distributional outcomes. A series of papers documenting the data, are available from: Martin Ravallion at the World Bank, 1818 H Street NW, Washington DC, USA 20433.

POVERTY AND SOCIAL EXCLUSION IN THE MEDITERRANEAN AREA

In October a CROP/University of Crete conference on "Poverty and Social Exclusion in the Mediterranean Area" was organised in Rethymno, Crete. Poverty researchers from 17 countries participated in the conference. A publication, edited by professor Karima Korayem, Al-Azhar University of Cairo and professor Maria Petmesidou, University of Crete, will be produced based on a selection of the papers.

The conference was officially opened by Secretary General of the International Social Science Council (ISSC), Professor Leszek Kosiski, and the host, professor Maria Petmesidou from the University of Crete, greeted the participants on behalf of the Vice-Rector, professor Ionnis Pyrglotakis.

The following papers were presented:
 Maurizio Ferrera: "Welfare reform in Southern Europe. Institutional constraints and opportunities"
 Ian Gough: "Social assistance in Southern Europe"
 Mojca Novak: "Poverty: facts and feelings"
 Aris Sissouras and Anthony Karokis: "Constructing safety net policies against social exclusion: Limitations and perspectives"
 Asaf Bayat: "Poverty and social exclusion in Egypt. Who cares about the poor?"
 José Burle de Figueiredo: "Poverty and social exclusion in Tunisia" and "The general outcomes from the IILS/UNDP project on social exclusion"
 Mounir Zouiten: "Poverty in Morocco"
 Kheder Zakaria: "Poverty in Syria: A profile"
 David Piachaud and Christos Papa-theodorou: "Family background and poverty in Greece: The role of father's occupation and educational status"
 Anthony Abela: "Poverty and social exclusion: A comparative analysis of social welfare in Malta and Spain"
 Michael Chletsos: "Changes in social policy - Social insurance, restructuring the labour market, and the role of the state in Greece in the period of European integration"
 Rivka Bar-Yosef: "Exclusion, closure and marginalization: Immigrants in Israel"

Ayse Öncü: "Istanbulites and others : Changing representations of the "immigrant" in popular cartoons"
 Maria Dikaiou: "Forms of social exclusion of children"
 Ubaldo Martinez Veiga: "The social exclusion of immigrants through housing"
 Solomon I. Cohen and Belaid Rettab: "Relative poverty and social exclusion of Mediterranean migrants in Europe"
 Michael Skaliotis: "EUROSTAT's recent work and medium-term programme on poverty and social exclusion".

Prospects for future collaboration in the Mediterranean area were discussed. Several of the participants showed interest in further co-operation on poverty issues in the Mediterranean area, so CROP has already started preparations for a follow-up workshop in 1997. Plans for establishing a local CROP Secretariat in the Mediterranean area were also discussed at the conference. Given the positive signals, CROP will investigate that possibility as well.

The conference was made possible with funding from the Greek National Committee of UNESCO, the International Labour Organisation, the Greek Ministry of Education, the University of Crete and CROP.

Please notice that the CROP Secretariat does not have the capacity to distribute any of the above mentioned papers. If you can not wait for the forthcoming publication, kindly contact the author directly (addresses are available upon

INTERNET IN DEVELOPING COUNTRIES

UNDP, United Nations Development Programme, will help developing countries making use of the Internet. The Director of UNDP, James Gustav Speth, says that the revolution in communication technology will provide millions of people with an opportunity to improve their standard of living, when being better informed and more active in the decision-making process. UNESCO voices the same concern when discussing how the poor countries can take advantage of the increasing global communication. The two UN organisations have invited intellectuals from all over the world to contribute to this debate.

editorial

The Human Development Report for 1997 will be on POVERTY. That is important. Through a penetrating and detailed analysis of different sides of human life, the Human Development Report has turned into a powerful instrument for political agenda setting. Whether they agree or not with the contents of the Report, media, bureaucrats and scholars alike are making extensive use of data and arguments presented in the Report. The 1995 Report on Gender and Human Development was a basic document for those preparing to go to the UN Conference in Beijing. While the dust still has not settled after the presentation of the 1996 Report on Economic Growth and Human Development. Indeed, there is good reason to look forward to the 1997 Report.

