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MONITORING POVERTY AND HUMAN DEVELOPMENT INDICATORS: A FRAMEWORK

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MONITORING POVERTY AND HUMAN DEVELOPMENT INDICATORS: A FRAMEWORK

R S Deshpande and K V Raju*

Abstract

Initial debate on poverty focused mainly on poverty measurement and effectiveness of poverty alleviation measures. After the publication of the Human Development Report there was a significant change in the academic view about Poverty. It is well accepted now that poverty cannot be captured only through consumption-related variables. Therefore, it was felt necessary to understand different facets of poverty through non-consumption variables and continuous monitoring. The present paper tries to provide a set of non-consumption measures of poverty for the purpose of monitoring and the process of poverty monitoring.

Need for A System of Poverty Monitoring

In the current phase of liberalisation, there is growing concern about the trends in poverty and the human face of reforms. Keeping in view the reform process, it is necessary to locate the impact of reforms on the poor, as fears are expressed that the poor as a group may be bypassed in the process of reforms. Poverty as a concept has been treated always as synonymous to under-nourishment and more often has been defined as the consumption level below a recommended balanced diet in terms of calories. For about three decades, barring a few exceptions, most of the studies used poverty line as given in the earlier works and updated it with the help of price deflators. One of the difficulties of such an approach is that poverty lines remained sensitive to price fluctuations and more attached to the income concept of poverty. Such exercises also presumed that price indices used are flawless in the methods of computation and the weights for CPI/WPI are updated frequently. But this view is now being challenged (Deaton and Tarozzi, 2000, Suryanarayana, 2000). It is more than accepted now that the official measure of poverty is essentially

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the income poverty concept based on per capita consumption expenditure and therefore the debates as well as the policy interventions are tuned more to this measure of poverty.

The debate on poverty that serves as a strong background to the current thinking can be broadly classified into three phases. In the first phase, it was the argument between Dandekar on one side and V K R V Rao, Sukhatme and a few others holding contrary views on the other (see Krishnaswamy, 1996). The bone of contention was the intra-group differences in poverty and the method of computation of poverty. Some of the important issues discussed during that debate still hold ground and assume concurrent importance. One of the significant issues discussed during the debate related to the share of non-food consumption as an indicator of poverty (Rao and Vivekananda, 1982), thereby marking a simple but very pertinent point that *poverty has a non-food angle too*. The second phase of the poverty debate was marked by determinants of rural poverty and trends in poverty ratio. The literature pertaining to the search for determinants points towards the sectoral growth pattern, education levels, initial endowment, infrastructure and other important determinants of poverty across the states in the country (Ahluwalia 1997, 2000 and Ravallion and Datt, 2000). This also features in the current debate, in the context of impact of liberalisation on poverty alleviation.

As regards the trends in income poverty estimates for India, there are substantial differences in perceptions available from the literature and a large part of this has to be attributed to the methodological fine-tuning. Ravallion and Datt, 1996, Datt, 1998 and Ravallion and Datt, 2000 arrived at a time series of poverty estimates over a longer period. The trends indicate that rural poverty ratios stayed in the range of 45 to 63 per cent between 1951 to 1966 with an increasing trend. Subsequently, the poverty ratio declined at a faster rate till 1986-87 and thereafter remained in the neighbourhood of 40 percent (Karanth and Deshpande, 2000). As regards urban poverty, the decline was marked only after 1973-74'. Tendulkar (in Chelliah and Sudarshan, 1999), in his analysis of trends in income poverty based on three points of time namely 1983, 1987-88, and 1993-94, records a decline in rural poverty. But at the same time points out to the wide inter-state variations and intricacies in the incidence of poverty across social groups (Tendulkar, 1999). The incidence and severity of poverty across social groups and sub-state level regional differences often eluded the attention of analysts. Even with the income poverty angle, the location (numerical density) of poor and severity of poverty or deprivation in the groups of Scheduled Castes and Scheduled Tribes are quite clear (Karanth and Deshpande, 2000). This will become sharper if the quality of life parameters are considered.

The publication of the Human Development Report by UNDP during the nineties substantially changed the approach to studies on understanding of poverty. The current thinking therefore, focuses more

on the indicators of quality of life. The concept of Human Development Index of UNDP in India is neither new nor novel. The writing of B R Ambedkar makes it quite clear that the concept was on the minds of Indian thinkers well before independence. Following this, the recent initiatives taken by various state governments in bringing out similar reports at the state level, giving estimates of Human Development Index (HDI) at desegregated levels, marked the third and current phase of the debate on poverty. In a gist, the third phase has extended the view of poverty beyond traditional understanding and brought forth quality of life into the current context.

Looking into the poverty debate and issues that featured during the last two decades among academia and policy sectors, a consensus is emerging to locate non-consumption indicators of poverty. The state-level experiments in arriving at HDI are quite praiseworthy and have brought out important dimensions of quality of life; The exercise of monitoring poverty and Human Development indicators assumed significant importance. Therefore it is necessary to develop a proper system of poverty monitoring. The monitoring process should be quick and effective to introduce midcourse changes. Therefore, identification of proper indicators spanning various facets of quality of life becomes a prerequisite. In addition to the mere location of such indicators, it is required that these should be amenable to monitoring at state and sub-state-level. There are a good number of studies suggesting various non-consumption poverty indicators and these could be effectively used for monitoring. Keeping this in view and the requirements of monitoring namely the framework, the frequency, and the purpose of monitoring, we attempt here to set up such a frame.

The income poverty measures are neither easily amenable to calculations at sub-state level nor possible to monitor since consumption decisions are purely household-specific. It is clear that poverty as measured through consumption alone is not a clear measure of welfare. The problems with this approach from the perspective of monitoring are quite a few: First, the consumption surveys are not easily amenable to computations below state level. Second, the strict comparability across regions cannot be maintained. These indices look into only the consumption angle and therefore closer to food insecurity and leave out the quality of life angle. In addition to these, there are a few data/survey-related problems (Vaidyanathan, 1986, Suryanarayana, 2000).¹ More recently Abhijit Sen examined the NSS data set and argued that the data from the 55th round NSSO should help to bridge some of the shortcomings visible from the analysis of earlier data sets (Sen, 2000). Keeping these factors in view, it becomes essential to view the poverty issues from the perspective of quality of life indicators.

