

# Occasional Papers

## Education, Poverty and Exclusion

Madhumita Bandyopadhyay



**National University of Educational Planning and Administration**

17-B, Sri Aurobindo Marg, New Delhi-110016, INDIA

**2014**

# **Education, Poverty and Exclusion**

**Madhumita Bandyopadhyay**



**National University of Educational Planning and Administration**

17-B, Sri Aurobindo Marg, New Delhi – 110 016

**2014**



## CONTENTS

1. Introduction	2
2. Understanding Poverty in National and International Context	3
3. Different Approaches to Understand Poverty and Education Linkage	5
4. Is Education A Public Good?	6
5. Education for Human Development versus Human Capital Development	8
6. Poverty in India	11
7. Poverty and Social Status	17
8. Child Poverty: Present Status	19
9. Education and Poverty in India	26
10. Literacy and Poverty	27
11. Poverty and Educational Level: Rural and Urban Difference	29
12. Current Attendance Rates in Educational Institutions by Working Population Engaged in Different Occupations	31
13. Initiatives Taken for Educating Poor Children: Innovative Actions and Best Practices	32
14. Do Poor Children Have Access to School?	34
15. Availability of Schools for Poor	36
16. Enrolment of Poor Children	39
17. Poverty and School Drop-out	42
18. Investment on Education	44
19. Conclusion	46
20. References	48



# Education, Poverty and Exclusion

Madhumita Bandyopadhyay\*

## *Abstract*

*Poverty is considered as one of the contributing factors for access to education. Despite considerable expansion of educational facilities, many poor parents find it difficult to send their children to school even it is located in nearby areas. The present paper provides an insight into the linkage between poverty and school education, focusing on different aspects like availability of schooling, facilities for poor, their access, participation, retention and so on. The paper also discusses the economic factors of drop- out and never- enrolment as well as persistence of the practice of child labour, which demand children's economic contribution to families that has long history of being linked to exclusion from education. Drawing references from many researches, secondary data and government reports, the paper argues that poverty is not only linked to access to schooling, but also the nature of schooling, investment on education, availability of education support like incentives, home support as well as private tuition, opportunities for further education and so on. Although links between poverty and education has been over-emphasized by many researches and reports but it is also required to take an account of systemic issues that exclude poor and deprived groups and deny them quality education. Since most poor children attend government schools, it is required to improve the quality of public service delivery of school education in order to making the educational right of children into a reality in the context of RTE Act, 2009.*

---

\* Associate Professor, Department of School & Non-Formal Education, National University of Educational Planning and Administration, 17-B, Sri Aurobindo Marg, New Delhi-110016

The author would like to thank the anonymous referee of the NUEPA Occasional Paper series for their suggestions to revise the paper.

## **Introduction**

It is widely accepted that education and poverty are interlinked and education remains a key component for poverty reduction initiatives across the globe. According to a UNESCO report (2012), “there are approximately three billion people with unmet basic needs living on incomes of less than US\$ 2.50 a day. These billions lack the minimum requirements for a normal life.”

Over 200 million people in the world today, who are willing and able to work, are estimated to be unemployed, and probably more than a billion are involuntarily underemployed (Jacobs, 2011). There is a massive mismatch between the nature of work that has demand for workforce and the skill of people who need jobs. This gap needs to be bridged by skills development and policies and mechanisms to use these skills in decent jobs that are socially beneficial and personally rewarding.

Levels of education within different income categories play an important role in determining their economic opportunities, income and quality of life. Poverty is both a cause and an effect of insufficient access to and completion of education. Investment in education becomes important as a poverty reduction strategy which can enhance the skills and productivity among poor households. Poverty acts as a constraint to educational achievement at the macro level as poor countries have lower levels of enrolment and also at the micro level which can be explained by low enrolment rates and non-participation of the children of poor households, who receive relatively less education. This lack of education, in turn, witnesses many amongst these children grow up as illiterates or turning out as semi-literate adults living in poverty. Thus, poverty, illiteracy or low levels of education and low income remain part of a vicious circle which can be broken only through provisioning of quality education. People with low quality and low levels of education have fewer employment opportunities with meager income. The well-educated, on the other hand, are better informed, have more negotiating power for ensuring better quality of life and get more chances to participate in the development process. This paper intends to understand this linkage between education and poverty in this backdrop, and the present status of education of children

belonging to poor families, who primarily belong to socially disadvantaged groups, including the Scheduled Caste, Scheduled Tribes, and Muslim minorities. In doing so, the paper also attempts to throw light on different strategies that government has taken for educating poor children and to address their right to education as per recommendations in the Right of Children to Free and Compulsory Education (RTE) Act, 2009. The paper starts with a conceptual framework linking poverty and education, particularly basic or elementary education, before delving into details or drawing reference to other researches.

### **Understanding Poverty in National and International Context**

Poverty is a complex issue and no standard definition of poverty is available in development literature. In poverty, limitation in resources (material, cultural, and social) of individuals, families and groups of persons, puts them under threat of exclusion from a life of dignity, a guaranteed right under the Indian Constitution. Poverty is not simply about income deprivation, but is caused by many factors—lack of empowerment, lack of knowledge, lack of opportunity, lack of capital and so on.

While defining poverty, an understanding of knowledge poverty is important as lack of adequate knowledge to address the needs of knowledge economy also causes poverty. It is the poor who are affected most by lack of education facilities and remain excluded from or at the periphery of the education system. Their lives and standard of living are severely affected by lack of skill and education, which get transferred to future generations unless necessary actions are taken for providing education and skill development. This can be explained by the NSSO data which indicate that the level of education of people is closely associated with monthly per capita expenditure of population. While measuring poverty and its impact on educational participation of children, an understanding of its occurrence and the kinds of intervention required are needed to tackle the causes of poverty.

Poverty is measured by researchers in many ways, including households below average income, number or proportion of people with less than an income of one dollar a day which is considered as poverty line, monthly expenditure and consumption of



individuals and households, and number of people with low calorie intake. In addition, CPM or *Capability Poverty Measure*, introduced in the 1996 Human Development Report, whereby education is not only seen as an input to poverty reduction but as an asset that can be realized in terms of entitlement. In view of the linkage between education and poverty, several researches have shown that poverty is related to children's exclusion of education, and children affected by absolute poverty, an endemic problem of the country, are more likely to repeat their grades, perform poorly and drop-out earlier than those from the affluent section of society. However, the last two decades have witnessed substantial increases in rates of enrolment at the elementary education level (primary and upper primary) along with narrowing regional differentials, improving gender and social equity, a reduction in the number of children involved in child labour and other parameters. This could be possible because access to schooling in India has expanded at an unprecedented scale during the last few years with a significant impact on enrolment and retention rate. However, despite this improvement, the NSSO data shows that people from higher Monthly Per Capita Expenditure (MPCE) remain privileged, and have higher educational level. The rates of completion and drop-out have improved during recent years as the National Sample Surveys of different years have revealed an improvement in basic educational indicators like Gross Attendance Rate (GAR), Net Attendance Rate (NAR) and others. It is also required to collect the widest range of data from conventional sources like government reports and documents as well as from empirical researches that relate education and poverty in different social contexts with its impact on different communities and social groups. Income or consumption measures can be used to give a picture of the extent of poverty at national level and can be aggregated internationally. For analysis and detailed planning, more qualitative measures and participatory approaches will be most appropriate in the Indian context in order to understand poverty and its impact from the perspective of the poor. It is important to create maximum opportunities for accessing health and education facilities, which enable the poor to contribute more fully and equitably to economic process and secure sustainable livelihood that can benefit them, thereby alleviating poverty.

## **Different Approaches to Understand Poverty and Education Linkage**

Different approaches are adopted to understand poverty and education linkage as revealed by development literature. One of these approaches is the Human capital approach which analyses labour market, education and economic growth. Human capital theory stresses the value of peoples' learning capacities as a factor of economic productivity (Becker, 1964). According to the human capital theory, education increases productivity of labour force leading to increase in economic growth which, in turn, reduces poverty.

Based on substantive review of literature, Tilak (2006, 1–2) states, “role of education in reducing poverty and inequality and in enhancing development was widely recognised. From the days of Adam Smith, education was believed to be a possible contributor to greater social and economic equality (Vaizey, 1962). Even prior to Adam Smith, we find references in the literature to the equity role of education, besides the economic role in the creation of wealth of nations. It was William Petty who first advocated equitable distribution of education. Nehenia Green and James Stewart of the Mercantilist period also advocated mass education so as to increase agricultural productivity, in particular, and society's progress, in general. Lord Palmerston favoured spread of literacy for various social and political purposes. The 18th and 19th century school reformers in the US like Horace Mann, Henry Barnard, James G Carter, Robert Dale Owen and George H Evans favoured educational opportunities to be extended to poorer groups of population. Horace Mann, a typical example of these reformers, viewed the school as an effective instrument to achieve justice and equality of opportunity and remove poverty.”

Since we are now living in a knowledge society, people in general are devoting more time to learn new knowledge and skills than ever before. More children are now in school and more parents are aspiring for better education for their children. This has increased their chance to continue and complete their education at the higher level. Another approach to estimate poverty is the rate of return approach, which measures the economic value of investment in education using internal rate of return, and the earning function approach.

The concept of externalities of education is another approach of linking education with poverty, discussed by Friedman in greater detail. “He discusses the role of government with regard to education. He argues that government intervention into education is justified on the grounds that there are positive externalities (what he calls ‘neighborhood effects’) to education.” (Hall, 2006, 1). The report on Secondary Education in India (World Bank, 2009) states, “the benefits of education transcend individuals, and are often associated with innovation, social cohesion, better health and nutrition outcomes, poverty reduction, and political participation (Friedman, 1955; Barr, 1993, 2002). The net benefits of education, which accrue to society, often outweigh public expenditure on education, resulting in positive social rates of return to education (Psacharpoulos and Patrinos, 1993)”. It is because of these externalities that education is also considered as a public good which has been discussed in greater detail.

### **Is Education A Public Good?**

Any good is considered as public good when it is “non-rival” which means the cost of extending the service or providing the good to another person is (close to) zero; “non-excludable” as it is impossible to exclude anyone from enjoying the benefits of a public good, or from defraying its costs (positive and negative externalities). Neither can anyone willingly exclude himself from their remit; and when it has “externalities” which means public goods impose costs or benefits on others—individuals or firms—outside the marketplace and their effects are only partially reflected in prices and the market transactions. Paul A. Samuelson has developed the theory of public goods. In his classic 1954 paper, ‘The Pure Theory of Public Expenditure’, he defined a public good, or as he called it in the paper a “collective consumption good”, as “(goods) which all enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good...

This is the property that has become known as *non-rivalry*." Most products are rivalrous (scarce)—as after these are consumed, they are gone and are not available to others. Public goods, in contrast, are accessible to growing numbers of people without any additional marginal cost. As Samuelson observed, they are extreme forms of

positive externalities (spillover effects) because of its impact on society and its individual members.

