

Conclusion

I was again on a great voyage of discovery and the land of India and the people of India lay spread out before me. India with all her infinite charm and variety began to grow upon me more and more, and yet the more I saw of her, the more I realized how very difficult it was for me or anyone else to grasp the ideas she had embodied... I was also fully aware of the diversities and divisions of Indian life, of classes, castes, religions, races, different degrees of cultural development. Yet I think that a country with a long cultural background and a common outlook on life develops a spirit that is peculiar to it and that is impressed on all its children, however much they may differ among themselves. (Nehru 1946: 58–9)

As we end our journey through Indian social life, we are painfully aware that we have only drawn broad contours of it. Statistics can identify the fundamental bone structure of a body, but they cannot colour it with flesh and blood beauty. However, behind these statistics lie thousands of interviews that our research teams have conducted through the length and breadth of India. We would not be doing justice to the hopes and dreams with which the men, women, and children, who participated in the IHDS spoke to us if we did not add our observations to highlight the vulnerabilities, resolve, and hope of these families.

Since Independence, poverty rates in India have declined substantially, going from 54.9 per cent of people living in poverty in 1973–4 to 27.5 per cent in 2004–5 as measured by the NSS. Vigorous debates about how to count the poor have occupied economists over the past decade,¹ and it is not our intention to add to this debate. Rather, we would like to draw on the IHDS results to focus on two dimensions of vulnerability. First, a segment of the Indian population lives in absolute destitution. In the course of IHDS fieldwork, we

visited many homes and were struck by the stark nakedness of some of these homes. Walking into a rural hut with a few pots piled on the floor and a mat laid out in the honour of the visitors made us realize that all the worldly goods of these households were spread before our eyes. Chapter 5 documents that 15 per cent of the households do not possess a cot, 3 per cent do not have two sets of clothing, and 7 per cent do not have footwear for all the household members. The NSS data similarly indicate that 2.6 per cent of rural and 0.6 per cent of urban households report being hungry. This destitution is not evenly spread across Indian society. If we define destitute households as those that do not possess footwear and two sets of clothing for everybody (that is, 7 per cent of the IHDS households), 2 per cent of the forward caste households are destitute, compared with 12 per cent of Dalits and 17 per cent of Adivasis. Similarly, 12 per cent of households in the least developed villages are destitute, compared to less than 1 per cent of those in metropolitan areas. While almost none of the households in Kerala or Himachal Pradesh fall in this category, 33 per cent of the households in Orissa do.

A second aspect of vulnerability that deserves attention is that many families survive at the margins. Illness or natural calamities like droughts or floods can propel them quickly into poverty. These marginal households have few resources to draw on when adversity strikes. While the savings rate may be high for upper income households, 39 per cent of Indian households do not even have a bank account. Seven per cent of IHDS households took a loan in the preceding

¹ Deaton and Kozel (2005); Dubey and Gangopadhyay (1998).

five years to deal with a medical emergency, and 6 per cent had to borrow to finance regular consumption. If selling land or jewellery is an indicator of extreme vulnerability, 2 per cent of the households had to sell land and 3 per cent had to sell jewellery to repay loans in the preceding five years.

While recognizing these vulnerabilities, we were deeply humbled by the resolve and creativity shown by the Indian families. Nearly 50 per cent of rural elderly men and 31 per cent of urban elderly men continue to work well into their seventies, a time, when by most standards, they should be able to enjoy retirement. Families continue to provide care and support for each other. Seventy seven per cent of the elderly above 60 years reside with married children, or other relatives. Individuals work hard to patch together livelihoods and often work in whatever jobs they can find. It is not uncommon to see a rural man working for a few days a year on his own farm, a few days as an agricultural labourer in an adjoining farm, and in construction labour during the non-agricultural season, while his wife looks after animals, takes care of agricultural tasks, and engages in sewing, or making pickles to supplement the family income.

However, for us personally, it is the message of hope that is the most striking. Even among households that have seen little of India's much trumpeted 9 per cent economic growth, there is a great desire to ensure that their children will partake in this growth in the decades to come. More than 90 per cent of children aged 6–14 have attended school at some point in their young lives, and 85 per cent were enrolled at the time of the interview. Girls are somewhat less likely to be enrolled, but they are not far behind their brothers now.