In the present paper, we take a view about the purpose and process of devising a monitoring system for such indicators. Our contention

begins from two parallel standpoints: First, in the current scenario it is necessary to monitor poverty periodically and with effective parameters. Second, it will not be sufficient to only monitor the consumption poverty measures. Instead it goes beyond that and looks into quality of life indicators. Our basic material stems from the papers presented at a workshop on Poverty Monitoring held at the Institute for Social and Economic Change (See ISEC, 2001), which brought forth a large number of indicators, some of them amenable to measurement, whereas the others may have to be gathered through field surveys. In this paper we also take a review of the existing monitoring systems and suggest a few additions as well as setting up of the structure.

Issues Pertaining to Poverty Monitoring

Before getting into a proper system of Poverty Monitoring we prefer to discuss the issues pertaining to this. Thirteen papers are prepared for this workshop and these can be broadly grouped into two groups. The first group has two papers from the income poverty angle, arguing the necessity of non-consumption poverty measures by Prof Iyengar reviews some of the recent issues in the poverty debate and discusses various approaches of computation of poverty. He concludes the paper with a need to monitor poverty alleviation efforts since a large portion of budgetary resources is involved in the process of poverty alleviation. Keeping in view the rich experience and position that Prof Iyengar holds in the academia, it will be essential to consider his views on a proper system of monitoring as the most pertinent. Another paper by Prof Suryanarayana also argues about the utility of non-consumption anthropometric measures of poverty. He demonstrates the use of such measures by picking up some of the important indicators and the changes in such indicators during the recent past. These two papers, especially originating from two senior Professors who have worked for more than three decades on income-poverty concept, serve as a landmark and underscore the need for using quality of life indicators of poverty. Thorat and his co-author on the other hand, bring forth the determinants of poverty to underscore the role of public spending and sectoral growth in poverty determination.

In the second group the paper by Prof Abu Saleh Shariff highlights various indicators both at the macro and micro levels and offers a comparison between the consumption measures of poverty as also the other indicators of quality of life. Prof Shariff's contribution stems out of the countrywide survey undertaken under his guidance by NCAER. Thus, the second group of papers presented in the workshop covered the empirical evidence for the non-consumption measures of poverty. Prof Shariff also concludes emphasising need for monitoring the indicators that directly touch the quality of life. Though he did not suggest any

measures, he hinted at initiating a specific survey for understanding the levels of deprivation among some social groups. The question of beneficiary selection in the anti-poverty programmes of the mid-70s had assumed quite an importance. Rao, Raju and Naidu address this issue and suggest quite a few indicators in order to understand the choice of the poor. This paper sets a tone to the requirement and necessity of understanding poverty indicators through non-consumption measures. Kaul et al., Shobha Nambisan, Bhattacharjee and Sekhar, Usha Devi, Shankar Rao, Ganesh, and Vijay Raghavachar and Keshava follow the lead. Paper by Kaul et al touches upon the wide span of indicators including health, demography, and education. This team having worked earlier on the Human Development Report of Karnataka had an added advantage of defining the indicators to their finest use potential. Shobha Nambisan's paper systematically brings out the correct indicators relating to housing parameters. Quite often these indicators get neglected and do not feature even in the discussions. The important aspect that gets underscored in Shobha Nambisan's paper is the conditions of living of the poor and it goes without saying that the poor can be easily identified more by the conditions of their living than by other factors. Bhattacharjee and Sekhar address the host of indicators from a demographic point of view and buttress their views with substantial empirical support from Karnataka. They also suggest a few indicators and methods to collect these. Education and literacy are important components in the Human Development Report. From the aggregate standpoint, a few indicators may not capture the depth of impact on poverty caused by this vital determinant. Usha Devi has ventured to bring out important aspects of education and education indicators pertaining to poverty. The paper by Shankar Rao takes a full view of the statistical system in Karnataka State and incorporates ways and means to enhance the system in order to capture the indicators of poverty in their sectors of origin. The paper by Vijay Raghavachar and Keshava initially includes discussion on the income poverty measures and then enlists systematically non-consumption indicators of poverty. They also give the sources of such data and the levels at which these data are available. This paper and the paper by Shankar Rao are quite exhaustive in their approach and have facilitated to arrive at a framework for poverty monitoring system for the state. The two papers dealing with the state income data by Ganesh and Ahalya Bhat have jointly concluded that the data collected for arriving at the state income will not be of any use for reaching towards the indicators of poverty.

As a synthesis, all these papers point out three important issues:

(i) it is underscored in these papers that poverty cannot be totally understood through the measures of consumption that have prevailed in literature hitherto. The difficulties in getting estimates at sub-regional levels and in comparability have compounded the problems. The debate during the recent past has suggested that due care needs to be taken in

order to arrive at poverty estimates through NSS data (Sen, 2000). In the current context however, it is also necessary to have a concurrent monitoring system set up to understand the changes without lapse of time. (ii) the monitoring process should not direct only towards the traditional measures of poverty but should incorporate the quality of life indicators as important components and determinants of poverty. (iii) the papers also suggest precautions that need to be taken and the agencies to be involved in the monitoring process. Thus, the papers are directed towards understanding poverty from the quality of human development indicators.