In view of intrinsic importance of education in societal development, education, particularly basic education, can be a public good since it contributes positively to overall societal development benefiting all members of society with spillover effects for betterment of society. Society is benefited when more people, irrespective of their socio-economic background, are able to access good quality education. Education is considered as a public good also because of positive externalities that are associated with education. It is commonly known that enabling policies of education facilitate majority of people to attend educational institutions and become economically active, self-reliant, well-informed and empowered to take various important decisions. People with good quality education earn more and come out of extreme poverty and capability deprivation. Education is considered as an essential component of human development and a tool for improvement of quality of life of individuals. In view of such linkage between education and societal development, government invests on education and considers it as a “public good” for which State becomes responsible for various aspects, including provisioning of facilities, institutions, incentives, curriculum development, examination, and staff employment and follow rules and regulations according to the policies of a particular country. Although for a *pure public good*, the second property called *non-excludability* is also important, whereby it is impossible to exclude any individual from consuming the good. In case of education, unless provision for equitable access to education of good quality is made, many people will remain unreached and excluded, causing their impoverishment, which will be passed onto the next generation continuing the vicious circle of lack of education which leads to lack of productive employment and which, in turn, causes poverty and low self-esteem. In order to break this vicious circle, it is necessary to consider education as a human right, making education accessible for each member of society irrespective of their capacity to pay. As Govinda (2003, 82) has stated, "Inter-generational poverty cycles arise through strong relationship between parental education, household poverty, and children's educational achievements. Because of the relationships between levels of human capital

and probabilities of being poor, parents' educational legacies that unless the cycle is interrupted, can persist through several generations (World Bank, 2000)."

Educational provision from right perspective makes education system inclusive and compulsory for all. It is needless to mention that provisioning good quality education for all is only possible with pro-active initiatives of government along with high investment on education when education is considered as public good. In most countries, basic education is considered as public good and government takes responsibility to provide it with adequate financial and other resources. It is because of this that education is considered as a key component of poverty reduction programme through which poor can come out of "capability deprivation" improving their quality of life.

### **Education for Human Development versus Human Capital Development**

Since independence, the process of educational development in India has been considerably guided by two different discourses. One of these discourses on education and development is rooted in the concept of instrumental role of education, linking it with economic growth and "human capital" development. Consequently, education is considered as a key component of national development and an effective means to secure decent livelihood and upward mobility of individuals resulting in economic progress on a large scale. A report on secondary education in India has mentioned that "since human capital theory was incorporated into the mainstream of economic thinking in the 1960s, education and training have been widely viewed as an investment. As education and training impart skills and knowledge that enhance productivity, they have positive effects on individuals' life-time earnings (Schultz, 1961; Becker, 1964). Enhanced productivity contributes to economic growth. In a competitive labor market, where wages are determined by the supply of and demand for labor, the earning differentials among workers with various levels of education reflect differences in the marginal productivity of workers. The private rates of returns to education (at the individual's level) tend to increase with levels of education (Psacharopoulos and Patrinos, 1993)."

At the same time, a parallel discourse has been followed in which education is viewed as an integral part of human and societal development. This has led to making education a fundamental right for all 6–14 year old children. Different international and national events have simultaneously shaped the discourse on education and development. For instance, the national framework of adult education programme, initiated by the National Literacy Mission, seeks to promote literacy to develop practical skill for improving productivity and also to empower people by developing their critical awareness through various educational activities. With India embracing the policy of liberalization in 1990s, the instrumental role has been re-emphasized in the discourse of education and development and continued to surround the theme of human resource development and human capital development. This instrumental role of education has also been reflected in the Five Year Plans, including the recent 10<sup>th</sup> and 11<sup>th</sup> Plans. The Tenth Plan document (GoI, 2002, 23) has stated explicitly about this instrumental role of education as it says, “Education is a critical input in human resource development and is essential for the country’s economic growth”. However, over a period of time, linkage of education with social well-being and human development has also been realized and the Eleventh Plan (2007–12), in the introduction of the section on education, has considered education as the “most crucial input for empowering people with skills and knowledge”, further stating that “Improvements in education are not only expected to enhance efficiency but augment the overall quality of life.” Simultaneously, it has also been guided by instrumental role of education as it says it “places the highest priority on education as a central instrument for achieving rapid and inclusive growth.” (GoI, 2008, 1). However, increasing importance on human welfare and well-being, instead of Economic Growth Index, also led to the new concept of human development. Human Development Index, which considers literacy and primary education as an important component of development, became the most suitable indicator for measuring development. Consideration of education as a basic need of every individual changed the overall perspective of educational development and a move towards right- based approach of educational interventions which shaped educational policies pro-poor and inclusive. In that case, education is expected to benefit individuals and even then it can be considered as a

public good. As mentioned in the World Bank report, "Even when private returns are higher than social returns, public financing can be justified on grounds of correcting household bias (for example, against girls' education), information asymmetries (about benefits of education), and credit market failure (which precludes private borrowing to offset the cost of education), (Banerjee and Newman, 1993; Barr, 1993). These issues are particularly acute for poor households, which are least likely to be informed of the benefits of education and most likely to be excluded from credit markets."

Around the same time, international agencies started providing financial and technical support to many developing countries, including India, to improve educational situation. Acceptance of international aid shaped certain policy decisions of government as well. The major events which can be considered as turning points in bringing education to the centre stage are Convention on the Rights of Child (1989) and the World Declaration on Education for All in Jomtein in 1990. "These marked the beginning of new era of advocacy and action in favour of children at the global level. The Jomtein Declaration placed education at the centre stage in ensuring the welfare of children by declaring it as a basic need at par with other human and social needs and, therefore, an inalienable right of every individual and basic obligation of the whole humankind" (Govinda, 2007, 20). More emphasis on basic need approach and right-based perspective is seen in the Dakar declaration as it emphasizes on provision of quality education. Thus, the Mid-decade Assessment of EFA programme (GOI, 2009) states, "India's commitment to provide quality education to all its citizens precedes its international commitment to the Dakar Declaration of (UNESCO, 2000). While successive development policies have accorded high priority to education, with the adoption of the National Policy on Education in 1986, India has witnessed a large number of national initiatives to achieve the goals of universal elementary education and total literacy, with renewed focus on increasing access to and participation of children and improvement in quality of education." Thus, both these events with respect to "Education for All" movement added a new perspective, that is right perspective, in which constitutive role of education was recognized rather than its instrumental role. Importance on right perspective has also been seen in the approach of National Commission for Protection of Child Rights (NCPCR). It considers that good quality

schooling not only shapes the future of any child, it also shapes the future of family, society and nation as well.

### **Poverty in India**

India has shown considerable socio-economic development during post-independence period. The country has experienced remarkable economic growth leading to improvement in GDP that has, in turn, helped the country to invest more on social sector, including education. The country has made tremendous progress in science and technology, particularly the IT sector and communication technology, leading to increase in employment opportunities in different service sectors. Despite these developments, as per the recent UNDP report on MDG, (2014, 9) "The overwhelming majority of people living on less than \$1.25 a day belong to two regions: Southern Asia and sub-Saharan Africa. In 2010, one-third (32%) of the world's 1.2 billion extreme poor) lived in India alone." Although growth rate of population has shown a declining trend but increase in absolute number of population has added more poor people, with majority of them residing in rural areas. It is because of this, that while GDP has shown an increasing trend and population growth rate a declining one, poverty is still widespread across the country although official data shows that the country has managed to reduce the incidence of poverty from 45.3 per cent in 1993–94 to 37.2 per cent in 2004–05 and further to 22 per cent in 2011–12. This decline in poverty has been closely associated with ability of various state governments successful implementation of different policies across the development sector, including agriculture, industry, commerce, labor market, education, and health. According to a World Bank country study (1998), "Where policies have increased growth, particularly agricultural growth, and improved human development (as measured by various indicators), poverty has fallen faster as indicated in the World Bank's 1997 poverty Assessment." The poverty is also measured by different indices like nutrition rate, monthly expenditure on consumption of food and other essential items, including education. Minimum per capita daily requirement of dietary energy for healthy living is 2400 kilocalories in rural areas and 2100 kilocalories in urban areas (Suryanarayana, 2009). The proportion of population that has dietary energy consumption below



2100/2400 kilocalories in India has risen steadily since 1993–94. The share of poorest quintile in total consumption in the rural areas declined from 9.6 per cent in 1993–94 to 9.5 per cent in 2009–10 based on Uniform Reference Period (URP). This decline was sharper in the urban areas where the ratio fell from eight to seven per cent during this period.

Access of people to different schemes for poverty reduction also provides an understanding of intensity of poverty but in India many poor people are not availing many of these schemes due to various reasons. For example, while only 2.7 per cent have been covered by the Food-for-Work Scheme, the Annapoorna scheme benefits only 0.9 per cent. In urban areas, these proportions become 0.2 per cent in case of Annapoorna, and only 0.1 per cent for the Food for Work scheme. Among the beneficiary households of food assistance schemes of the Central Government, the Midday Meal scheme benefited children from an estimated 22.8 per cent of rural households in 2004–05, while in urban India, children from eight per cent of households benefited from the Mid-day Meal scheme. The ICDS scheme benefited only 1.8 per cent households as revealed by a report of Government of India (2013).

Despite improvement in the overall economic condition of the country, poverty has remained an endemic and widespread problem in India, with a large number of people still living in abject poverty. According to UNDP, “Even as India continues to record impressive growth rates, poverty remains widespread and disparities deeply entrenched. According to the UNDP 2011 Global Human Development Report, India is ranked 134 out of 187 countries and UN-recognized territories. Recent Government of India estimates suggests that 37 per cent of the population lives below the poverty line (UNDP Website).” Although government official data claim substantial reduction in proportion of people living below poverty line, a sizeable population of 269.3 million is estimated living below poverty line as estimated by the Planning Commission in 2011–12. The proportion of people under poverty was 25.7 per cent in rural and 13.7 per cent in urban areas. It is mainly because all are not being able to access gainful employment as reported by 68<sup>th</sup> NSSO (GOI, 2013), which states that only about 40 per cent of population are participating in labour force—41 per cent in rural areas and 37 per cent

in urban areas. The labour force participation rate was notably lower for females than for males in both the areas. Despite increase in employment and income opportunities, the number of unemployed was 9.8 million in 2010 at the all-India level, which increased to 10.8 million in 2012. Gender inequality continues to be one of the major aspects of poverty in India as 49 per cent of the poor are women (UNDP website). It is also estimated that around 96 per cent of the women work in the informal economy (UNDP website) and most of these women experience economic hardship due to low wage rate, poor work condition and exploitation.

Another aspect of poverty is non-availability of financial assistance for poor. According to UNDP website, “Despite rapid strides in improving financial services, it is estimated that 40 per cent of the adult population of India do not have access to basic banking services. Further, 70 per cent of the workforce receives their income in cash. Informal loan through money lending at prohibitively high interest rates is widespread, particularly in rural areas.” Due to this, a large section of poor people are found indebted, and forced to mortgage their land and productive resources like land and animals. They lose these resources permanently in case they are unable to pay this debt. Indebtedness and land alienation are linked together and cause impoverishment of people, generation after generation.

Many researches indicate that poverty and illiteracy go together, often intensifying other problems like malnutrition, ill- health, and high incidence of infant, child and maternal mortality. More women than men are poor, indicating a gendered poverty. Poverty is more pronounced among women-headed households, women working in unorganized sector, and women without productive assets. It is needless to say that majority of such women are illiterate or having very low levels of education. Intra-household gender relation has impact on poverty (Kabeer, 1994). Incidence of poverty is higher in the households of SCs/STs/OBCs/religious minority group like Muslims, particularly in rural areas, and these sections of poor are mainly involved either in agricultural activities as small and marginal farmers, agricultural labourers, or working as unskilled wage labourers or construction workers, while some are engaged in petty trade in urban areas. They mainly live in slums, with a large section being

seasonal migrants from rural areas. In addition, a section works as bonded labourers, having an inter-generational effect by putting their children at the risk of living in abject poverty as bonded labourers. UNDP has provided India's poverty profile, linking it with different indicators like workforce, literacy etc.. As per an estimate of UNDP, while 37.2 per cent of the population lives below the national poverty line, their proportion is 41.8 per cent among the rural population. Around 80 per cent of the rural poor belong to the marginalized caste and tribal communities,

There has been considerable state-level disparity in the magnitude of poverty as given by 68th NSSO. The states with higher literacy rate, particularly female literacy, also show lower proportion of people living below poverty line. The incidence of poverty and the poor's access to social services vary considerably across, and at times even within, states. Proportion of people under poverty line is much higher than the national level in some states like Orissa (32.59 per cent), Bihar (33.74 per cent), MP (31.65 per cent), Arunachal Pradesh (34.67 per cent), Assam (31.98 per cent), Chhattisgarh (39.93 per cent), and Jharkhand (36.96 per cent)—major states that account for most of the poor people of country.