In articulating these vulnerabilities, creativity, and hopes of the IHDS households, we seek to encourage a discussion of some persistent challenges facing Indian society in the twenty-first century. Three challenges are particularly noteworthy:

- (1) Historical fault lines along gender, caste, and religious boundaries have remained persistent themes throughout this report;
- (2) Global forces have widened the disparities between metropolitan cities and forgotten villages, and between states that were already more advanced and those mired in the economic doldrums; and
- (3) In spite of some noteworthy achievements, public institutions in most of India have failed in delivering basic services.

CASTE, RELIGION, AND GENDER DISPARITIES

Differences in well-being among social groups are long established, but a variety of contemporary forces have conspired to sustain and sometimes exacerbate these inequalities. Dalits have long laboured at the margins of a society that depends

on that labour, but that has often excluded them. Although, some Adivasis in the North-East have fared better, other Adivasis have either lived in such remote locations that they have been left out of the recent economic progress or have been forced to migrate, only to work as low paid labourers. In some cases, such as for OBCs and Muslims, historical disadvantages have been exacerbated by structural shifts. A decline in artisan incomes has affected Muslims disproportionately, while agricultural stagnation has disproportionately affected OBCs, especially. These historical and contemporary forces are manifested in the continuing human developed disparities presented in this report.

In general, the IHDS finds that Adivasis and Dalits are still at the bottom on most indicators of well-being, Muslims and OBCs occupy the middle, and forward caste Hindus and other minority religions are at the top. We see these patterns in a variety of indicators: household incomes and poverty rates, landownership and agricultural incomes, health, and education. These group positions are not immutable, and on some dimensions we see slightly different rankings. For example, Adivasis generally have slightly better health outcomes (that is, reported short-term morbidity and child mortality), probably as a function of living in the North-East, where health care appears to be of higher quality. Similarly, when it comes to education, Muslims are as disadvantaged as Dalits and Adivasis, although their economic well-being is more at par with that of OBCs.

Two aspects of these social group disparities deserve attention. First, much of the inequality seems to emerge from differential access to livelihoods. Salaried jobs pay far more than casual labour or farming. These jobs elude the disadvantaged groups for many reasons. Living in rural areas, having lower education, and arguably having fewer connections for job search, all may play a role. Regardless of the reason, more than three out of ten forward caste and minority religion men have salaried jobs, compared with about two out of ten Muslim, OBC, and Dalit men and even fewer Adivasi men. Dalits and Adivasis are further disadvantaged by not owning land, or owning some, mainly, low productivity land. Not surprisingly, these income differences translate into differences in other indicators of human development.

Second, as if inequalities in the parental generation were not enough, future generations seem doomed to replicate these inequalities because of the continuing differences in education—both in quality and quantity. In spite of the long history of positive discrimination policies—particularly, reservation in college admission—social inequalities begin early in primary schools. Thus, affirmative action remedies are too little and too late by the time students reach the higher secondary level. The IHDS not only documents these substantial disparities in school

enrolment, it also uncovers tremendous differences at all levels of skill development. More than two-thirds of children aged 8–11 from forward castes and minority religions can read simple paragraphs, compared with less than half of those from Dalit and Adivasi households. These group differences persist even after we take into account school enrolment, parental education, and income. We know too little about the actual operation of schools to be able to explain these differences, but it is clear that remedial action in primary schools—and perhaps even before then—is needed in order to equalize the playing field. It is particularly worrisome to note that Muslim children are as disadvantaged as Dalit and Adivasi children, although little attention has been paid to religious background as a source of educational disadvantage. At the other end of the skill spectrum, more than a third of forward caste males and more than half of minority religions have some English skills compared to less than a third of OBC males, one in five Muslims, one in five Dalits, and one in seven Adivasis. Differences among women are even greater.

Gender forms another axis along which IHDS found tremendous disparities. The IHDS, the NSS, and the Census record extremely low rates of female labour force participation. Education fails to reduce these differences, with women's labour force disadvantage growing rather than reducing at levels of education up to higher secondary education. When women are in the labour force, they tend to work mostly on family farms or caring for livestock. Even when women engage in paid work, their daily income is only 53 paise per rupee earned by men in rural areas and 68 paise in urban areas.

Women's economic vulnerability is compounded by their social vulnerability. More than 95 per cent of new brides live with their in-laws after marriage, and more than 40 per cent do not have their natal family nearby. Wives, therefore, have few sources of social support and must rely on husbands and in-laws for both financial and social needs. A preference for sons over daughters remains strong, so sex selective abortions result in more male than female births, and once born, girls still experience higher mortality in infancy and childhood.