Basic Requirements for an Effective Monitoring System

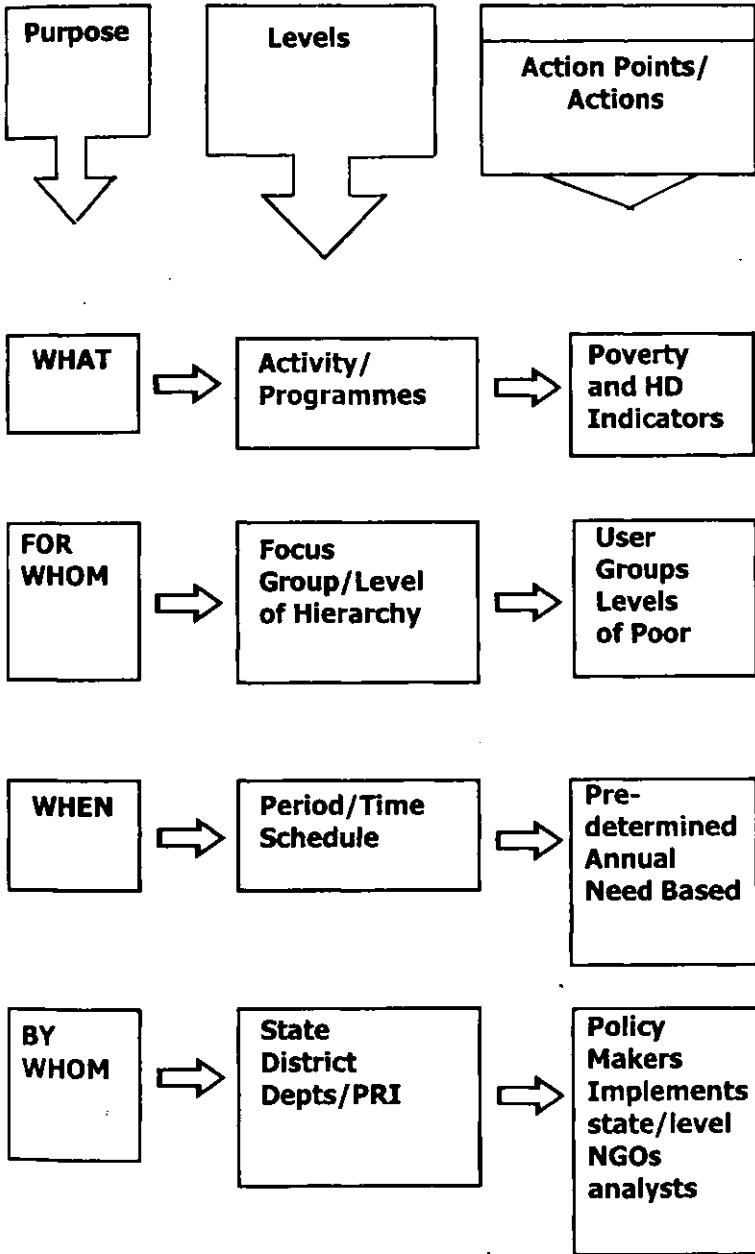
Any monitoring system should function with ease in the existing administrative framework and satisfy four important requirements namely: (i) Targetability (ii) Flexibility (iii) Result Orientation (iv) Feasibility of mid-course correction.

We have presently a monitoring system, which has a larger focus but is less effective. At the state government level there is a monitoring system which was put in operation during the mid-eighties and known as Monthly Multi-level Monitoring Review Process. The process operates at three different levels and across the departments at the apex (state) level. The Monthly Multilevel Review Meetings support the Karnataka Development Programme, which is reviewed at the state level. Similar kinds of meetings are held at the taluk and district levels in each of the departments and the sum total is transferred to the divisional level and further to the state level. However, this system has a strong focus on monitoring the expenditure across the programmes/ departments rather than monitoring and analysing the results of the schemes. It does not provide any scope for mid-course corrections.

In addition to this, no monitoring system has been put in place for the poverty alleviation programme.

Figure 1 is a clear picture of the purpose, levels and action points or actors for monitoring in the state. This system framework should be read with the indicators. The two things put together give us a blueprint of the monitoring system that should be set in the state under the auspices of the Planning Department. The Committee on monitoring will essentially have the following important components for monitoring.

Figure 1: MONITORING FRAMEWORK



The list given below is not exhaustive and cannot be generalised for all the programmes and purposes but certainly helps to create a guideline for the purpose of monitoring. We can even go ahead by preparing a scorecard assigning rational weights to each of the components so that the programmes can be judged from the aggregate score obtained as a weighted average of the scores on this score card.

An effective Monitoring System needs to have the following basic features:

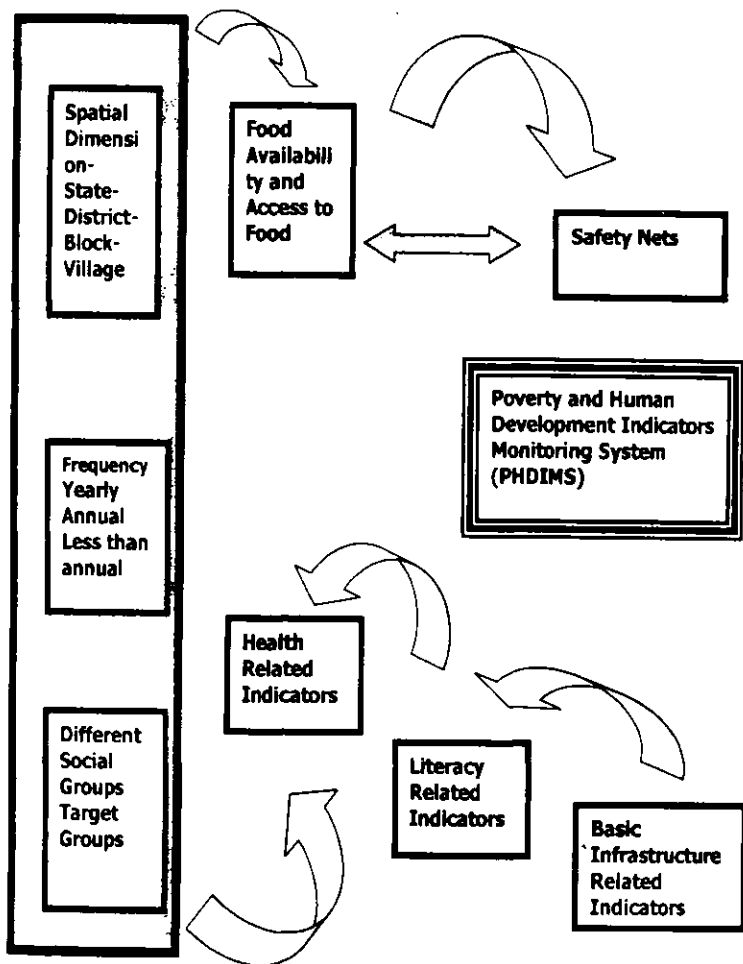
- a. Simple to operate and capable of producing data of acceptable accuracy with acceptable speed;
- b. Appropriate to the purpose and targeted accordingly;
- c. Flexible in application and adaptable to the needs of the project depending on its size and characteristics.
- d. Monitoring should be internal, to minimize expenditure and coordination problems
- e. Monitoring procedure should be as consistent as possible (within existing staffing patterns, data collection, procedures)
- f. It allows judgements to modify the operational plan for mid-course corrections, if needed.