In order to measure intensity and magnitude of poverty, Monthly Per Capita Consumer Expenditure (MPCE) is used by NSS. As per 68th NSSO, the Average MPCE in rural area is Rs. 1430 and in urban area, it is Rs. 2630. According to this NSSO, the average rural MPCE was the lowest in Odisha and Jharkhand (around Rs.1000) and also in Chhattisgarh (Rs.1027). In Bihar, Madhya Pradesh and Uttar Pradesh, rural MPCE was about Rs.1125–Rs.1160, perceptibly below the all-India average of Rs. 1430. The only three major states with MPCE above Rs. 2000 were Kerala (Rs. 2669), Punjab (Rs. 2345) and Haryana (about Rs. 2176). In case of urban poverty, Bihar had the lowest MPCE of Rs.1507. About half of the rural population had MPCE below Rs. 1198, while the other half had MPCE above this level. Only about 10 per cent of the rural population reported household MPCE above Rs. 2296 and only five per cent reported MPCE above Rs. 2886. For urban India, the 5th percentile of the MPCE distribution was Rs. 827 and the 10<sup>th</sup> percentile, Rs. 983. Only about 10 per cent

of the urban population reported household MPCE above Rs. 4610 while only five per cent reported MPCE above Rs. 6383.

From the above discussion, it is seen that poverty is not only a pressing issue in rural areas, but also pervasive in the urban areas, the major reason being lack of employment opportunities as well as underemployment of the educated. It is because of this, along with growing urbanization, that urban poverty, like rural poverty, has been a matter of concern for poverty reduction programme in the country. Intensity of urban poverty can be measured by different indicators like Worker Population Ratios (WPR), which shows that during 2009–10, the proportion of persons of age 15 years and above employed according to usual status (ps+ss) was 74 per cent among males and 18 per cent among females in urban India (Table 1). These proportions were higher for class 3 towns—about 76 per cent among males and about 21 per cent among females in comparison with class 1 cities and class 2 towns. For class 1 cities, nearly 73 per cent of males and 17 per cent of females were usually employed during 2009–10.

**Table 1**

**Per 1000 distribution of usually employed (ps+ss) persons aged 15 years and above by status in employment**

Type of urban area	Male			Female		
	Self-employed	Regular/wage salaried	Labour	Self-employed	Regular/wage salaried	Labour
All class 1 cities	387	516	97	331	578	90
Class 2 towns	401	429	170	410	416	174
Class 3 towns	450	310	240	466	233	301
Total Urban India	410	420	170	408	397	196

*Source: NSSO 66<sup>th</sup> Round Report (553), Employment and Unemployment Situation in Cities and Towns in India, 2009–10*

**Table 2**

**Per 1000 distribution of usually employed (ps+ss) persons aged 15 years and above by status in employment for each class 1 city/size class of towns during NSS 55<sup>th</sup> (1999–2000), 61<sup>st</sup> (2004–05) and 66<sup>th</sup> (2009–10) rounds**

Type of urban area	Male			Female		
	66 <sup>th</sup> round	61 <sup>st</sup> round	55 <sup>th</sup> round	66 <sup>th</sup> round	61 <sup>st</sup> round	55 <sup>th</sup> round
All class 1 cities	733	762	745	167	198	176
Size class 2 towns	736	756	746	178	218	179
Size class 3 towns	755	777	766	206	276	244
Urban India	740	763	752	183	227	197

*Source: NSSO 66<sup>th</sup> Round Report (553), Employment and Unemployment Situation in Cities and Towns in India, 2009–10, pp. 26–27.*

Over the period 1999–2000 to 2009–10, there was a steady decrease in both chronic unemployment rates as well as unemployment rates as per current weekly status for both males and females. Poverty and its drastic impact on life of people is also a matter of concern even in the capital city of Delhi, which, as mentioned in the recently published Delhi Human Development Report, had the highest average per capita income (at more than Rs. 0.2 million per year in 2012–13) in the country during 2011–12 (Economic Survey of India, 2012–13). In the recently published India Human Development Report, 2011, Delhi ranked second after Kerala in terms of the Human Development Index (HDI) (IAMR, 2011). It ranked first according to the income index whereas for the education and health indices, it ranked second after Kerala. During the seven-year period 2005–06 to 2012–13, the city's per capita income grew at the rate of about seven per cent per annum, enabling it to become the richest state in the country. Delhi's poverty level has remained lower than the all-India level. The recently released poverty estimates from the Planning Commission for 2011–12, using the Tendulkar Committee methodology, suggests that the proportion of the Below Poverty Line (BPL) population in Delhi is 9.9 per cent, which is less than half of the national average of 21.9 per cent. In absolute terms, the number of poor in Delhi was 1.7 million in 2011–12, which declined from 1.9 million during 2004–05. The poor mostly live in slums or unauthorized areas, and generally work in the unorganized sector. They often find themselves vulnerable due to the lack of both job security as well as social security, and being often in working conditions detrimental to their health. They largely end up

finding their livelihoods in sectors such as construction, retail trade, transport, and solid waste management. Bringing down the level of poverty is, therefore, still part of an unfinished agenda before the government and needs to be tackled on a priority basis. Like Delhi, other Indian cities, along with their rural hinterlands, are also struggling to reduce poverty and related problems.

### **Poverty and Social Status**

The status of economic well-being is closely associated with the social status of people as the proportion of workers engaged in different occupations varies considerably according to religion, caste, ethnicity, etc.. One of the important issues related to poverty has been the increasing income inequality between different social groups. According to an UNDP report, "Inequality has to be brought to the fore in the discussion on poverty reduction. The traditional thinking was that only rapid growth mattered and that changes in inequality could make only a minor difference in outcomes. However, there is now increasing recognition that high inequality within and between countries imposes obstacles to poverty reduction. Inequality is a roadblock to rapid and sustained growth. Moreover, a country with a high degree of inequality requires much higher growth in order to achieve significant progress in reducing poverty." It also recommends policies which are "good for equity" because these are also "good for growth and good for converting growth into poverty reduction." Almost all government reports and documents, including different reports of National Sample Survey, indicate that economic status is inversely related to social status, particularly caste. Various surveys conducted by the National Sample Survey Organization of the government highlight the economic status of Scheduled Castes, which include *dalits*, who constitute a major proportion of poor people and the poorest of the poor. These are:

- About 20 per cent of the population belong to Scheduled Caste while only one per cent of the Scheduled Caste population owns land of size 4.01 hectares (The proportion of households possessing land of size 4.01 hectares (9.91 acres) or more (GOI, NSSO, 2006).

- Only three per cent of the Scheduled Castes can spend Rs. 38.50 (less than US \$ 1) per day in rural areas. The rest spend less. In urban areas, only one per cent can spend Rs. 81.67 (approximately US \$ 2) per day (GOI, 2006, NSSO).
- Only 47 per cent of the Scheduled Caste population in rural areas call themselves cultivators and among non-cultivators, 26 per cent are agricultural labourers (GOI, NSSO, 2006).
- In urban areas, barely 28 per cent of SC population are employed in administrative jobs, production, farming, etc. (GOI, NSSO, 2006).
- Among self-employed, 41.7 per cent earn regular wages and 23.3 per cent are casual labourers (GOI, NSSO, 2006).
- Average value of assets the Scheduled Caste population possess is about half of all other groups put together in both urban and rural areas (GOI, NSSO, 2006). For those who own land in rural areas, it represents over half their assets. However, the value of this land is less than a quarter of the value owned by other castes (excluding tribals and those belonging to other backward classes).

In case of religion, Muslims particularly in rural areas, are disadvantaged as far as occupation is concerned leading to their low economic status and impoverishment.

In NSS 66<sup>th</sup> Round, among different sources of earnings of the rural households during 2009–10, self-employment in agriculture and non-agriculture together was the major source of earnings for a large number of households of all religious groups. About 47 per cent of rural households belonged to the household type *self-employed in agriculture* or *self-employed in non agriculture*. The proportion of households with major income from *self-employed in agriculture* was 33 per cent for Hindus and 30 per cent for Christians, while 25 per cent of the Muslim households belonged to the household type *self-employed in non-agriculture*. The proportion of households belonging to the household type *rural labour* was the highest among Muslims (about 41 per cent). Within the category of *rural labour*, the proportions of households classified under *agricultural labour* were the highest for Hindu (26 per cent), followed by Muslim

(23 per cent) and Christian households (21 per cent). The major source of earnings of a large number of urban households during the same year (2009–10) was regular wage/salaried employment but there was considerable variation among different religious groups. While only 30 per cent of Muslim households had the major source of income from regular wage salaries, around 46 per cent of them mentioned their major source of earnings as self-employment, the highest among households.

Another important criterion to measure poverty is land distribution and the size of land owned by households in rural areas. The amount of land possessed or cultivated by a household reflects the economic status of the household to a great extent. It was found that, among all the land possessed classes, proportion of households belonging to the land possessed class “0.005– 0.40” was the highest for all the religious groups. Among the four major religious groups, the proportion of households possessing land less than 1.00 hectare was the highest for Muslims (91 per cent), followed by Christians (86 per cent), but the proportion of households possessing land more than 4.00 hectares was the highest for Sikhs (seven per cent), followed by Hindus (three per cent).

The land distribution is found to be skewed among different social groups as well, as given in NSS 66<sup>th</sup> (GOI, 2009–10). While the households belonging to ST and SC account for higher proportion among landless and smaller size of land-holding, the proportion of “Others” is much higher than SC and ST households in possessing land more than four hectares. It was also found that the average MPCE of Sikh households was Rs. 1659 (Rs. 2180 in urban and Rs. 1498 in rural areas) while that for Muslim households was Rs. 980 (Rs. 1272 in urban and Rs. 833 in rural areas), indicating their economic status.

### **Child Poverty: Present Status**

While economic status of the family is associated with occupation, access to productive assets, income and wealth disparities among adults, this substantially impacts children's life and also their earning capacities in future. In a poor country, government's efforts for poverty reduction can be measured by incidence and intensity of children's poverty and protection given to these children, ensuring for them a better



quality of life. One of the major indicators to measure children's poverty is their nutritional status. According to the recent estimates by CRY (TOI, 2013), "Every second child in India is malnourished; 79 per cent children across the country are anemic... Take the case of Maharashtra where almost half of the children under five years are stunted and nearly one-fifth are severely stunted... According to the official estimate by the state education department in July 2012, close to 2.3 lakh children were out of school and this group primarily composed of children with disabilities and other disadvantages." It is widely known that under-nutrition of children also causes physical disabilities with an adverse impact on their cognitive skills.

While the situation in a state like Maharashtra is a matter of concern, the situation is far from satisfactory even at the national level. The proportion of children under three years of age who are underweight decreased from 43 per cent in NFHS-2 to 40 per cent in NFHS-3; stunting decreased from 51 to 45 per cent but wasting increased from 20 to 23 per cent. According to CRY, "While one in every five adolescent boys is malnourished, one in every two girls in India is undernourished. Around 23 per cent of India's children are underweight at birth. Around 58 per cent of India's children below the age of two years are not fully vaccinated and 24 per cent of these children do not receive any form of vaccination."

