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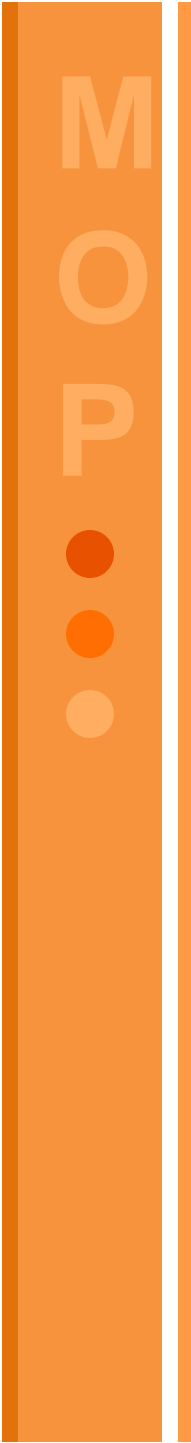
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***Moving Out of Poverty:
Role of Private Sector and Civil Society***

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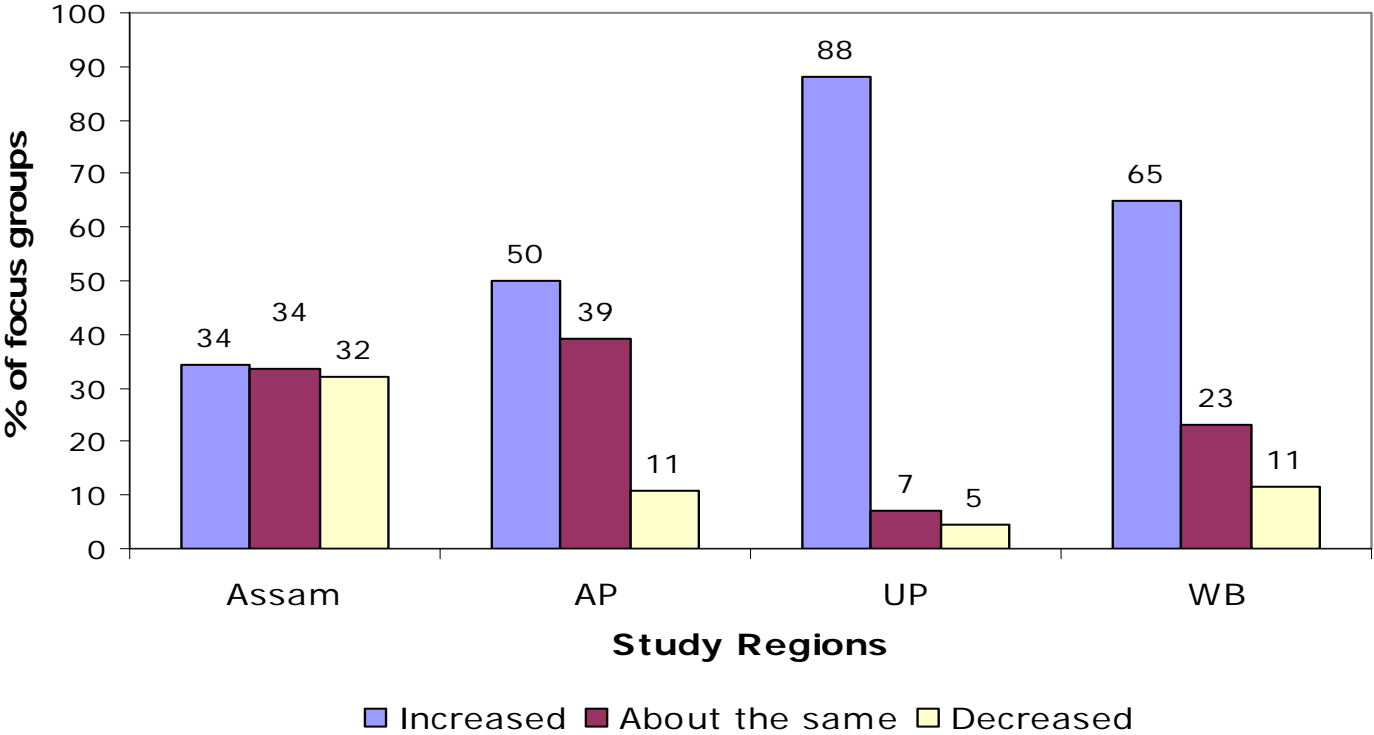
New Delhi, May 26, 2008
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Asset Accumulation in what context?