Levels of Monitoring and Minimum Requirements

Monitoring is a management tool that facilitates continuous learning and provides quality information for arriving at decisions. The poverty alleviation programmes aim at reducing the poverty levels of the household and improve the livelihood of poor people. Monitoring poverty and human development indicators entails checking that the objectives with which the programmes were designed are successfully achieved. Monitoring thus generates information for analysis, keeps watch on the changes that take place in the physical system, assesses the conditions of the components of the process and improves thinking that will help to develop a warning system. It also helps in verifying whether assumptions made and parameters adopted in formulation of the operational plan for the system are realized during the actual operation. It facilitates the identification of the constraints so that timely remedial measures are taken. Monitoring is thus a valuable tool for improving efficiency of the management system.

The system diagram presented in figure 2 has three levels of decision criteria, namely the spatial dimensions, the time dimension, and the focus group dimension of poverty monitoring. In the spatial dimension

Figure 2



of poverty monitoring, it is required to segregate indicators to be monitored at state, districts, block and village levels. There are certain important indicators that need to be monitored even at the household level and should have a monitoring frequency, which is economically feasible. However, the decision about frequency can be taken only after thinking of the intensity of usefulness of such indicators in question. The group-specific monitoring is probably the most important component of the system of monitoring. The group-specific monitoring of poverty and human development indicators will not only help in economising the whole process of monitoring but it will also live-up to the spirit of the exercise, namely concentrating on the target group in order to increase the welfare of those below the poverty line. Among components that need to be monitored, one can group five important groups at two levels. The first level involves basic need or absolute poverty indicators. Availability of food and access to food that directly convey the absolute poverty level are included here. This needs to be coupled with the existing as well as innovative safety net programmes. Among the existing safety net programmes and food distribution programmes, we have the Public Distribution System (PDS) and the Targeted Public Distribution System (TPDS). There are a good number of studies analysing the PDS and its efficacy but probably, to the best of our knowledge, there is little work relating to monitoring such a system and giving a suitable monitoring framework. Presently, monitoring is usually done with the help of intra departmental systems and hence it is not quite effective. In addition to this, the departmental monitoring confines itself only to the financial sector. At the second level, we have more important indicators to monitor the human development indicators of poverty. These include health-related indicators, demographic indicators, literacy, quality of human capital related indicators, and finally basic infrastructure related indicators. All these put together point towards the quality of human development for target groups and in sensitive areas. Therefore, any monitoring system should have first a decision about space, time, or frequency and the identified social group. The second phase decisions relate to the choice of indicators from among the two groups mentioned earlier.

Span of Monitoring - Choice of Indicators and Frequency

The choice of programmes and indicators for monitoring will depend on quite a few factors. First it will be necessary to direct monitoring especially towards the identified groups and identified regions. Presently in Karnataka, we have a sizeable population of the poor. According to the latest full sample estimate given by Peter Lanjouw, the overall poverty ratio in Karnataka is in the neighbourhood of 30 per cent and a large proportion of them are concentrated in few regions.

Table 1: Poverty Incidence by Social Groups 1993-94

| Population Group | Incidence of Poverty | | |
|------------------|----------------------|-------|---------|
| | Urban | Rural | Overall |
| SC/ST | 62.8 | 43.8 | 47.13 |
| Other | 35.7 | 27.4 | 28.00 |
| Total | 39.9 | 30.11 | 32.90 |

Source: Peter Lanjouw (2000).

Therefore, any monitoring system should have a focussed approach towards the most deserving region or social group. This will not only reduce the extraneous expenditure but can also help in focusing directly on the problems of the poor. In the formulation of any monitoring system, we need to go through a process that involves three stages in monitoring viz., focus of such monitoring, choice of indicators and the basic requirements for making the process effective. The span of monitoring system will be quite large and may cover a larger number of line departments and programmes. Therefore, it will require a perfect horizontal integration across various line departments and between the beneficiaries and the monitoring agency. Such integration is feasible only through the network of a decentralised administrative system put in place with the help of the 73rd amendment. Local level institutions (Gram Sabha, Taluk Panchayati, and Zilla Panchayati or alternatively some NGOs, local non-governmental organisations) have to take charge of the programmes so that they are addressed to the region or location-specific needs of the people.

Any monitoring system begins with identification, focus, and design of the programme and leads to the concurrent modifications and future planning. Therefore, the span and spread of any monitoring system not only stretches across departments but also acquires depth in terms of self-sustenance of the process. The stages through which a monitoring system should be implemented are listed below:

Stages in the Monitoring Process

- Identification of Programmes/Indicators for Monitoring
- Objectives and Focus of the Process
- Designing of the Tools for Monitoring
- Reviewing the planned progress
- Identification of constraints
- Concurrent Modifications
- Planning for future course of action

It can be seen that these stages are interdependent in terms of the work involvement, as well as the humanpower and financial allocations. More than that, the stages indicated above also have a circular flow. These stages can be fine-tuned keeping in view the focus of evaluation. Therefore, it is essential that monitoring is focused in view of the target group and has a specific purpose. In the present context, monitoring should be focussed on the components presented in the following box:

- **The group of households for whom the poverty alleviation programmes is undertaken. (Target beneficiaries)**
- **The implementing agencies (state, district, taluk and gram sabha) - to monitor whether the planned results are being achieved and whether the strategy being employed to achieve these results is the appropriate one. It also helps in course correction.**
- **The government or other funding agencies, to ensure that the programme is moving towards meeting its objective, is building the necessary capacities and institutions, that it is cost effective and it merges with other development programmes of the government.**

Monitoring exercise needs to be directed on the pre-determined indicators. The choice of the indicators is based on the end-users. For example, water users, or members of the watershed community, indicators that are easy to measure, but may not be scientifically precise, would suffice. On the other hand, to measure implications separately for families of very poor, poor, non-poor within the poor category along with specifically delineated characteristics, (as indicated in the papers presented in this Seminar) may be helpful on an annual basis. To the extent possible, indicators should be as objective as possible to reduce conflicts in interpretation. This becomes more important as the group of audience gets wider. Focus groups (BPL families) in itself can become important forces of change. Here we have tried to synthesise the indicators, frequency, and the agency responsible for monitoring. This has been accomplished on the basis of the papers presented in the workshop.