Another indicator is the location of children's residence and their social identity. Most often, the intensity of poverty is determined by the geographical location of residence if it is located in remote, backward, poverty stricken, rural and difficult areas. While children living in rural and remote areas are most likely to have higher infant, child and maternal mortality rates, poorer nutrition, access to healthcare and other services, in urban areas, poor children mostly live in slums which are characterised by cramped and unhygienic environments, without a secure home. They also face several risks of violence, trafficking and exploitation.

A major section of children living in a situation of abject poverty is found engaged in child labour (Govinda and Bandyopadhyay, 2011a). The report of CRY (TOI, 2013) also highlights that 11.8 per cent of children in India are engaged in some form of child labour and nearly 45 per cent girls still get married before the age of 18

years which also leads to continuation of capability deprivation of these girls and other related problems of high Maternal Mortality Rate (MMR) and Infant Mortality Rate (IMR). The recent UNDP report (2014, 26) on MDG has also identified India as one of those countries with high child mortality rate and Maternal Mortality Rate. It has informed that, "India had the highest number of under-five deaths in the world in 2012, with 1.4 million children dying before reaching their fifth birthday." It (2014, 29) says more that, "Almost one-third of all global maternal deaths are concentrated in two populous countries: India, with an estimated 50,000 maternal deaths (17 per cent), and Nigeria, with an estimated 40,000 maternal deaths (14 per cent)." Although majority of cases of CMR take place in low income countries (82 against 62 per 1000 live births in lower middle income countries in 2012) but many lower income countries could substantially curb the problem of CMR. It is because of this, the UNDP report (2014, 26) on MDG states that, "New analysis has suggested a comprehensive drop in under-five mortality rates among the poorest households in all regions. Disparities in under-five mortality between the richest and the poorest households have declined in most regions of the world, with the exception of sub-Saharan Africa. Hence, it is possible to curb preventable child deaths regardless of the income level of country or household.....Reducing under-five mortality requires political will, applied consistently in support of child and maternal health through concerted action, sound strategies and adequate resources."

In addition, child migration and trafficking are also rampant across the country. A profile of child labour is provided in the website of CRY which is referred below. It says:

"Children are often treated as the 'property' of the very adults who are supposed to care for them; they are ordered around, threatened, coerced, silenced, with complete disregard of them as persons with rights and freedoms." The salient points related to child labour are:

- 17 million children in India work as per official estimates.
- A study found that children were sent to work by compulsion and not by choice, mostly by parents, but with recruiter playing a crucial role in influencing decision.

- When working outside the family, children put in an average of 21 hours of labor per week.
- 90 per cent working children are in rural India.
- 85 per cent of working children are in the unorganized sectors.
- About 80 per cent of child labour is engaged in agricultural work.
- 25 per cent of the victims of commercial sexual exploitation in India are below 18 years of age.
- Millions of children work to help their families because the adults do not have appropriate employment and income thus forfeiting schooling and opportunities to play and rest.
- Large numbers of children work simply because there is no alternative—since, they do not have access to good quality schools.
- Poor and bonded labour families often "sell" their children to contractors who promise lucrative jobs in the cities and the children end up being employed in brothels, hotels and domestic work. Many run away and find a life on the streets."

According to 2001 Census, India had 12.6 million children, aged 5–14 years, who work either part-time or full-time. Of these, over 60 per cent work in unorganized agriculture sector, and the rest in other unorganized labour markets. Article 24 of India's Constitution prohibits child labour. Additionally, various laws such as the Juvenile Justice (Care and Protection of Children) Act, 2000, the Child Labour (Prohibition and Regulation) Act, 1986 and the Indian Penal Code, provide a basis in law to identify, prosecute and stop child labour in India. Nevertheless, child labour is manifest in almost all unorganized, small scale, informal sectors of the Indian economy.

In addition to official estimation of child labour, there exists a section of children who are deprived of all opportunities and life of dignity. These children are sex workers who are exploited severely and live in a condition of abject poverty. According to the estimation of CRY, "There are approximately 2 million child commercial sex workers between the age of 5 and 15 years and about 3.3 million between 15 and 18

years. They form 40 per cent of the total population of commercial sex workers in India. Around 80 per cent of these are found in the five metros and 71 per cent of them are illiterate." CRY has estimated that 500,000 children are forced into this trade every year. I

A large number of children migrate to different parts of country either alone or along with their parents in search of livelihood. Stories of migrant children particularly who are engaged in different income- generating activities are similar across cities, towns and states, whether in Tamil Nadu, Punjab, West Bengal, or Maharashtra. Sometimes, migration of children and their trafficking are inter-related aspects and very strongly visible in some parts of the country. Katakam (2006) has given an account of Muslim children who are engaged in zari- making units in Mumbai slums. He states that "data collected from the State Labour Department say 90 per cent of children in the zari units in Mumbai are migrants from Uttar Pradesh and Bihar. They come from very poor districts such as Rampur and Azamgarh in Uttar Pradesh and Madhubani and Sitamarhi in Bihar. West Bengal, Jharkhand, Chhattisgarh and Andhra Pradesh are some of the other states from where children are brought." These children are bonded labourers and they never get any chance to go to school. Loopholes in the Child Labour Act and other related statutes and lack of proper rehabilitation plans are some of the reasons for continuation of bonded child labour, he insists. These children are treated as bonded labourers and remain deprived of adequate food and other needs and also become victims of sexual abuse. This situation has not changed much even now and it is pervasive across the states in India, even in southern states like Tamil Nadu. An account of miserable condition of families has been given in the S. Dorairaj's article (2009): "In the brick kilns of Tamil Nadu, life for lakhs of men, women and children is one of extreme exploitation. Every brick they make has a story to tell—of dismal working conditions, back-breaking toil for 12 to 16 hours a day, meagre wages and generations of bonded labour. Most of these workers are from families that have, for generations, toiled in brick units in different parts of the state and are not aware of their rights or the welfare measures the state and central governments offer them. The vicious cycle of debt begins when the rural farmhand migrates to a distant place and finds work in a brick kiln through middlemen known as 'maistries'... Dalits and members of the

Scheduled Tribes constitute around 90 per cent of the workers and the remaining 10 per cent belong to the Backward Classes or the Most Backward Classes. Tiruvallur and Kancheepuram districts have a high concentration of brick workers, including child workers. They go there from Dharmapuri, Namakkal, Krishnagiri, Villupuram, Cuddalore, Tiruvannamalai, Madurai, Virudhunagar and Tirunelveli districts every year during the season, which lasts from January to July.”

Thus, it is understandable that in different places, different kinds of exploitative systems are operating, taking advantage of the lack of political will of state and central governments in preventing child labour and also in addressing rights of the children and their families for getting education, health services, food and a life of dignity. Although some initiatives have been taken, more remain to be done for these children. The recent NSSO reports also have shown that there has been a decline in the proportion of child labour in few states and they account for lower percentage share to the total population of child labour in the country. This might have been due to increase in demand for education, availability of schooling space, enactment of RTE Act, 2009 and Child Labour (Prohibition and Regulation) Act, 1986. It is also noticeable from Table 3 that states like Assam, Bihar, Gujarat, Uttar Pradesh and West Bengal have experienced considerable increase in their share of child labour. In addition to these child workers, there are children who are homeless and live on the streets. In view of the increasing problems of urban poverty, the recent report of UNICEF (2012) on urban children states:

“Estimates suggest that tens of millions of children live or work on the streets of the world’s towns and cities—and the number is rising with global population growth, migration and increasing urbanisation. Children resort to living and working on the streets for many reasons. Violence or abuse at home or in the neighbourhood drives many away, while poverty also played a part. While abuse, conflict or neglect can happen in any family home, children whose poverty and marginalization leave them with few choices often see the street as the best available option for escape.”

**Table 3**  
**Child labour in Major Indian States (age group 5–14) in 2004–05 and 2009–10**

States/India	Child labour		% share of Child Labour	
	2004–05 (in 000s)	2009–10	2004–05	2009–10
A.P.	1201	234662	13.2	4.71
Assam	133	189154	1.5	3.80
Bihar	364	276522	4.0	5.55
Chhattisgarh	263	11626	2.9	0.23
Delhi	9	18576	0.1	0.37
Goa	6	-	0.1	-
Gujarat	302	390687	3.3	7.84
Haryana	99	72196	1.1	1.45
H.P.	37	7398	0.4	0.15
Jharkhand	206	82468	2.3	1.65
Karnataka	571	226497	6.3	4.54
Kerala	11	2765	0.1	0.06
M.P.	491	191017	5.4	3.83
Maharashtra	783	260673	8.6	5.23
Orissa	440	134563	4.8	2.70
Punjab	101	48836	1.1	0.98
Rajasthan	821	405936	9.0	8.14
Tamil Nadu	173	17351	1.9	0.35
U.P.	2074	27371	22.9	35.62
Uttaranchal	64	1775333	0.7	0.55
West Bengal	690	551584	7.6	11.07
<b>India</b>	<b>9075</b>	<b>49,83,871</b>	<b>100.0</b>	<b>100.00</b>

Source: NSSO 61 and NSSO 66.

One can see the educational situation of these children. Although many migrant parents want to educate their children, a large number of children are denied the opportunity due to non-availability of schools near the site of migration. Recently, a handful of NGOs have been providing education to such children and government has also taken some initiatives for these children but provisioning of formal quality education to them still seems to be a challenging task for government due to various reasons. One such NGO, ASPIRE (2014) India could address the problem of learning deficiency of several children through their “learning enhancement programme (LEP) in selected MCD schools of Delhi which are mostly attended by poor and marginalized groups. Nevertheless, many researches have shown that despite all odds, migrants have positive attitude towards education. With reference to migration, most literatures talk about three sections of child migrants: children who migrate with their parents (family

migration), independent child migrants, and children left behind by migrant parents. Education of all these children gets affected by migration in various ways. Often, a chance for becoming a child labourer increases for these children in case educational facilities are not provided at the site of migration and if there exists rigid norms for getting admission in formal schools such as the requirement for producing transfer certificate, birth certificate, certificate to prove caste or social background, and disability. Child poverty is an important issue in rural as well as in urban areas including the capital city of Delhi. The recent Human Development Report of Delhi (GONCTD, 2013, 48) has stated that:

"A recent survey by IHD and 'Save the Children' (2011) reported that there are around 51,000 street children (aged less than 18 years) in Delhi. Such children include not only those who lack homes, but even those who live with their families but spend most of their time on the streets. Poverty, hunger, and the search for employment are the major factors that bring children on to the streets. Mostly males and largely illiterate, these street children were found to be engaged in rag-picking (20 per cent), street vending (15 per cent), begging (15 per cent) and working at roadside stalls and repair shops (12 per cent). Report by the Ministry of Statistics and Programme Implementation (2013) provides estimates for child labour in Delhi, reporting that 11.8 per cent of the 5–14 year old children are working. Out of these, 2.2 per cent were engaged in paid work and 2.9 per cent were engaged in unpaid work (for someone other than members of the household in both cases). In order to address the issue of child labour more effectively, the Delhi Government has drawn up a detailed action plan based on the profiles of child labour in Delhi, which includes out-of-school children living with their parents, and children who have come from other states without their families."

### **Education and Poverty in India**

The discussion on education and poverty starts with linking poverty with literacy rate which is one of the determining factors for improvement in standard of living and quality of life. A recent article has shown that an interesting demographic co-

incidence is emerging in recent years as India now has almost the same number of poor people as illiterate. India has 270 million people below the poverty line (the new poverty numbers released in July 2013) and there are around 272 million illiterate people in the country. The following section will provide a detailed analysis regarding this linkage.