Increase in Available Opportunity

% of male focus groups that said economic opportunities had increased in their community over the study period

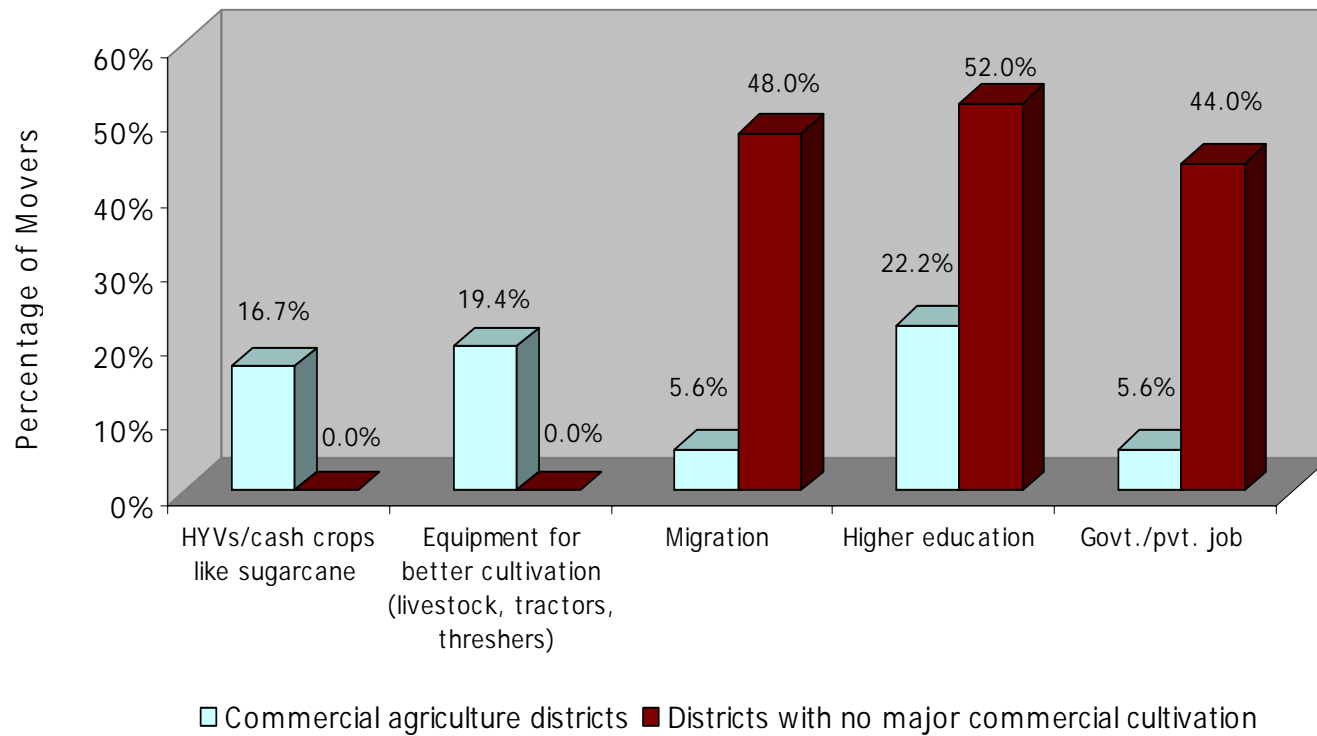


Source: Community Profile; N=296

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But...one chance at availing opportunity

Early Decisions taken in youth by Movers in U.P.



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Women's Economic Opportunities

UNEQUAL WAGES

The men work in the fields, they get their due wages, whereas when the women do the same type of work, they get less wages. There should be no disparity in the quantum of wages

Discussion with women in a village in U.P.

UNEQUAL EDUCATION

There is inequality in our village. Boys can study up to higher classes where as girls cannot. Girls need to get married early

Discussion with boys in a village in W.B.

LIMITED OPPORTUNITIES

Women have to focus on the education of their children in addition to cooking. The men abstain themselves from such things. They only take the responsibility of earning. They always suppress the women

Discussion with women in a village in Assam

..BUT GROUPS CAN HELP

Before these groups, our women never went out to meetings, banks and discussions. They didn't know anything except household work. They were like shepherds who did not know the smell of jasmine. Now they are able to deal with all these things very easily

Discussion with women in a village in A.P.