Following their usual style, the staff responsible for the 1997 Report has travelled widely to meet people and capture knowledge from many different perspectives. A 2-day meeting was organised in Oslo where CROP provided an input. Several issues were brought out and will hopefully find their way into the Report. The utilities of the poor for the non-poor was discussed at length, as was the need to understand the behaviour of the non-poor and the ways they create, sustain and alleviate poverty. Without such understanding poverty alleviation is not likely to progress. Other parts of the discussion focused on negative consequences for the poor of economic growth, the questionable role of the World Bank in developing social protection for the poor, and the impact of globalisation on poverty. The ever pending question of how to define poverty in such a way that it is consistent with the actual experience of poverty, was acknowledged. But again, it was emphasised that we need to learn how to live with more complex definitions of poverty which are closer to realities than the prevailing simple measurements. A minimum requirement when using simplifications, must be to include the consequences of such simplified measurements in the discussion and implementation of poverty lines, for example.

Another part of the meeting concentrated on long term development of poverty and what can be learned from the past comparing development in different cultural settings. One of the cases presented was a historical retrospective analysis of the factors influencing a previously very poor country,

CALL FOR PAPERS

CROP AND THE INTERNATIONAL INSTITUTE FOR THE SOCIOLOGY OF LAW (IISL)
 CONVENE A WORKSHOP ON:

LAW AND POVERTY II

OÑATI, SPAIN, MAY 22ND - 23RD, 1997

In co-operation with the International Institute for the Sociology of Law, Oñati, CROP is convening a second workshop on "Law and Poverty II". This is a follow-up of a workshop on the same theme, held in Oñati in 1995. You are cordially invited to present a paper (in English) for the workshop. Papers presented at the workshop must fall in one of the following categories:

- Legal rights protecting the poor and other vulnerable groups
- Protection of the poor by constitutional rights
- Protection of the poor in international documents on Human Rights
- Legal framework governing political action to improve poor peoples' living conditions and secure welfare rights

The workshop will be limited to 25 participants. All participants will be expected to take part in the proceedings, either by presenting papers or discussing papers. Funding will be sought to support travel expenses of those participants whose papers are accepted. However, if CROP is not successful in its search for funding, participants must bear the responsibility for their own funding.

If you wish to present a paper, please send an abstract to the CROP Secretariat.

THE DEADLINE IS JANUARY 6TH, 1997

The abstract should include: Personal name, title, full postal (and e-mail) address, TELEPHONE and FAX numbers; the title of the proposed paper and a summary of the main theme or argument. The summary should include: Theory, methods and findings. Do not exceed ONE PAGE (A4). Include also a list of your recent publications.

Participants will be notified by February 1st, whether their proposals for papers have been accepted, and will then be given details of the format in which the papers should be prepared (the deadline for submission of the paper will be 31st of March, 1997).

All enquiries about the seminar should be addressed to:
 CROP Co-ordinator: Hans Egil Offerdal, CROP Secretariat, Fosswinckelsgate 7, N-5007 Bergen, Norway, Tel: +47 55 58 97 39, Fax: +47 55 58 97 45, e-mail: crop@uib.no

The objective of the Comparative Research Programme on Poverty, CROP, is to establish an arena for interdisciplinary and comparative research on poverty in developed and developing countries. CROP has initiated a series of seminars, workshops and conferences promoting new approaches to strategic issues in poverty research.

such as Norway, and how it managed to eradicate poverty and turn into one of the wealthiest countries in the world. So far historical analyses of successes and failures to curb the growth of poverty are scarce.

But they remind us of the need to incorporate also the historical perspective into comparative studies of poverty.

Else Øyen, Chair of CROP

CROP SESSIONS IN SOCIOLOGY CONFERENCES

3 sociology conferences are coming up where CROP may wish to provide an input on poverty research.