### Literacy and Poverty

Many studies and documents have revealed that there has been an intrinsic relationship between literacy and poverty, and poverty level and level of education are inversely related to each other. As recent data shows, there have been considerable improvements in literacy rates and educational levels of people during the period of two decadal census of 2001 and 2011. However, there still exists a considerable social and gender gap between the rural and urban areas (Table 4) as revealed by different studies (Govinda and Bandyopadhyay, 2011b; Bandyopadhyay, 2012a, 2012b) and also the NSS data of different years. NSS data show that literacy rate increases according to the social classes, with lowest literacy rates for SC females in rural areas followed by ST females.

**Table 4**

#### Literacy rate among persons of age five years and above for different social groups

Social Group	Rural			Urban			Rural + Urban		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
ST	701	526	615	880	720	804	717	544	631
SC	721	523	623	831	691	764	743	555	654
OBC	780	575	679	886	753	822	808	621	716
Others	842	685	767	935	860	900	879	757	821
All	773	585	682	900	789	848	811	640	728

*Source: NSS 66<sup>th</sup> Round Report (543), Employment and Unemployment Situation among Social Groups in India, 2009–2010, p. 29.*

As per the data provided by 66 NSSO, the proportion of total literates was 72.8 per cent with considerable difference in literacy rates of rural and urban population of age five years and above. Around 36 per cent of females in rural area are still not literate (Table 6), majority of whom are from socially disadvantaged and economically weaker sections. According to 64 NSSO data, states like Kerala (94 per cent), Assam



(84 per cent) and Maharashtra (81 per cent) were recorded with relatively higher literacy rates while literacy rate was very low in Bihar (58 per cent), Rajasthan (62 per cent), Andhra Pradesh (64 per cent). This indicates that there are still a large number of first generation learners with illiterate and uneducated parents.

According to the 64 NSSO data, it can be noted that "the economically disadvantaged sections of population were also disadvantaged on account of their educational levels." The data, according to decile classes of MPCE, reveal this linkage of economic and educational disadvantage. It is found that while around half of the population surveyed in the lowest decile class of MPCE were not literate and even around 23 per cent were not literate in the highest decile class in rural area, the proportion of *educated* persons (those with education level secondary and above) increases along the decile classes of expenditure from 4.2 per cent in the lowest to 31.3 per cent in the highest decile class. In urban India, the situation was not very different either. The proportion of illiterate persons decreased steadily from 41.7 per cent in the poorest class to 6.9 per cent in the richest decile class of MPCE while the proportion of *educated* persons increased steeply from 9.4 per cent in the lowest to 70.3 per cent in the highest MPCE decile class. The disparities in literacy in the respective economic levels were higher in the urban than in the rural sector. The difference in literacy rates between lowest and highest decile class of MPCE was 28 percentage points in rural areas whereas the corresponding difference in urban areas was 35 per cent. As it has been mentioned earlier that poverty and illiteracy are closely associated with each other, one can understand this association is more crucial in rural areas where proportion of illiterates is considerably high and majority of them are from the lower decile class. One of the major reasons of low adult literacy level of poor has been non-availability of schools for lower economic class in nearby area and the access to schooling facilities has improved only recently after government took initiatives for providing schools to remote and unserved habitations during the last two decades, leading to unprecedented increase in enrolment of disadvantaged groups. In addition, provision of free education, scholarship, uniform, Mid-Day-Meal, textbooks, etc. have motivated poor, disadvantaged and girls to attend government schools. All these initiatives might have caused steady increase in literacy rate of people.

This improvement in literacy and educational attainment have resulted in increase in awareness level of people regarding socio-political issues, facilitated their access to emerging employment opportunities and led to improvement in health as well as nutritional status, thereby affecting the quality of their lives. It is because of this that it is essential to invest on education so as to facilitate people in acquiring knowledge and skill that can help them avail opportunities in labor market and come out of the situation of capability deprivation (Drèze and Sen, 1995). However, as mentioned in the World Bank study (1998), "the success of education and public health in reaching the poor depends not only on more spending but on improving the quality of service they receive. The intensity of poverty increases more in the area affected by poor delivery of essential public services, including education."

### **Poverty and Educational Level: Rural and Urban Difference**

Educational level of a person is closely related with his or her economic status. The proportion of non-literates is highest in the bottom MPCE classes and decreases gradually as the MPCE increases, as revealed by NSSO reports, including 64 NSSO. There has been considerable difference between rural and urban areas. For instance, while the proportion of non-literates was 69 per cent at the bottom MPCE class in rural areas, it was 18 per cent in the top MPCE class. The corresponding proportion in the urban areas was about 51 per cent and two per cent only.

In case of proportion of the educated, the difference between high and low MPCE class in rural areas was as high as 42 percentage points with only four per cent educated people in the bottom MPCE class. The difference in the urban areas was even more glaring, with 78 percentage points between the highest and lowest MPCE. Only nine per cent people were found with the level of education of secondary and above in the bottom MPCE class in the urban areas. The proportion of non-literates is highest in the households of rural labour (56 per cent) and casual labour (41 per cent) in urban areas. The lowest proportion of non-literates is found in the households of regular wage/salaried employees (13 per cent) in urban areas.

The proportion of educated people is found to be highest for the household of self-employed among non-agricultural (19 per cent) in the rural areas and for the household of “Others” (56 per cent) in the urban areas, followed by the households of regular salaried/wage employees. There is considerable gender difference along with rural-urban disparity in literacy rates of people engaged in different occupations. For example, around 68 per cent of rural female labourers are not literate against 44 per cent of rural male labourers. Around 56 per cent of self-employed females were not literate against 28 per cent of non-literate self-employed males in rural areas. Only 5–10 per cent females are educated in the households of labourers as well as self-employed people. The situation is much better in urban areas but gender disparity in literacy is still persisting among different occupation groups. Here, around 36 per cent of females are educated as compared to 48 per cent males and the highest proportion of educated females (44 per cent) are living in households, categorized as regular salaried/wage employees.

The above discussion reveals that the situation is not very encouraging with respect to the education of children of disadvantaged groups. Educational access along with their participation behaviour considerably varies among different social groups. Table 5 indicates that despite considerable increase in proportion of SC and ST children attending schools between 61 and 66 NSSO, their proportion is still below 85 per cent while the proportion of children in “Other” category is around 90 per cent.

**Table 5**

**Current attendance rates in educational institutions per 1000 persons of 5–14 years age group and social groups in NSS 61st (2004–2005) and 66th (July 2009–June 2010) rounds in India**

	61 <sup>st</sup> Round					66 <sup>th</sup> Round				
	ST	SC	OBC	Others	All (incl. n.r.)	ST	SC	OBC	Others	All (incl. n.r.)
<b>Rural</b>										
Male	767	809	843	876	835	814	861	878	902	872
Female	678	737	763	842	767	814	821	845	874	842
Person	726	775	805	860	803	814	842	863	889	859
<b>Urban</b>										
Male	871	850	881	915	890	849	885	907	931	912
Female	859	793	878	914	879	849	903	902	926	909
Person	865	822	880	914	885	849	894	905	929	911

Source: NSS 66<sup>th</sup> Round Report (543), Employment and Unemployment Situation among Social Groups in India, 2009–2010, p. 30.

The disparity is also visible in literacy rate and educational levels of different social groups as mentioned in 66 NSSO report as given below. It is quite clear from Table 6 that proportion of non-literates is much higher in case of SC and ST as compared to OBC and others.

**Table 6**  
**Per 1000 distribution of persons of age 15 years and above by level of general education in India**

Social Group	Rural					Urban				
	Non-literate	Literate and upto primary	Middle	Sec. and above	All (incl. n.r.)	Non-literate	Literate and upto primary	Middle	Sec. and above	All (incl. n.r.)
<b>Person</b>										
ST	470	242	143	148	1000	218	171	173	437	1000
SC	454	239	157	150	1000	270	217	174	340	1000
OBC	383	231	174	212	1000	198	190	181	331	1000
Others	268	242	186	305	1000	106	128	146	620	1000
All (incl. n.r.)	378	237	170	216	1000	167	164	164	501	1000

Source: NSS 66<sup>th</sup> Round Report (543), *Employment and Unemployment Situation among Social Groups in India, 2009–2010*, p. 29.

### **Current Attendance Rates in Educational Institutions by Working Population Engaged in Different Occupations**

The current attendance rates in educational institutions during 2009–10 shows that the overall current attendance rates in educational institutions for rural males, rural females, urban males and urban females of age 0–29 years were 50 per cent, 42 per cent, 53 per cent and 49 per cent respectively, indicating considerable gender gap in their educational access and participation. It has been observed that during 2009–10, in rural areas, majority of male workers belonged to the categories of *not literate* (28 per cent) or *literate and up to primary* (28 per cent) while majority of female workers belonged to the category of *not literate* (59 per cent), indicating the presence of a huge section of female illiterate workers. About 24 per cent of male workers in rural areas had attained the general education level of *secondary and above* whereas the corresponding proportion for female workers was only nine per cent. Between 1999–2000 and 2009–10, proportion of literates in the workforce has increased for both rural males and rural females. There has been considerable gender gap in educational levels of workers also in urban areas as majority of male workers belonged to the level of

education category *secondary and above* (52 per cent) whereas only 38 per cent of the female workers belonged to that category in 2009–10. This difference is also explained by the Worker Population Ratio (WPRs) among persons of age 15 years and above for different levels of general education as mentioned in NSSO 64 which states that, the WPR for males of age 15 years and above was highest for the general educational level of *literate and up to primary* (90 per cent) and the WPR for females was highest for the category of '*not literate*' (43 per cent) in rural areas during 2009–10. Among persons with level of education of *secondary and above*, the WPR (worker population in Ratio) for males (70 per cent) was much higher than that of females (22 per cent). In urban areas, the WPR for males of age 15 years and above was highest for the general educational level for the category of *literate and up to primary* (84 per cent) and the WPR was highest for females with educational level of *graduate and above* (26 per cent). Among persons with level of education of *secondary and above*, the WPR for males (69 per cent) was much higher than that of females (16 per cent).

### **Initiatives Taken for Educating Poor Children: Innovative Actions and Best Practices**

Over the years, several initiatives have been taken to educate poor and underprivileged children and to encourage poor parents to send their children to schools. One of the major initiatives has been the provision of incentives like uniform, textbooks, reading and writing materials to these children and also scholarships on monthly or annual basis in addition to free education. Despite this, it has been experienced that the access and participation of these children remained far from satisfactory. In view of this, different initiatives have been taken by government and NGOs and some of them can be mentioned here.

For example, Delhi State Department of Education has initiated an innovative project in the name of *Khulja Sim Sim* in order to provide education to out-of-school children and adult learners in an interactive, interesting and enjoyable manner. The department established 75 ICT-based learning stations on the boundary wall of the government schools all over Delhi in collaboration with two reputed organizations, namely Hole-in-the-Wall Education Ltd. (a unit of NIIT) and IL & FS. Around 50

learning stations have been operationalized to implement this programme. *Chalta Firta School* has been another important programme and schools are being run under this programme by the organizations, Butterflies and Salaam Baalak Trust, for deprived urban children. In addition to providing for disadvantaged urban children, the department in Delhi has also initiated learning improvement programme like “Building as Learning Aid (BaLA)” which is an innovative programme for making the school environment child-friendly while facilitating the child’s learning in an enjoyable manner.