Asset Accumulation Absence of Private Sector

% times private sector was mentioned when an asset accumulation event occurred

	Movers	Chronic Poor
Assam	1.9	0.8
A.P.	0.7	1.1
U.P.	0.7	0.8
W.B.	2.1	1.3

Source: Authors' calculations using coded data from life stories gathered from the Indian study regions; N=2700 life stories



Asset Accumulation Absence of Civil Society

% times civil society was mentioned when an asset accumulation event occurred

	Movers	Chronic Poor
Assam	4.8	6.8
A.P.	3.2	2.5
U.P.	0.7	1.1
W.B.	2.7	3.2

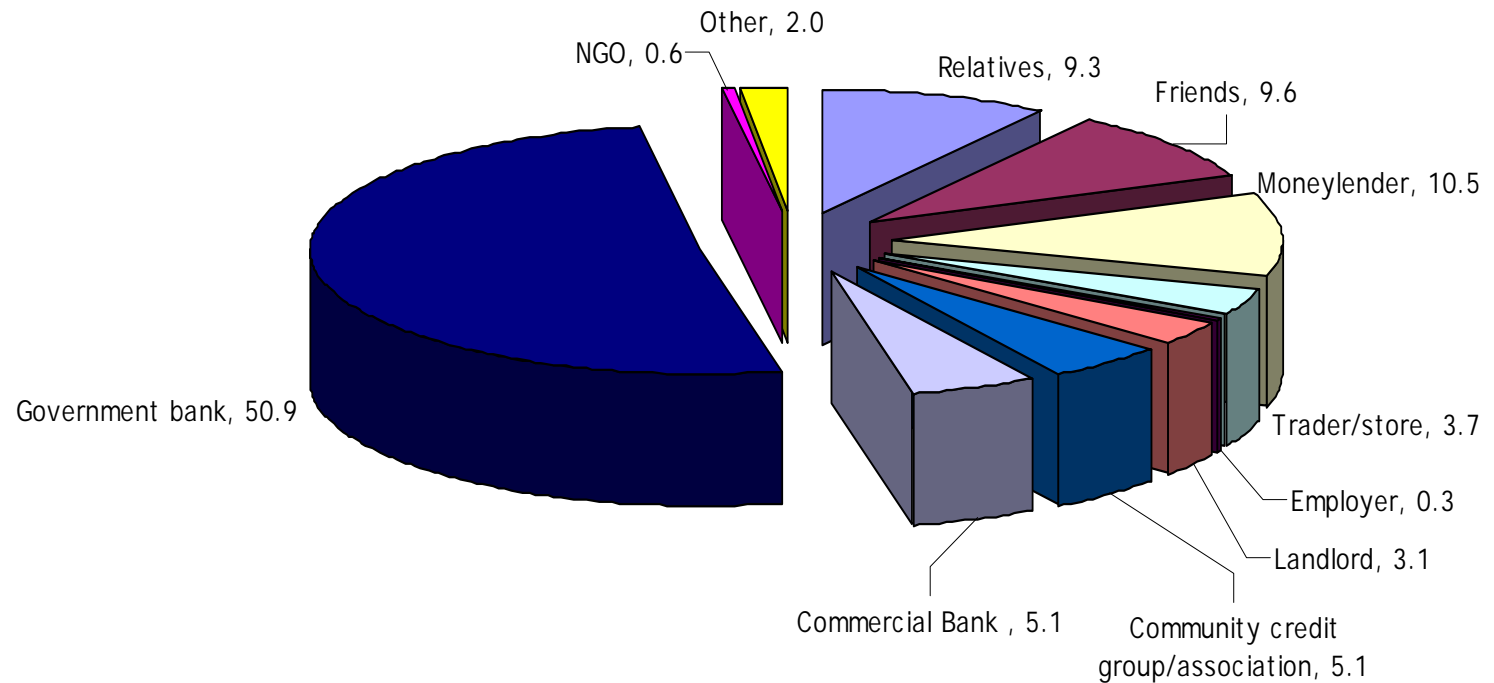
Source: Authors' calculations using coded data from life stories gathered from the Indian study regions; N=2700 life stories



Doing Business

Sources of Credit: Absence of Commercial Banks and Civil Society

Sources of Credit for Business: All India Sample, All Groups



Source: HH survey data; N=354

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Sources of Credit for Business

Capture by Rich; Potential for Commercial Banks

Sources of Credit for Business	Movers	Chronic Poor	Never Poor	Fallers
Relatives	11.3	12.5	7.4	0.0
Friends	9.9	14.3	7.4	10.0
Moneylender	9.2	23.2	5.2	20.0
Trader/store	1.4	10.7	2.9	5.0
Employer	0.0	1.8	0.0	0.0
Landlord	4.2	5.4	0.7	5.0
Community credit group/association	9.2	7.1	0.7	0.0
Commercial Bank	4.2	1.8	7.4	5.0
Government bank	46.5	23.2	66.9	50.0
NGO	1.4	0.0	0.0	0.0
Other	2.8	0.0	1.5	5.0
Total	100	100	100	100

Source: HH survey data; N=354

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Sources of Credit for Consumption

Groups help cope, but not move up....