SPATIAL DISPARITIES

Inequalities between cities and villages, and among rich and poor states, are not new. However, recent economic changes have heightened these disparities. As agriculture has stagnated, urban employment has come to play an even greater

role in shaping economic well-being.² Moreover, historical accidents as well as state policies have led to higher economic growth in some states than in others, resulting in widening interstate disparities.³ Political and social differences have also played a role.⁴ The result is the striking patterns of spatial inequality the IHDS has found across almost all indicators of human development.

Urban Advantage

Since official poverty lines are set at different levels for urban and rural areas, poverty rates in villages appear quite similar to those in towns or cities. IHDS found rates of 26.5 for rural areas and 23.7 for urban areas, a difference only slightly greater than found in the NSS. For example, the NSS poverty rate for urban areas was 25.7 in urban areas and 28.3 in rural areas.⁵ However, limiting our focus to poverty rates obscures other dimensions of locational advantage. Urban areas more often have running water, electricity, and local medical facilities. Hence, even the poorest urban residents have greater access to basic amenities than wealthier rural residents. For example, 83 per cent of urban households in the lowest income quintile have electricity, almost comparable to the 89 per cent electrification of rural households in the top quintile. Teachers and doctors in urban areas are more likely to live close to their work and less likely to be absent, increasing the quality of overall schooling and medical care. This is easily seen in the difference in skill acquisition for children aged 8–11. Among children living in metropolitan areas, 69 per cent can read a simple paragraph, while only 47 per cent of the children in the least developed villages can read.

This report has documented the particularly high urban advantage in human development in the six metropolitan areas—Mumbai, New Delhi, Bangalore, Kolkata, Chennai, and Hyderabad—compared with two- and three-tier cities. Similarly, the rural disadvantage is particularly sharp in the least developed villages. Indians in metropolitan areas seem to live in a totally different universe from their brothers and sisters in the least developed villages. They have higher household incomes (median income of Rs 72,000 versus Rs 20,297). A higher proportion of adults who speak English fluently (16 versus 2 per cent for males) and have some computing skills (19 versus 2 per cent), have a cell phone in the household (24 versus 1 per cent), have a flush toilet (55 versus 7 per cent), have children who have had all basic vaccinations (62 versus 40 per cent), and lower child mortality (31 versus 82 per thousand).

² Ramaswamy (2007).

³ Deaton and Drèze (2002).

⁴ Chhibber and Nooruddin (2004); Banerjee, Somnathan, and Iyer (2005).

⁵ These figures use a uniform recall method. A mixed-recall method yields results that are even closer: 21.8 for rural areas and 21.7 for urban areas.

Regional Disparities

One of the most striking results in this report are the large state differences in almost all indicators of human development (see Box 14.1).

Infant mortality rates in Kerala (estimated at nine in the IHDS) rival those of developed countries. In contrast, those in Uttar Pradesh (estimated at 80 in the IHDS) are substantially higher. Similarly, female literacy rates in the North-East are 81 per cent, about twice the rate in Rajasthan.

Regional disparities in income, education, health, and other dimensions of human development, are well known. However, the causes of these disparities remain poorly understood. Like others who have noted these disparities, we do not attempt to explain them. However, this section highlights the results from preceding chapters that might spur a discussion about how to best understand these differences in order to develop effective public policy.

Several observations are worth noting. Substantial state differences in economic development affect both the

Box 14.1 Regional Differences Are Often Larger Than Other Differences

Results presented in this report indicate that on a variety of dimensions of human development, differences between states are often as large, if not larger than, the differences by income, education, urban/rural residence, and caste or religion. Although, some of the state level differences may be due to education, income, or other personal characteristics, contextual factors seem to play an independent role.