Similarly, many other initiatives have been taken by others states as well for improving quality of educational services for poor. In most of these states, various resource groups have been set up at the state, district and block levels and participation of teachers in these groups is increasingly becoming evident. This has helped produce better textbooks, teaching–learning materials and training modules. State- level academic resource groups have been set up in almost all states involving many experts for developing a vision and perspective regarding pedagogy, teachers’ training and also for guiding teachers on making classroom transactions more activity- based and child-centered. Several states are undertaking successful quality improvement initiatives. Such initiatives include the 3Rs Learning Guarantee Programme in Maharashtra that has enabled more than eight lakh children get remedial support for satisfactory learning, Language Improvement Programme in Andhra Pradesh, Integrated Learning Improvement Programme in West Bengal, and new institutionalized mechanism for independent testing in Karnataka. An innovative strategy to improve educational performance through teacher support—ADEPTS strategy by UNICEF—lays down performance standards on four basic dimensions, namely cognitive, physical, social and organisational. Several other initiatives have also been taken to protect the interest of children and these have had an impact on their education. One such effort has been issuing birth certificates for street children in Kolkata in 2007 (UNICEF, 2013). The report says, "Paving the way for urban deprived children to access health and education services, protection against abuse and improve planning and monitoring of urban development, 50,000 birth certificates were issued to marginalized and socially disadvantaged children by the Kolkata Municipal Corporation at a ceremony. In a one-

of-its-kind endeavour led by the Kolkata Municipal Corporation, government departments, UNICEF and partner NGOs, the birth certificates were issued to children born in Kolkata's underprivileged neighbourhoods."

### **Do Poor Children Have Access to School?**

Provisioning of equitable access to elementary education from a right-based perspective has received enormous attention in the recent past, resulting in the introduction of many state-specific programmes and centrally sponsored schemes, including the ongoing flagship programme of Sarva Shiksha Abhiyan (SSA). It has received more attention because of the RTE Act, 2009, with its enormous emphasis on formal schooling of all children along with provision of proper physical and academic infrastructure within a stipulated timeframe. It specifies the duties and responsibilities of appropriate governments, local authority and parents in providing free and compulsory education, and sharing of financial and other responsibilities between the central and state governments. In order to ensure equal access for all children to elementary education and their full participation, the RTE Act recommends for the providing of free and compulsory education till the completion of elementary education in a neighbourhood school. It recommends admission of non-enrolled children in an age-appropriate grade in order to prevent late entry besides obviating overage and underage problems while ensuring smooth grade progression as well as retention by also implementing 'no detention policy'.

According to recent data from diverse sources (GOI, 2013; GOI, NSSO, 2006), access to school, along with enrolment, has improved for most of the children as almost all habitations have schooling facility within close proximity. According to the recent data (NUEPA, 2013), as many as 14.1 lakh elementary schools are currently functioning, with an enrolment of 137.1 million at the primary level and 64 million at the upper primary level. Around 84 per cent schools at the primary level and 74 per cent schools at the upper primary level are run by government. Although the government is the main provider, mushrooming of private schools is a continuous process across the country, jeopardizing social and gender equity. Out of total primary schools, seven per

cent are private unaided and this proportion increases to 13 per cent in case of pre-primary and to 22 per cent in case of upper primary schools (GOI, 2012). The enrolment in the private schools also has continuously increased. While around 31 per cent were enrolled in private schools at the primary level, this proportion increases to 37 per cent in case of upper primary grades (NUEPA, 2013). Although RTE Act has made 25 per cent quota for poor children mandatory in all private schools, concerns are often expressed about implementation of this particular clause of RTE Act, 2009. However, the Annual Report of 2012–13 (GOI, 2013, 10) informs, "Based on the recommendations of the Working Group on Elementary Education for 12th Plan, Planning Commission has proposed to cover the following categories of children under Mid-Day Meal Scheme.

- Children studying in 25,117 private unaided schools in SC/ST and Minority-concentrated areas.
- Poor children admitted in neighbourhood private schools against the 25 per cent earmarked seats under RTE.
- Children in pre-primary classes, which are functional within the premises of Primary schools where mid-day meal is being served."

Many state governments, while preparing rules for implementing RTE Act, 2009, have issued instructions for making poor children comfortable in private schools. For example, according to the Maharashtra Rules, there is a provision for providing free textbooks, writing materials and uniforms to children admitted under the 25 per cent reservation provision. These Rules also stipulate that they "shall not be discriminated in any manner pertaining to entitlements and facilities such as textbooks, uniforms, library, information and communication technology facilities, extra-curricular activities and sports, etc." The Maharashtra Rules note that these children shall:

- not be given discriminatory treatment.
- not be segregated from the other children in the classroom.
- not be taught in classes held at places and timings different from the classes held for other children.



- not attend programmes conducted separately for them, except extra classes. These classes are the only exception to holding common programmes for all children in a school.

Although admission of poor children is still a debatable issue, some schools are found willingly admitting these children and have opened their doors to these underprivileged children even before enactment of RTE Act, 2009. A newspaper article (India Times, 2012) mentions that "Holy Family School, Mumbai....has children from both rich and poor families. Mahindra United World College, a coveted IB school on the outskirts of Pune, admits children from the surrounding villages, who rub shoulders with students from around the world. Loreto, Sealdah is a study in social integration: 50 per cent of children are from wealthy background and 50 per cent are from poor families and don't pay fees. Activity School at Pedder Road, among Mumbai's poshest locales, has always included children of the school sweepers, gardeners and office staff, who fit in quite well with children from better-off families. While such schools may be an oasis in the desert, they are visible proof that if a school wants to integrate poor children into an elite classroom, it can certainly do so."

### **Availability of Schools for Poor**

As shown in Table 7, more than 90 per cent of rural as well as urban households reported having a school with primary classes within one kilometre. However, the availability of schools with middle or secondary level classes differed considerably between rural and urban sectors. Only 61.6 per cent of rural households, compared to 82.5 per cent of urban households, had a school, providing middle level classes, within a kilometre from the habitations. For secondary level classes, the proportion was 30.7 per cent for rural, compared to 68.6 per cent for urban households. Further, about 33 per cent of rural households did not have any secondary school within a distance of three kilometres.

**Table 7**  
**Percentage distribution of households by distance to schools having**  
**(a) primary (b) middle (c) secondary educational level in rural and urban India**

Sector	Level	Distance (d) to nearest school					Total
		d<1 km	1 km<d<2 km	2km<d<3 km	3km<d<5 km	d>5 km	
Rural	Primary		6.5	1.2	0.2	0.1	100
	Middle	61.6	17.1	12.2	5.8	3.1	100
	Secondary	30.7	16.6	19.7	15.8	17.1	100
Urban	Primary	92.3	6.7	0.9	0.1	0.0	100
	Middle	82.5	14.1	2.5	0.7	0.2	100
	Secondary	68.6	22.1	5.6	2.5	1.0	100

Source: NSSO 64<sup>th</sup> Round Report (532): Education in India: Participation and Expenditure, 2007–08, p.18.

The availability of primary schools at a distance of less than two kilometres was almost uniform at around 98 per cent of households of varying levels of economic status particularly in rural areas, but the availability of middle level schools in close proximity of household was less for lower decile classes of MPCE and has shown gradual increase in successive decile classes of MPCE (Table 8).

**Table 8**  
**Percentage of households belonging to different MPCE decile classes in**  
**rural and urban India with distance less than 2 kilometres to school having**  
**primary/middle/Secondary level classes**

Decile class* (%) of MPCE	Percentage of rural households with distance less than 2 kilometres to school having classes of level			Percentage of urban households with distance less than 2 kilometres to school having classes of level		
	Primary	Middle	Secondary	Primary	Middle	Secondary
0–10	98.2	72.4	38.8	98.8	93.1	84.3
10–20	98.4	74.8	41.0	98.7	94.6	87.5
20–30	98.7	76.1	42.1	99.4	96.8	90.3
30–40	98.4	77.7	43.5	99.1	96.2	88.4
40–50	98.9	78.5	44.4	99.5	97.2	91.0
50–60	98.6	79.3	46.9	99.1	97.5	90.9
60–70	98.5	79.3	47.2	99.0	97.4	91.6
70–80	98.2	80.5	49.4	99.2	97.4	92.4
80–90	97.8	81.5	52.2	99.0	97.3	92.8
90–100	97.5	82.7	58.5	98.2	96.6	93.4

Source: NSSO 64<sup>th</sup> Round Report (532): Education in India: Participation and Expenditure, 2007–08, p.19.

The inverse trend was more pronounced in case of secondary education in rural India. In rural India, only 39 per cent households in the lowest decile class of MPCE had a school with secondary level classes at a distance of two kilometres or less whereas in the highest decile class, 59 per cent of households had such educational access. A similar phenomenon was observed in urban sector as well, but the range of disparity between the poorer and richer households was less compared to that in its rural counterpart.

The uneven distribution of schooling facilities results in exclusion of poor children from education as distance of residence from school deters many children from attending school. It also increases the opportunity cost for poor children. The distance between school and residence increases the cost on transportation of children as well as it affects attendance of girls and smaller children due to security factor. According to an ILO report (2008), it is required to contextualize poverty in social systems and structure, understand political and historical processes leading to chronic deprivation, focus on causality rather than simple correlations or characteristics, recognize the multi-dimensional nature of poverty, and target social identities whose holders are prone to social exclusion because they are left out of, or prevented from participating in processes that lead to growth, improved welfare and, ultimately, development. Social exclusion and poverty are intimately linked and are largely co-existent. It is necessary to focus on social exclusion while planning for strategic intervention for poverty reduction. There has been considerable regional imbalance in economic development, with a wide gap between rich and poor residing in rural and urban areas leading to various other problems, including violence, conflict and social unrest. Despite having better coverage by schools, problem of unequal access is still persisting in most urban areas, including Delhi, as reported by the Human Development Report of Delhi (IHD, 2013). It says: "Delhi's literacy rate, at around 86 per cent, is much higher than the all-India level (74 per cent). On an average, Delhi has 7.5 years of schooling as compared to the corresponding all-India figure of 4.8 years. The Gross Enrolment Ratios (GERs) at the primary and upper primary levels are 127 per cent and 108 per cent, respectively, as opposed to the corresponding all-India figures of 116 per cent and 85 per cent. Although higher proportion of people have access to higher education (graduation and

above), the Human Development Report states that access to educational opportunities, even for basic education, remains disparate for different segments of the population, impacting their future capabilities."

### **Enrolment of Poor Children**

It has already been mentioned that due to considerable expansion of schooling facilities, more and more deprived children are being able to access schools. In addition to quantitative expansion of government schools, the recent RTE Act, 2009 has made it mandatory for all private aided and unaided schools to reserve 25 per cent of seats at its entry point for children belonging to economically weaker section and socially disadvantaged groups. The Government will provide financial assistance to private schools for each child it admits within the 25 per cent quota. Apart from these initiatives, various incentives, including uniform, textbooks and scholarships are provided to these children. Despite these initiatives, as highlighted in Tables 9 and 10 showing GAR and NAR, children from lower economic strata, particularly from rural areas, are still not able to attend grades appropriate to their age. A considerable gap is found between GAR and NAR of primary and middle levels, indicating presence of underage and overage children at both. The situation is far from satisfactory at upper primary level as NAR is only 45 for the lowest MPCE decile class in rural as well as in urban area. This indicates that despite considerable improvement in enrolment and retention of children, the children from poor economic background are lagging behind others.