Among the indicators, we can make broadly three groups. The first group of indicators deals with the asset holding and consumption pattern. Land is taken as an important asset for understanding the base of poverty. We have not neglected the concept of income poverty and consumption of food as well as composition of food on similar lines as that of NSS surveys. These serve as the other important set of indicators. We suggest a state-level sample with district as a basic sampling unit for the purpose of these surveys. The second group of indicators includes the human resource level indicators that include literacy and related aspects. The health and demographic indicators form the second and third groups.

Table 2(a): Monitoring of Poverty Indicators: Frequency, Level, Mode and Agency for Monitoring

| Sl. No. | Indicator | Frequency | Level | | Mode | Agency |
|---------|---|---------------|----------|------------|---------------|----------|
| | | | Data | Monitoring | | |
| 1 | Employment and unemployment, Work status of children and child labour | Quin | Ind | Tal/Vill | Survey | Lab |
| 2 | Disability, Malnutrition, Incidence of Anaemia | Yr | Ind/HH | Tal | Survey | H D/SRS |
| 3 | Total fertility rate, Mortality rate, Causes of death | Once In 2 Yrs | H H | Dist/Tal | Survey | H D/SRS |
| 4 | Birth weights, Child Malnutrition, Infant mortality rates, Life expectancy at birth | Once In 2 Yrs | Ind/HH | Dist | Survey | HD/SRS |
| 5 | Couple protection rate, Institutional delivery | Yr | H H | Tal | Survey | Hosp/H D |
| 6 | Houseless population roof and walls, Number of rooms | Quin | H H | Dist | Census/Survey | PD/DES |
| 7 | Type of house (kutcha/pucca), Material for | Quin | H H | Vill | Census/Survey | PD/DES |
| 8 | Household amenities: toilets, electrification | Quin | H H/Vill | Vill | Census/Survey | PD/DES |
| 9 | Infrastructure availability | Dec | Vill | Vill/Tal | Vill Records | PD/DES |

Note: Quin=Quinquennial; Yr=Yearly; Dec=Decade; Occ.=Occasional Dist=District, Tal= Taluka, Vill=Village; DES=Directorate of Statistics; PD=Planning Department, Cen=Census; Ind=Individual; H H=Household; HD= Health Department * These indicators are extracted from the papers prepared for the seminar.

Table 2(b): Monitoring of Poverty Indicators: Frequency, Level, Mode and Agency for Monitoring

| Sl. No. | Indicator | Frequency | Level | | Mode | Agency |
|-----------|--|------------------|-----------------|-------------------|-------------------|--------|
| | | | Data | Monitoring | | |
| I. | Consumptive | | | | | |
| 1 | Cooking fuel, | Quin | H H/ Village | Village | Census/ Survey | PD/DES |
| | Safe drinking water | Quin | H H | Village/ taluk | Census/ Survey | DES |
| 2. | Ownership of consumer durable, | Quin | H H | Taluk | Survey | DES |
| 3 | Household level calorie intake, Protein consumption, Composition of Consumption | Quin | H H | Taluk | Survey | PD/DES |
| | Non-Consumptive | | | | | |
| 1 | Size of landholding | Quin | Village | Taluk | Village Records | DES |
| 2 | Type of indebtedness, Expenditure Survey | Quin | H H | Taluk | Survey | PD/DES |
| 3 | Literacy status of adult male, Literacy status of adult female, Schooling status, Enrollment | Dec | Ind | Taluk/ Village | Survey/ Census | EDU |
| 4 | Social Group of the household (SC/ST, Women-headed, Backward caste, OBC, Forward Caste) | Once in 2 yrs | HH | Taluk/ village | Census/ Survey | DES |
| 5 | Casual Labourers in the Household (Adults and children, Adults only, No casual labourers) | Yr | HH | Taluk/ village | Census/ Survey | DES |
| 6 | Main Occupation (Labour/ artisan Subsistence cultivation, Commercial cultivation Regular job) | Yr | HH | Taluk/ village | Census/ Survey | DES |

| Sl. No. | Indicator | Frequency | Level | | Mode | Agency |
|---------|--|---------------|-------------|---------------|-----------------|----------|
| | | | Data | Monitoring | | |
| 7 | Type of indebtedness (Informal agency/Consumption, Informal agency/ Production Co-ops, Commercial bank) | Yr | HH | Taluk/village | Census/Survey | DES |
| 8 | Preference for Development Assistance (Employment/pds, IRDP schemes, TRYSEM/ Training, Loan/subsidy, More than 1lakh rupees) | Yr | HH | Taluk/village | Census/Survey | DES |
| 9 | Migration from household (Casual work Seasonal employment, Permanent job, Own enterprise) | Yr | HH | Taluk/village | Census/Survey | DES |
| 10 | Employment | Quin | Ind | Taluk/Village | Survey | Lab |
| 11 | Disability, Malnutrition, Incidence of Anaemia, | Yr | Ind/HH | Taluk | Survey | H D/SRS |
| 12 | Total fertility rate, Mortality rate, Causes of death | Once In 2 Yrs | H H | Dist/Tal | Survey | H D/SRS |
| 13 | Birth Weights, Child Malnutrition, Infant mortality rates, Life expectancy at birth, | Once In 2 Yrs | Ind/HH | Dist | Survey | HD/SRS |
| 14 | Couple Protection rate, Institutional delivery | Yr | H H | Tal | Survey | Hosp/H D |
| 15 | Houseless population | Quin | village | Dist | Census/Survey | PD/DES |
| 16 | Type of house (kutcha/pucca), Material of roof and walls, Number of rooms | Quin | H H/ | Village | Census/Survey | PD/DES |
| 17 | Household amenities toilets, electrification, | Quin | H H/Village | Village | Census/Survey | PD/DES |
| 18 | Infrastructure availability | Dec | Village | Village/Taluk | Village Records | PD/DES |

Note: Quin=Quinquennial; Yr=Yearly; Dec=Decade; Occ.=Occasional Dist=District, Tal=Taluka, Vill=Village; DES=Directorate of Statistics; PD=Planning Department, Cen=Census; Ind=Individual; H H=Household; HD= Health Department * These indicators are extracted from the papers prepared for the seminar.