State Differences in Selected Indicators

	<i>Households with Electricity 18+ Hours (per cent)</i>	<i>Children Aged 8–11 Can Read (per cent)</i>	<i>Women Aged 15–59 Work (per cent)</i>	<i>Women Married Before 18 (per cent)</i>	<i>Under 5 Mortality (per 1,000)</i>
State					
Lowest	3 (Bihar)	39 (UP)	26 (Punjab)	19 (Kerala)	11 (Kerala)
Highest	99 (Himachal)	83 (Himachal)	79 (Himachal)	86 (Bihar)	116 (Uttar Pradesh)
<i>Difference</i>	96	44	53	–67	105
Income					
Bottom Quantile	45	45	61	70	78
Top Quantile	66	73	30	42	37
<i>Difference</i>	21	28	–31	–28	–41
Social Group					
Dalit	55	44	51	71	94
Forward Castes	64	71	37	49	50
<i>Difference</i>	9	27	–14	–22	–44
Education					
None	41	35	63	75	92
College graduate	67	80	27	7	37
<i>Difference</i>	26	45	–36	–68	–55
Urban/Rural					
Less developed village	38	47	62	70	82
Metropolitan city	90	69	15	38	31
<i>Difference</i>	52	22	–47	–32	–51
Table cross	Appendix	Appendix	Appendix	Appendix	Appendix
Reference	Table A.5.1	Table A.6.4	Table A.4.1	Table A.10.1	Table A.8.1

Source: IHDS 2004–5 data.

availability of work and the wages obtained when work is found. In states where water or soil conditions limit multiple cropping, underemployment is widespread. For example, rural males in Orissa work only 178 days in a year, while those in Punjab work 278 days. Non-agricultural work may take up some of this slack, but rural non-farm employment also varies tremendously by state. Moreover, a state's level of urbanization also influences income and employment, with men in Tamil Nadu having greater access to better paying salaried employment or non-agricultural labour than men in Chhattisgarh. These factors combine to create much higher incomes in some states as compared to others.

Indicators of human development such as school enrolment and infant mortality are often correlated with state income, in part, because individual families in richer states have higher incomes and so are better able to provide school fees and medical care for their own children. But more development creates many spill-over effects that provide the institutions and social climate that benefit poor families in these developed areas. These context effects have a more subtle but pervasive impact. If richer households ensure that their children are vaccinated, even poor children have a lower likelihood of contracting measles or chickenpox because their wealthier friends are vaccinated and if vaccinations become more common as more households acquire the means to access better medical care, the expectations of what parents do for their children change for everyone. Even poor parents may have a greater incentive to ensure that their children attend school if they see widespread availability of better paying jobs requiring some education. When there are enough consumers, the supply of amenities such as cell phones and LPG will be higher than in poor states, with few buyers, thereby improving the chances of even lower income households in these areas to acquire these amenities.

However, state differences in human development are not perfectly arrayed along a single income dimension. The richer north-eastern states have considerably lower vaccination coverage than Orissa, one of the poorest states. The quality of public services and effective governance as well as political commitment, play an important role in shaping human development indicators. In 1991, Gujarat (61 per cent literacy rate) and Himachal Pradesh (64 per cent literacy rate) were more or less at par. By 2001, Himachal Pradesh (76 per cent) had made greater strides than Gujarat (69 per cent). Himachal Pradesh made a conscious decision to invest in primary education, and the results are most clearly seen in skill acquisition by children. The IHDS records that 83 per cent of the children aged 8–11 in Himachal Pradesh

are able to read a simple paragraph, better than any other state in the nation, and well beyond the 64 per cent children in Gujarat who can read at that level.

While many of these state differences make sense, given the political economy of the area, some others are not so obvious. In particular, why does social structure differ so markedly across different states? Punjab and Haryana have many similarities, yet some gender norms in the two seem to be quite different. Only 28 per cent of women respondents from Punjab were married before age 18, compared to 56 per cent in Haryana. Eighty six per cent of women in Punjab say that domestic violence would be rare under a set of listed conditions, compared with 67 per cent in Haryana. The female literacy rate is 68 per cent in Punjab but 56 per cent in Haryana, although male literacy rates are similar in both states. Nevertheless, sex ratios at birth are among the most skewed in the nation for both states.

We would also expect similarities in organizational membership between Uttar Pradesh and Bihar. However, only 9 per cent of the households in Uttar Pradesh belong to any organizations, while 63 per cent in Bihar belong to some organization—most frequently a caste association or social organization. History, geography, and religious composition, undoubtedly play a role. Perhaps the prevalence of the Sikh religion in Punjab leads to more egalitarian gender roles on some dimensions,⁶ and perhaps a history of caste mobilization in Bihar results in higher rates of associational membership there.

Spatial variation in human development may also be patterned by social influences. Diarrhoea, fever, and respiratory illnesses spread by contact. When some people in a neighbourhood are ill, others are more likely to become ill. When some children receive vaccination and show no adverse effects, other parents may be more willing to have their children vaccinated. When some families shun child marriage for their daughters, it changes the nature of marriage arrangements, and more families recognize that an unmarried 19 year old girl is not doomed to spinsterhood. Social influences are particularly important in shaping attitudes towards institutions, organizational memberships, and social networks. When a self-help group is set up in a village, many families become members, and this can then spread to neighbouring villages.