**Table 9****Gross and Net attendance ratio by level of current attendance in educational institutions for each decile class on MPCE in Rural Areas**

Decile class on MPCE	Primary level						Middle level					
	GAR			NAR			GAR			NAR		
	M	F	P	M	F	P	M	F	P	M	F	P
0–10	93	88	90	70	70	70	78	86	82	46	52	48
10–20	100	101	100	73	77	75	89	84	86	51	55	53
20–30	97	96	97	78	75	76	84	85	84	44	53	49
30–40	103	95	99	79	75	77	84	81	83	50	53	51
40–50	105	97	101	83	78	81	84	93	93	59	57	58
50–60	106	105	106	84	82	83	94	91	92	60	63	61
60–70	99	98	99	80	80	80	92	93	98	62	55	59
70–80	101	111	106	81	79	80	101	84	95	62	54	58
80–90	104	102	103	83	83	83	105	98	90	59	61	60
90–100	107	101	105	83	82	83	87	90	88	58	63	60
All classes	101	98	100	79	77	78	90	88	89	55	56	55

Source: NSS 66th Round Report (551), Status of Education and Vocational Training in India, 2009–10, pp. A-31–A-38.

**Table 10****Gross and Net Attendance Ratio by level of current attendance in educational institutions for each decile class on MPCE in Urban Areas**

Decile class on MPCE	Primary level						Middle level					
	GAR			NAR			GAR			NAR		
	M	F	P	M	F	P	M	F	P	M	F	P
0–10	99	99	99	72	74	73	75	75	75	45	46	45
10–20	99	98	99	78	75	77	102	96	99	58	55	56
20–30	101	104	102	80	77	78	91	87	89	54	54	54
30–40	103	100	99	81	82	82	91	90	91	60	63	62
40–50	102	96	98	79	80	80	97	93	95	64	59	62
50–60	96	101	101	79	83	81	92	88	91	64	62	63
60–70	105	96	91	84	81	83	96	93	94	65	66	65
70–80	94	85	97	79	71	76	97	101	99	65	71	67
80–90	100	92	90	84	78	81	92	91	92	66	64	66
90–100	94	85	90	81	73	78	82	105	90	63	70	65
All classes	99	97	98	79	78	78	91	91	91	60	59	60

Source: NSS 66th Round Report (551), Status of Education and Vocational Training in India, 2009–10, pp. A-31–A-38

Although it is an undeniable fact that many of the poor children remain out of school because of both direct cost and opportunity cost, for girls, perception of lower rate of private return is an additional problem. Despite substantial improvement in access and enrolment, children's non-enrolment and drop-out have been major concerns. As mentioned in a recent report (Hindu, 2013), "With eight million children never having stepped inside a school and 80 million dropping out without completing basic

schooling, the United Nations Children’s Fund has described the situation as a national emergency and called for equipping the government and civil society to implement the Right of Children to Free and Compulsory Education Act, 2009." According to the 64 NSSO data, the proportion of never- enrolled was 15.8 per cent in rural areas while in urban areas it was much lower at eight per cent. Again, about 18 per cent of females and 10 per cent of males between 5–29 years were never enrolled. It has also been reported by NSSO that more boys than girls, both in rural and urban areas, were reportedly never enrolled in school as they had to support household income and this is more pronounced among the older age group. More girls than boys typically reported that they could not attend school because of their engagement in domestic chores. The state-wise distribution of never-attended people of 5–29 years suggests that Bihar (30.4 per cent), Jharkhand (20.9 per cent), Orissa (15.0 per cent), Rajasthan (18.9 per cent), Uttar Pradesh (18.7 per cent), and Arunachal Pradesh (18.5 per cent) had higher proportion of never- enrolled than the national average (13.8 per cent). The proportion of never - attended female was highest in Bihar followed typically by the states with history of gender discrimination in many aspects. These states are Rajasthan, Jharkhand, Dadra & Nagar Haveli, Madhya Pradesh, and Uttar Pradesh.

The extent of impact of poverty on education can be examined with the help of indicators like reasons of never-enrolment and drop-out of children. According to 64 NSSO, as mentioned in Table 11, the three most frequently cited reasons for non-enrolment were parents not interested in education of their children (33.2 per cent), education not considered necessary (21.8 per cent) and financial constraints (21 per cent). For urban males, “financial constraints” was the most common reason for non-enrolment (37.7 per cent). Among rural females, only 16.2 per cent did not enrol for financial reasons.

**Table 11****Proportion (per 1000) of never- enrolled persons (age 5–29 years) and their per thousand distribution by reason for non-enrolment in each Decile Class**

Decile classes in MPCE	Reason for non-enrolment							
	Financial Constraints	To work for wage/salary	For participating in other economic activities	To attend other domestic chores	For helping in household enterprises	Parent not interested in studies	Education not considered necessary	Other reasons
<b>Person</b>								
0–10	220	15	18	25	7	311	227	177
10–20	215	10	18	20	7	332	223	174
20–30	205	10	11	21	10	364	194	185
30–40	230	7	17	19	12	305	231	179
40–50	211	7	17	18	11	334	214	186
50–60	186	11	16	23	8	342	228	185
60–70	192	8	13	17	12	352	209	194
70–80	220	7	13	17	8	342	206	188
80–90	172	7	10	15	9	337	226	222
90–100	148	32	20	16	12	267	170	336
<b>All</b>	210	10	16	20	9	332	218	184

*\*Note: Other Reasons include (Inadequate number of teachers, School is far off, To look after younger siblings, Timings of educational institution not suitable, Language/medium of instruction used unfamiliar, No tradition in the community)*

*Source: NSS Report No 532 (64<sup>th</sup> Round): Education in India: Participation and Expenditure, 2007–08, p. A-431*

**Poverty and School Drop-out**

As it has been highlighted above, like never-enrolment, major reason for drop-out has been financial constraints, with around one-fifth of drop-out children leaving school due to this reason. In addition, the need to work for wage/salary was the major reason for discontinuing education for 13 per cent of the urban males. It is to be noted that lack of interest of children in studies has been cited as the major reason for drop-out of 17 per cent females and 24 per cent males in rural areas. The proportion of such children is also quite high in urban areas, with around 20 per cent males and 15 per cent females stating that they had to discontinue their study due to the same reason. It is needless to mention that many of these children belong to poor families and they lose interest in studies due to various reasons, including lack of encouraging environment at home as well as additional academic support in schools. Most of these children cannot afford private tuition and suffer due to poor quality of education provided in school drastically affecting their learning outcome. Thus for some children, poverty is not the sole reason for never- enrolment or drop-out but works as hidden challenge for them.

Many researchers have argued that the education develops capacity of people to get engaged in income- generating activities and level of income increases along with level of education. Amartya Sen has argued that poverty has to be seen in terms of capability deprivation of people which also affects the quality of life of an individual and, therefore, it is considered as one of the important components of human development and well-being (Sen, 2006). Poor quality of primary education does not ensure basic literacy and numeracy skills for many children, particularly the poor. In addition, for those who manage to complete primary and middle level education, the lack of secondary general education and appropriate skills' development render them vulnerable to poverty. Therefore, it is understandable that the provision of basic education or general education at the school level is insufficient for effective and sustainable reduction of poverty. It is also necessary to provide adequate opportunities to all, particularly the poor, for developing their life skills and technical and vocational skills. It is thus essential to provide good quality primary and secondary general education along with vocational skills for helping children and youth from poorer households take advantage of better paying and higher productivity non-farm employment opportunities. According to Palmer (2005), "Skills development is not narrowly equated with formal technical and vocational education and training (TVET) alone, but is used more broadly to refer to the capacities acquired through all levels of education and training, occurring in formal, non-formal and on-the-job setting, which enables individuals in all areas of economy to become fully and productively engaged in livelihoods and have the capacity to adapt their skills to meet the changing demands and opportunities of the economy and labour." Due to lack of necessary skills, these children join labour market at an early age and are paid low wages. They fall again in the poverty trap and continue to remain there. The objective of skill development programmes is not only to increase the employability of people but also to equip them for asserting this right to decent work (UNESCO, 2012, 77). However, effectiveness of skill development programme depends on its quality and also its linkage with general education, including basic and post-basic education. While looking at the data at the aggregate level, it is not possible to understand the reasons that impact most on education of children belonging to low income group. NSSO data indicates that the



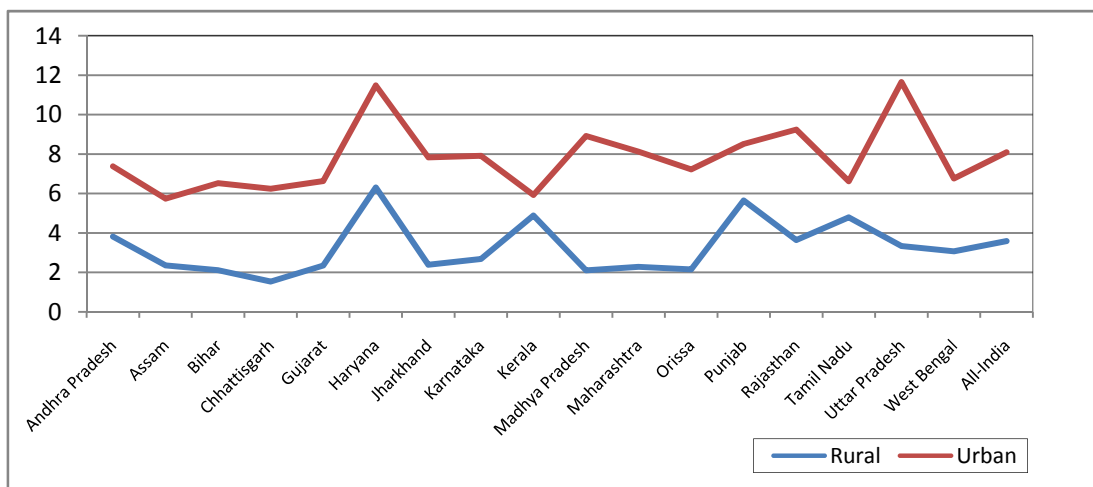
impact of financial constraints is considerably high even in case of 5–9 year old children from higher income group in the rural area. In case of older age-group, drop-out of lower MPCE groups is much higher as compared to the groups with higher MPCE, for which other reasons, like lack of interest of parents of children, is cited as a predominant reason.

### Investment on Education

One of the major factors impacting education of poor children is lack of investment or inadequate investment on education. While investment of state can be measured by per child expenditure on education, the proportion of household expenditure can be assessed using the NSSO data which reveals that the expenditure on education is merely 1.2 to 2.4 per cent for the lowest income group in rural area whether it is calculated through URP or through MRP. There is a considerable gap between amount of expenditure incurred on education for all income groups, including lowest income group, living in rural and urban areas (Figure 1). While assessing the expenditure on education, it is also interesting to see that the household expenditure on education varies considerably from one state to other and it is very low in case of the backward states.

**Figure 1**

#### Proportion of Expenditure on Education to Total Household Expenditure



Source: NSS Report 66th Round: Level and Pattern of Consumer Expenditure, 2009–10, pp. 56– 61

It has already been mentioned that Government has made several provisions for financial assistance to children belonging to poor and socially disadvantaged children. These provisions include free education, tuition fee exemption, provision of scholarships, free teaching learning materials, mid- day meals etc.. Tables 12 and 13 highlight the variation among different MPCE classes in accessing these financial assistances. As per the data, on an average, higher proportion of lowest MPCE classes are availing these facilities.