Indicators of Success: It may not always be possible to measure the results that have been achieved because they may be intangible or it may be too costly to measure them effectively. In such cases, indications that success is being achieved will make good proxies. Such indicators, however, must be chosen carefully so that they are reliable substitutes for direct measurement and are easy to measure in terms of time and effort.

Participatory Monitoring: In fact, it must be participatory to be effective. This means that each beneficiary is involved in identifying the indicators and in measuring them. Participation will ensure that those indicators will be chosen which are meaningful to the stakeholder. This helps to evolve region specific and sub-group (of poor households) specific indicators. This also implies that the review of the indicators should be undertaken jointly by the focus groups, the implementing agency and the funding agency (government or others). Decisions to make any modifications in the programme being implemented must also be taken jointly based on the review.

Administrative Framework and Financial Implications

Any monitoring system will have three levels to operate, which begin at the purpose and focus of such monitoring, the regional or administrative levels of monitoring and action points or actors in this process. Therefore, the administrative framework for the process of monitoring will have to be centred at the Planning Department, since this department is entrusted with aggregate planning and allocation of resources across sectors in the state. Any planning process therefore, will have to take note of the situation of poverty in the state and plan for the efforts required dealing with such situation. Therefore, the process of monitoring is best achieved from the department that directly controls the process and allocates resources, keeping in view the sector, the needs of the regions and the social classes concerned. However, this needs to be supported by various agencies and the non-governmental organisations, which directly deal with poverty and human development indicators. We suggest that a Monitoring Committee be set up under the Planning Department in order to monitor the progress and empirical collection of the data pertaining to the indicators. This Committee can have representatives from various government departments concerned as well as NGOs and research organisations. The monitoring process contemplated here will have to go through a few phases, namely: identification of the target areas, choice of indicators and the process of collecting such indicators empirically. The agencies responsible for such indicators and analysis of such indicators should be planned and concurrently accomplished. Therefore, in our opinion, no separate administrative framework will be required and this

can be achieved by relocating the duties and works of the existing line departments.

The Monitoring Committee suggested above should however, work in close collaboration with the Chief Secretary of the State or the Development Commissioner of the State, but the Chief Minister of the State should be the Chairperson of such a Committee. The Committee can directly report to the Chief Minister through the Member Secretary who will be the Secretary of the Planning Department. The Monitoring Committee (set inside the Planning Department) should be free from all cumbersome procedures, in conducting measurement, surveys, consulting experts and taking quick decisions. If necessary, the government employees from other line departments can be drafted for facilitating the work of the Committee. However, there is no need to create separate and full-fledged organisations for this purpose. If necessary, the Human Development Cell and the Monitoring Committee can be interdependent but independent in their responsibilities and roles they play.

Some of the major components of an effective Monitoring System are listed below.

Components of a Monitoring System

1. Organisational capacity
 - i. meetings (regular and productive, regular and unproductive, irregular and unproductive, and so on)
 - ii. leadership (only project director can provide, others can take lead, no body provides, and so on)
 - iii. Mid-course correction possibility incorporated in the design.
2. Financial management
 - i. Finance (adequate funds, timely, expenditure on time, inadequate funds, untimely disbursements)
 - ii. Availability and accessibility to beneficiaries (any time, non-availability, non-accessibility, including credit)
3. Linkages
 - i. Horizontal linkages (frequent cooperation with other agencies, non-availability, non-accessibility, not built, very difficult)
 - ii. Vertical linkages
 - iii. Communication (widely known to all potential beneficiaries, known only to clerks concerned, known to local leaders, help desk is available)
 - iv. Contact with the authority (easy, difficult, with bribes)

4. Indicators of Success
 - i. Coverage of the intended target group.
 - ii. Incremental achievement in the immediately preceding period.
 - iii. Local-level flexibility and acceptance of the programme by the target group.
 - iv. Incremental income /employment.
5. Participation in the Programme
 - i. Participation and awareness at the time of planning.
 - ii. Organised as a group of beneficiaries
 - iii. Possibility of mid-course correction
 - iv. Stakeholder monitoring mechanism.

This can be developed further to arrive at a tool for easy collection of data and feedback to both higher and lower levels in a loop form. All local offices, at taluk, district, state cells/desks of poverty monitoring should have computers for easy feed back and easy access to any individual beneficiary. It may also be possible to design a format for collecting beneficiary level information a) on annual basis, b) to sanction assistance (with list of attachments required), c) set the process time (5 days, 10 days, maximum 15 days) at all levels. These things should reflect in the monitoring formats. It is necessary to understand what and why it takes more time to realise the results and how to reduce the time and cost delays. If manpower is the only constraint then hiring NGO's or temporary staff can circumvent this. If the cumbersome procedures are hindering the smooth operations then it is needed to simplify them.