This report has documented substantial state variation in almost all indicators of human development. For education, both household- and state-level variations are important. But in some cases, state-level differences seem to dwarf individual differences (see Box 13.1). This is particularly so for health outcomes. Reported short-term morbidity, health care, and

⁶ However, high rates of sex selection in Punjab, resulting in an unfavourable sex ratio, suggest caution against assuming absence of son preference in Punjab.

vaccination rates vary far more between states than between different income or educational groups. These state differences in human development have real implications for the well-being of current residents as well as future prospects for economic growth. In a globalizing economy, industries have more choices in where to locate. States with more electricity, better schools, a more skilled workforce with computer and English capabilities, and better functioning public service delivery systems, will be more likely to attract new industries. Thus, states with greater urban densities have experienced greater employment growth in recent years.⁷ The potential for a long-term cycle of lose-lose situations for states with lower levels of human development deserves greater attention in the development discourse.

PUBLIC INSTITUTIONS AND BASIC SERVICES

As we noted at the beginning of this report, independence brought with it a pledge of service, a pledge to fulfil Mahatma Gandhi's dream of wiping every tear from every eye. It also brought a dream of catapulting India into modernity, through central planning. Public services in India were developed around these twin principles. A commitment to the poor or the marginalized, and central planning, with a division of responsibility between the centre and states. Consequently, what has evolved is an elaborate bureaucracy built in part on service delivery to the poor. Serving the poor should not be synonymous with poor quality of service delivery, but in reality, many public institutions seem rife with inefficiency and indifference.

This report has documented the poverty of service delivery in many institutions. Water and electricity remain irregular. Forty three per cent of households with electric connections do not have electricity at least 18 hours per day, 63 per cent of households with piped water do not get water at least three hours per day. Teacher absenteeism in government schools is rampant, and almost a third of children in these schools report having been beaten or pinched in the preceding month. Barely half of children aged 8–11 can read a simple paragraph, and less than half can do two-digit subtractions. About one in six of the government health centres visited by IHDS interviewers had dirty walls and about one in seven had dirty floors. The doctor/director was absent at the time of the visit in almost one-quarter of the visits. Not surprisingly, government services remain underutilized. The vast majority of sick people, even the poor, rely on private health care. Enrolments in private schools are rapidly rising, even in rural areas.

There is no necessary reason why the public sector must provide poor service. The IHDS has also documented government services working well in many places. At the same time, tremendous strides have been made in capital expenditures on health centres and schools. More than 90 per cent of the IHDS villages had a primary school within the village, and more than half had a government health facility. Government teachers and health care providers are better trained and are generally better paid than most of their counterparts in the private sector. Most of these professionals want to do well, and given the right environment and necessary support, they could realize the dreams of Gandhi and the independence generation. Uncovering why this happens now in only some places is one of the great tasks of future research.

While a variety of experiments with private service delivery are being undertaken, it is difficult to see this as a comprehensive solution for the nation as a whole. The private sector often complements public sector efforts rather than substituting for them. Results from the village assessments show that private schools spring up in states that have better developed systems of government schools, and NGOs seem to gravitate towards areas with better developed infrastructure. Hence, the provision of higher quality public services seems an essential steppingstone towards improving human development.

This completes our report, reflecting a voyage of discovery across different dimensions of human development, using rich resources of survey data. We trust we have been able to give some voice to the thousands of people who cooperated in making this possible. But we realize also that a review such as this only begins to tap the possibilities of the IHDS. The survey is unique in asking about such a broad spectrum of issues affecting the Indian people. We have necessarily treated these issues sequentially, and have only occasionally been able to exploit the IHDS advantage of investigating links across issues. The sheer quantity of topics raised in the IHDS means that this review could only begin to analyse how each aspect of human development is patterned across the great diversity of India. Continuing research with this data, our own and that of others, will reveal even more interesting linkages that help us understand how human development is progressing. But we hope that these initial efforts reported here will have justified the IHDS's broad approach in bringing together such a diverse set of topics. Like Nehru, we recognize the complexity of the challenges and the diversity of the people, but that recognition is incomplete without an attempt to also understand some of the unity across that diversity.

⁷ Ramaswamy (2007).