Sources of Credit for Consumption	Movers	Chronic Poor	Never Poor	Fallers
Relatives	26.7	21.6	17.0	20.5
Friends	15.8	17.3	11.8	15.9
Moneylender	18.8	25.9	22.2	30.7
Trader/store	10.9	11.0	15.7	14.8
Employer	0.0	3.5	0.0	0.0
Landlord	5.9	5.5	13.7	6.8
Community credit group/association	12.9	12.1	15.0	9.1
Government bank	7.9	2.0	3.3	2.3
NGO	0.0	0.0	0.7	0.0
Other	1.0	1.2	0.7	0.0
Total	100	100	100	100

Source: HH survey data; N=689

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Civil Society

Helping Poor People Cope

An NGO in a village in A.P.

Before NGO intervention

People used to be scared to go and talk to the landlords. They felt that working hard under the landlords was great as long as they got to eat little food. They suffered calmly and tolerated all adverse conditions like famines and scarcity. They lived with no relation to the outside world, with no facilities, struggling even for water

After NGO intervention

The NGO assembled all these people in one place and started by explaining them about savings and other matters. In this way, it increased their thinking capacity. Earlier Harijan families used to live in pipes and small huts. It has helped to upgrade them in society by constructing houses, educating their children and giving them medical help. Harijans are now free people

Doing Business

PROBLEMS OF SCALE, INFLUENCE AND RESILIENCE

The rich people have the businesses here. They also have more freedom and social prestige. Poor people have little freedom. No one tolerates them because they lack money

Discussion with men in a village in West Bengal

RESTRICTIVE RULES AND REGULATIONS

You need a license to start a business. It may be anything – opening a meat shop, rearing hens – all need a license. The licenses are distributed at the district level and the middlemen make money for giving them. People usually pay up to save themselves from trouble.

Discussion with men in a village in U.P.

LACKING INFRASTRUCTURE

There is no problem in doing business. All can do it. But where there is no light, no bridge and no roads, what business will you do?

Discussion with women in a village in Assam

LACKING INFORMATION

Usually the traders come to our fields to buy groundnuts. They tell us the rate themselves and buy it. But when we go to buy groundnuts in the market, they fetch a higher price. It is like selling in a jungle and buying back from a devil.

Discussion with men in a village in A.P.

Expanding Opportunities

ROADS

The villagers can now go to other villages for work and return the same day. Transport has become easier. Those engaged in cultivation of small fish have benefited the most due to the repair of the highway

Discussion with men and women in a village in W.B.

Village roads were in a horrible state with potholes and thorny bushes. Walking on the road was a painful experience especially in the nights and during the rains. People were not able to travel on their bullock carts or take their oxen to fields. The construction of the new road solved all these problems. Auto-rickshaws are now plying in the village. Tourism opportunities have improved providing alternative employment to many people, in the form of paan shops, soda stalls and telephone booths.

A group of informants in a village in A.P.

MARKETS

The difference is that earlier the traders paid us as per their choice. We had to carry the crop all the way. We did not want to carry it back and sold it at whatever price we received. Now there are traders in the village itself. We show a sample of the yield to them and if we like the rates we sell it to them and they carry the crops from our houses

Men commenting on the setting up of a weekly market in a village in U.P.



Conclusions and Policy Implications

1. Invest in collective agency of poor women and men
 - Groups can help
 - Aggregate demand; federations can address problem of scale and influence
2. Leverage collective agency by linking to poor people's livelihoods
 - Else will remain in the realm of coping
 - Focus not so much on supply, more on demand, markets, value chains
 - More credit, not less
3. Roads, bridges, markets and cheap transport
 - Importance of rural, feeder roads
 - Role of public-private-civil society partnerships



Conclusions and Policy Implications

4. Improve investment climate from below

- Improve access to information on prices
- Open procurement chains
- Simplify licensing rules and regulations

5. Corporations of the Poor

- Go beyond Lijjat and AMUL to micro equity, profit sharing for the poor
- Some examples – FabIndia; other examples?