Developing Social Audit System

In addition to the Monitoring Committee suggested above at the state level we also feel that there should be a process of Social Auditing System (SAS) set up at least at the taluka level. The Social Audit System is the one which will involve three partners namely the implementing agency, the representatives of the beneficiary groups and socially motivated individuals or organisations. The SAS should direct itself to understand the focus and spirit of the programme undertaken by the implementing agency. It also should look into the location of benefits accruable from the programme as well as the spillover effects of the benefits. The SAS will automatically require the beneficiaries to participate in the programme right from the first step involving planning for programme and through the implementation of the programme. As it will involve a larger number of representatives from the non-implementing agency, the SAS can be more effective in auditing the impact of the programme as well as plugging

the leakage that usually dog the implementation process. It is locally beneficial, easy to operate, socially acceptable, and politically correct. We can also think of including two representatives each from the three poverty groups (very poor, poor, non-poor). Alternatively, the Gram Panchayati, Taluk Panchayat, and Zilla Panchayat each can have its own local committees to monitor this activity and send one/two pages statement to the higher authorities. If progress is not made (by the beneficiary), the committee has to provide reasons, and suggestions to improve. Otherwise, leaving the entire process of monitoring with the government departments may not make any significant change in the effectiveness of the programme.

Conclusion and Future Challenges

Poverty as measured through the consumption indicators is not easily amenable easily to monitoring. Moreover the consumption-centred indicators do not measure squarely the concept of welfare. In the present economic scenario, it is not the consumption but the non-consumption measures that need to be monitored closely. The concept of entitlement developed by Amartya Sen becomes more prominent as an acknowledged step in clarifying the understanding of the concept of deprivation. Sen defines poverty as A person's ability to command food - indeed to command any commodity he wishes to acquire or retain - depends on the entitlement relation that govern possession and use in that society. It depends on what he owns, what exchange possibilities are offered to him, what is given to him free and what is taken away from him (Earlier work reproduced in Sen, 1999, p. 154). Although we do not have strong empirical support for measuring entitlements, it will be quite useful in this context to approach poverty from the non-consumption point of view. An attempt is made here to look into the concept of non-consumption measures of deprivation and to set a scheme of monitoring these.

Any programme with a larger span of monitoring requires to be administered from the department that holds some control and has effective coordination with line departments in the State. Within the present administration, this can be effectively achieved only through the Planning Department or the Panchayat Raj Department. Both the departments have an administrative set-up which has a close vertical integration as an essential component of any monitoring system. However, the first challenge faced in the monitoring system to be implemented through line departments is the confrontation with crosscutting interests and multiplicity of task that each of the administrative agencies has to face. With the challenge of multiplicity of the task and given the man-power, it will be difficult to achieve an effective monitoring system unless full thought is given to the establishment of such a process in the state departments. The second important challenge comes from the lack of horizontal

integration between various departments so that the inter-dependence helps in making the programme more effective and useful for the poor. The horizontal integration can be achieved by designating the responsibility of monitoring to a particular officer in each of the departments and having a second layer periodical checks. The third and important constraint arises from the institutional form for monitoring the Human Development Indicators. We have suggested above a Committee at the Planning Department to take the administrative responsibility. This Committee along with SAS can help in positive monitoring of the task. But the stability and responsibilities assigned to such institutions should be carefully looked into.