The 19th Nordic Sociology Congress, Copenhagen 13-15 June 1997. The theme is "Marginalization and integration". Those of you who wish to organise a session on poverty, or present a paper in such a session, please make contact with the CROP Secretariat immediately.

The 3rd European Sociological Conference, Colchester, England, 27-30 August 1997. The theme is "20th Century Europe: Inclusions/Exclusions". Those of you who wish to organise a session on poverty, or present a paper in such a session, please make contact with the CROP Secretariat, before December 31st, 1996.

The XIVth World Congress of Sociology, Montreal, Canada, July 26th - August 1st, 1998. The theme is "Social Knowledge; Heritage and Future of Sociology and Social Sciences". The Research Committee on Poverty, Social Welfare and Social Policy (RC 19) will organize at least one CROP session on poverty. Professor S.M. Miller will organize the session(s). Please write him directly at: *Commonwealth Institute, 186 Hampshire St., Cambridge, MA 02139-1307, USA* if you want to present a paper.

EVENTS OF INTEREST FOR CROPS MEMBERS?

If you know of regional or international conferences where a session on comparative poverty studies is scheduled or could be organised by some of our members, please let the CROP Secretariat know, and we shall spread the word, either through the CROP Newsletter, the CROP webpage, or directly to participants in the CROPnet.

LIST OF CROP EVENTS 1996 - 1997

December96:

5: Follow-up of the UN Social Summit. Presentation of CROP research projects at the ISSC General Assembly, Paris, France

May97:

22-23: "Law and Poverty II", CROP/IISL Workshop in Oñati, Spain

September97:

"Human Rights as an Instrument for the Eradication of Poverty", CROP Workshop in Santiago, Chile

October97:

"The Role of the State in Poverty Alleviation", CROP/University of Botswana/BIDPA Workshop in Gaborone, Botswana

WORKSHOPS UNDER PREPARATION:

"Poverty in the Pacific", Project planning workshop in Suva, Fiji

"The Role of the State in Poverty Alleviation", in Addis Ababa, in co-operation with the UN Economic Council for Africa, and UNESCO.

UNCTAD BOOK ON POVERTY

UNCTAD has published a new book presenting papers from an inter-agency seminar on "Globalization and Liberalization: Effects of International Economic Relations on Poverty" held in Switzerland this year. The papers deal with issues such as "Domestic liberalization policies and public finance: poverty implications", and "Implications of macro economic policies for equity and poverty". Included are also regional studies. Copies can be obtained from *UNCTAD, Palais des Nations, Attn: Anthony Woodfield, CH-1211 Geneva 10, Switzerland.*

CROP IN BRIEF

CROP is a world-wide network of researchers and experts on poverty. The aim of CROP is to establish an arena for interdisciplinary and comparative research on poverty in developed and developing countries. CROP organises regional workshops, symposia and international conferences, promotes joint research projects and publications, links poverty researchers and disseminates information about poverty research. CROP is developing an international database on poverty researchers, and documentation of ongoing research. CROP is chaired by professor Else Øyen, University of Bergen, Norway.

If you wish to have your name listed in CROPnet, you are welcome to write the CROP Secretariat and request a copy of the CROP Questionnaire. For further information please contact the CROP Secretariat

WEB PAGE FOR CROP

Those who have an Internet connection and a WWW browser programme installed, find the CROP web page at <http://www.svf.uib.no/helsos/crop/> The page holds general information about CROP, news about past and ongoing activities, as well as the latest CROP newsletter.

Please note: We can no longer answer the increased demand for copies of single papers presented at CROP conferences and workshops. However, if you have the patience, most of the papers become available through the publications that follow the conferences and will be duly announced. We still supply the authors addresses, phone & fax numbers.

AT THE CROP SECRETARIAT

you will meet:

Else Øyen, Chair of CROP

Hans Egil Offerdal, CROP Co-ordinator

Inge Erling Tesdal, CROP Assistant

CHANGE OF ADDRESS?

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THE QUOTE

"People are divided by the stand they take on the poverty of today."

Emmanuel Mounier
French philosopher