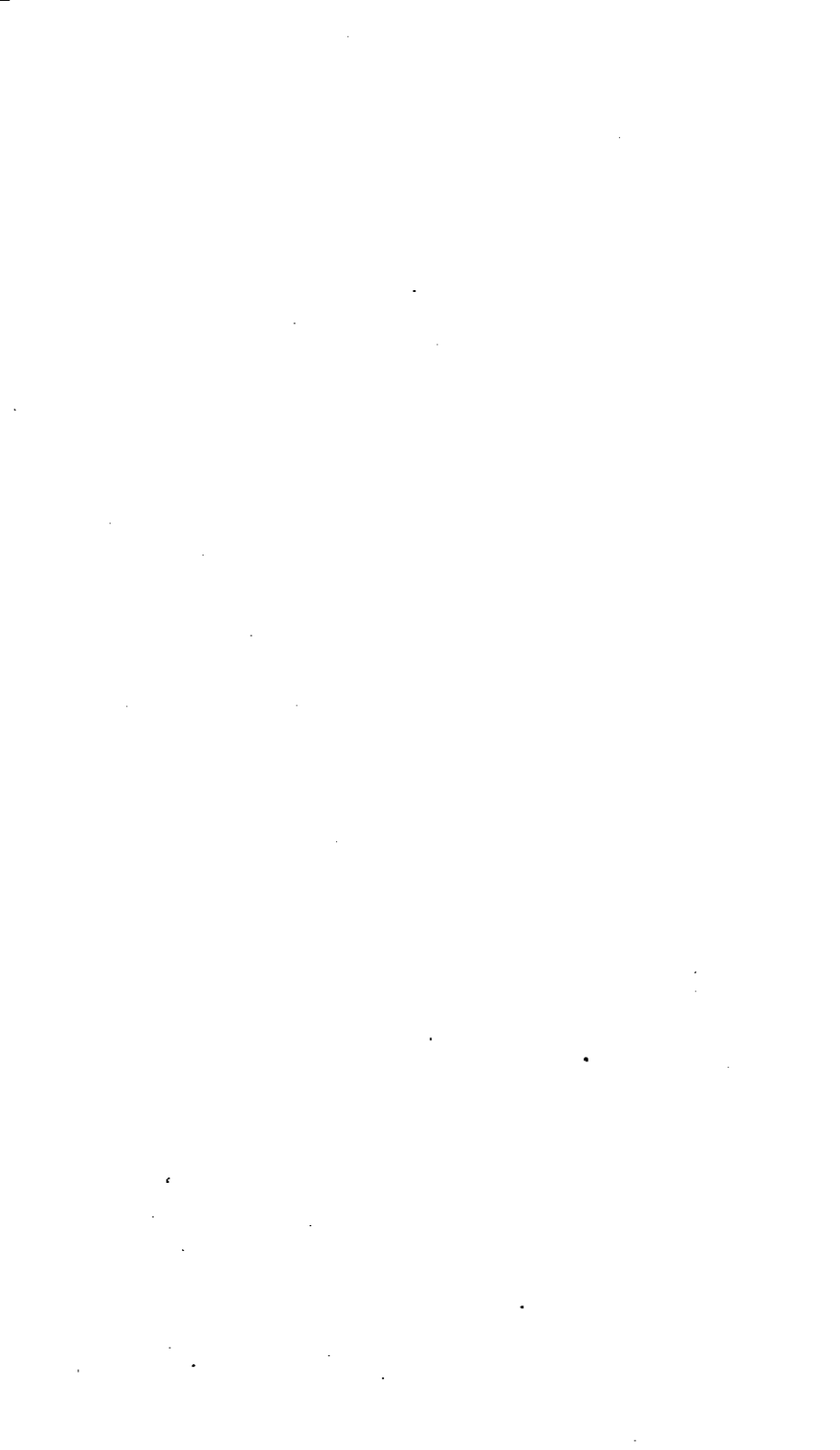
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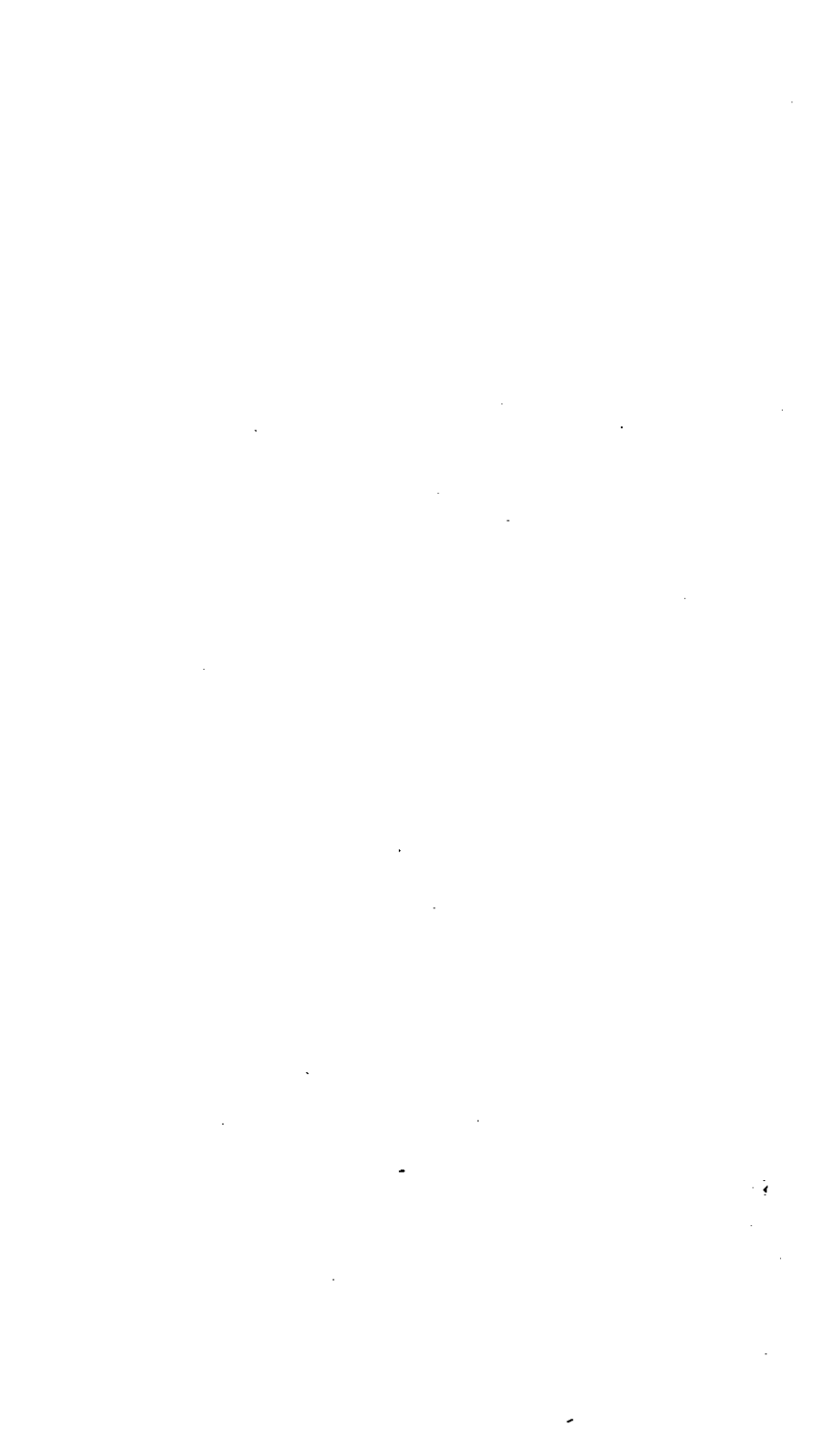
- i. It has been observed at the country level that decline in rural poverty was mainly during the phase of technological and institutional changes witnessed in the country after 1967-68. Ahluwalia (1998) related this decline in poverty with the agricultural performance across states in India. The relationship was estimated with the help of cross-section data across states. But probably the decline was a result of contribution by only those states, which had initial advantages in the process of development. While commenting on this aspect, Ravallion and Gaurau Datt clearly indicated that the sectoral composition of growth really matters in the aggregate reduction of poverty and therefore, quality and location of growth become an important component of any poverty alleviation strategy. They also argued that the differences in the initial conditions covering rural development and human resource development induced the decline in rural poverty. In addition to this, analysts have indicated several factors associated with decline in poverty (Ravallion and Datt 1996; Datt 1998; Rath, 1998). Among the determinants irrigation, landlessness, agricultural output per hectare, non-farm product per person, state development expenditure, female literacy and urban-rural consumption ratio are the important determinants considered in various studies (Ravallion and Datt, 2000). All these exercises include quality of life indicators only incidentally.
- ii. The differences and discrepancies between the National Accounts Estimates and those of the NSS estimates were debated recently and the Expert Group appointed by the Planning Commission in 1993 accepted the NSS consumption data as better description of poverty. In calculating the poverty estimates for different states, the Expert Group recommended that the all-India calorie norms and the relevant consumption baskets at the country level be adopted uniformly for all the states. But this was not free of the intricate methodological problems. Guhan argued that the state level estimates of poverty do not reflect a true picture of poverty across states (Guhan, 1993). Therefore, the approach not only affects the time series picture but also makes the comparison difficult across states.

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