**Table 12**

**Proportion (per 1000) of students of age 5–29 years pursuing general education and receiving (i) Free Education and Tuition Fee Exemption if any, for each decile class of MPCE( in %)**

Decile class of MPCE (%)	Primary			Middle		
	Free Education	Tuition fee exemption		Free Education	Tuition fee exemption	
		Fully	Partly		Fully	Partly
0–10	885	7	2	848	19	5
10–20	859	8	5	808	12	4
20–30	831	10	1	784	10	6
30–40	791	9	3	778	9	2
40–50	766	9	2	761	11	5
50–60	735	8	6	712	9	11
60–70	628	9	5	685	14	9
70–80	544	8	7	591	15	6
80–90	386	7	5	469	6	5
90–100	160	5	7	239	5	8
All-India	712	8	4	678	11	6

*Source: NSS Report No 532 (64<sup>th</sup> Round): Education in India: Participation and Expenditure, 2007–08, p. A-217*

It is to be noted that while 22% children from the lowest MPCE class could avail scholarship, their proportion is only three percent in case of highest MPCE group. The proportion of children receiving free and subsidized books and stationeries gradually declines from lowest to highest MPCE classes. While 62% of poorest children receive mid-day meals provided by government, only two percent from highest MPCE class receive MDM from government. Majority of poor children access school by foot while their proportion is only seven percent in case of richest group but their proportion is 17 % for availing school buses against only 0.03% in case of the poorest. Thus, one can say that provision of financial assistance and incentives can help poorer children

more to avail educational opportunities as compared to the richer groups who can invest more on their children's education.

**Table 13**

**Proportion (per 1000) of students of age 5-29 years pursuing general education and receiving (i) scholarship, free or subsidized books/stationery, mid-day meals, etc., and (ii) mode of transport and concession, if any, for each decile class of MPCE(%)**

Decile class of MPCE (%)	Proportion receiving						Proportion using mode of transport					
	Scholar Ship	Free or subsidized		Mid-day meals			On foot	School bus	Bicycle	Public transport		Others
		Books	Stationery	From govt.	Other	All				Proportion of persons*	All	
0-10	217	713	86	620	9	629	916	3	49	576	23	8
10-20	199	697	79	576	6	582	899	5	53	609	33	8
20-30	207	657	83	544	7	551	885	7	60	618	39	8
30-40	176	612	78	513	10	522	858	11	65	651	54	11
40-50	150	578	84	492	7	498	839	13	74	634	57	17
50-60	153	545	72	442	8	450	801	18	89	669	72	21
60-70	113	470	73	375	10	385	759	32	92	565	89	27
70-80	94	388	60	293	7	299	698	47	98	590	114	42
80-90	62	265	46	193	11	205	599	74	111	590	142	73
90-100	33	108	19	64	7	70	386	168	123	492	176	146
All-India	142	509	69	417	8	425	769	36	81	584	78	35

Source: NSS Report No 532 (64<sup>th</sup> Round): Education in India: Participation and Expenditure, 2007-08, p. A-232

## Conclusion

The preceding discussion on poverty and education has revealed that education is an important component of human development and improvement in quality of life, which has close association with reduction of poverty. Education at elementary level is now a fundamental human right in India and it is vital for achieving economic growth, increasing income, and sustaining a cohesive and democratic society. Education is important in helping to improve standard of living, in general, and break the cycle of poverty by ensuring better earning and sustainable livelihood, which, in turn, help people exercise control over their life decisions. Despite tremendous progress in literacy rate during the last two decades, millions of people in India remain illiterate and most of them are women and girls. Even with considerable improvement in access (as more schools are now available in rural as well as in urban areas), millions of children are still unable to attend schools due to various reasons, including poor economic status.

The problem of never-enrolment and drop-out are pervasive across the country along with the practice of child labour which is one of the outcomes of household poverty, but it intensifies in case schools are not available and if it is not affordable for the poor and does not enrol poor children. There are many reasons due to which children either do not go to school or stay on in school till they complete their education. Although these reasons range from distance of school from residence, lack of adequate food and nutrition, ill-health, and others, but majority of them remain never- enrolled and drop-out due to economic reasons, including children's engagement in wage labour, farm labour, domestic chores and sibling care. Instead of helping these children to attend school, the education system is still not adequately sensitive towards the needs of poor children.

As the data from different Government reports, including NSSO reports of different years, show that poorer children (from lower MPCE groups) account for higher percentage share of total never-enrolled and drop-out children as compared to those at the higher MPCE groups. It is also evident that the government schools cater mostly to poor and disadvantaged children, but these are barely equipped with necessary physical and academic facilities, including qualified, trained and motivated teachers. As mentioned earlier, there is a close association between poverty and education of children which is more prominent at the upper primary level because of its insufficient coverage of habitations and slums. This is reflected in lower GAR and NAR at the upper primary level as compared to primary level and these are more visible in case of lower MPCE groups. One has to look into this aspect more seriously for policy formulation for poverty reduction as mere access to basic education seems to be insufficient for overcoming capability deprivation, the main reason for poverty and exclusion of poor. The provision of good quality education and more schooling spaces are needed at this level, along with primary education, so that children not only attend school but also learn.

This paper has also discussed about the low investment at the household level on education of children as poor people invest more on food and essential non-food items. Effective provision of incentives, including MDM, scholarship, text books, uniform,

etc., and its timely distribution are important for bringing these poor children to school and retaining them. While all schools, whether government or private, need to come forward to provide education of good quality to all children, irrespective of their socio-economic background as mandated by RTE Act, 2009, the government schools need to take more proactive action to improve their services as most poor and disadvantaged children attend these schools. The onus is now on government to ensure good quality education to poor children not only to bring them out of “capability deprivation”, but also to break the vicious cycle of poverty and illiteracy and prevent inter-generational impact of poverty. Unless the intrinsic importance of education in poverty reduction is considered and existing legal safeguards and policies are not translated into action, poverty reduction in India will remain a distant dream. As of now, India has to travel a long path to eradicate poverty and illiteracy as well as achieve its Constitutional commitment of Universalisation of Elementary Education which remains an elusive goal.

## References

- ADEPTS – An innovative strategy to improve educational performance through teacher support, accessed on 28<sup>th</sup> November, 2013.  
[http://www.unicef.org/india/education\\_4831.htm](http://www.unicef.org/india/education_4831.htm).
- At 270 Million, India’s Poverty Equals Illiteracy, *July 30, 2013*.  
<http://www.indiaspend.com/sectors/at-270-million-indias-poverty-equals-illiteracy-75570>.
- ASPIRE (2014): Learning Improvement Initiative in SDMC Schools of Delhi: A Collaborative Effort of ASPIRE and SDMC, August 2013 – March 2014, Unpublished.
- Bandyopadhyay, M. (2012a): Social disparity in elementary education. *Seminar*, October, pp. 21–25.
- Bandyopadhyay, M. (2012b): Gender equity in educational access in India. *Southern African Review of Education (SARE)*, Volume 18, Number 2: 9-24.
- Banerjee, Abhijit V. and Andrew F. Newman (1993): Occupational Choice and Process of Development, *Journal of Political Economy*, Vol. 101, No. 2, University of Chicago.
- Barr, Nicholas (2002): “Welfare states in central and eastern Europe”, in Ethan B. Kapstein and Branko Milanovic (eds.) *When markets fail: social policy and economic reform*, New York: Russell Sage Foundation, 27-57, ISBN 0-871544601.
- \_\_\_\_\_ (1993): *The Economics of the Welfare State*, London: Weidenfeld and Nicolson.
- Becker, G. (1964): *Human Capital*. Chicago: The University of Chicago Press.
- Bhandary, Shreya (2013): “Every second Indian child is malnourished”, Report, Times of India, November 14.  
[http://articles.timesofindia.indiatimes.com/2013-11-14/india/44073478\\_1\\_child-labour-cry-ceo-child-rights-manifesto](http://articles.timesofindia.indiatimes.com/2013-11-14/india/44073478_1_child-labour-cry-ceo-child-rights-manifesto)

- Delhi Human Development Report (2013): *Improving lives promoting inclusion*, New Delhi: Academic Foundation & IHD.
- Dorairaj, S. (2009): “Kilns of bondage”: An ILO report on the exploitation of brick kiln workers in Tamil Nadu pushes the State government into action to end the practice of “debt bondage”, India’s National Magazine, *The Hindu*, Volume 26 - Issue 14: July 04-17.
- Dreze, J. and A. Sen (1995): *India: Economic Development and Social Opportunity*, New Delhi: Oxford University Press.
- Friedman, Milton (1955): “The Role of Government in Education”, in R. A. Solo (ed.) *Economics and the Public Interest*. New Brunswick, NJ: Rutgers University Press.
- GOI (2013): Annual Report, 2012-13, MHRD, New Delhi, October 2.  
[http://mhrd.gov.in/sites/upload\\_files/mhrd/files/AR\\_2012-13.pdf](http://mhrd.gov.in/sites/upload_files/mhrd/files/AR_2012-13.pdf)
- \_\_\_\_\_ (2013): Report No. 68/1.0, *Key Indicators of Household Consumer Expenditure in India*, NSS 68<sup>th</sup> Round (July 2011–June 2012).
- \_\_\_\_\_ (2013): Report No. 553(66/10/8), *Employment and Unemployment Situation in Cities and Towns in India*, NSS 66<sup>th</sup> Round (July 2009–June 2010).
- \_\_\_\_\_ (2012): Report No. 543 (66/10/3), *Employment and Unemployment Situation among Social Groups in India*, NSS 66<sup>th</sup> Round (July 2009–June 2010).
- \_\_\_\_\_ (2010): Report No. 532 (64/25.2/1), *Education in India, Participation and Expenditure: 2007-08*, NSS 64<sup>th</sup> Round (July 2007–June 2008).
- \_\_\_\_\_ (2006), Report No. 516(61/10/2) *Employment and Unemployment Situation among Social Groups in India*, NSS 61<sup>st</sup> Round (July 2004–June 2005).
- \_\_\_\_\_ (2006): Report No. 492 (59/18.1/3), *Some Aspects of Operational Land Holdings in India 2002-03*, based on the sixth nationwide Land and Livestock Holdings Survey, NSS 59<sup>th</sup> Round (January to December, 2003).
- \_\_\_\_\_ (2006): Report No. 503(59/18.2/4) *Household Assets Holding, Indebtedness, Current Borrowings and Repayments of Social Groups in India* (as on 30.06.2002) *All-India Debt and Investment Survey*, NSS 59<sup>th</sup> Round (January–December 2003).
- \_\_\_\_\_ (2008): Eleventh Five Year Plan: 2012-2017, Vol. II Social Sector, Planning Commission, New Delhi
- \_\_\_\_\_ (2002): Tenth Five Year Plan 2002-2007, Planning Commission, New Delhi.
- Govinda, R. & Bandyopadhyay, M. (2011a): Access to Elementary Education: Analytical Overview. In Govinda, R (ed.). *Who Goes to School? Exploring Exclusion in Indian Education*, New Delhi: Oxford University Press, 1–86.
- Govinda, R. & Bandyopadhyay, M. (2011b): *Overcoming Exclusion Through Quality Schooling*. CREATE, University of Sussex, U.K. Available at [www.create-rpc.org](http://www.create-rpc.org) [accessed 6 June 2013].
- Govinda, R (2007): “Education for All from the Child Rights Perspective: Some Reflections”, in A. Kaushik (ed.) *Shiksha: The Challenge of Indian Education*, New Delhi: Buffalo Net words Private Limited.
- \_\_\_\_\_ (2003): *Making Basic Education Work for the Poor: Experiences from the South*, Institute of Development Studies, Vol. 34, No. 1, January 2003.
- Hall Joshua C. (2006): Positive Externalities and Government Involvement in Education, *Journal of Private Enterprise*, Volume XXI, Number 2, Spring 2006.
- IHD–Save the Children (2011): *Surviving the streets*, Institute for Human Development and Save the Children Report, New Delhi.

- Jacobs, G. and I. Slaus (2011): *Global Prospects for Full Employment*, World Academy of Arts and Science, Cadmus, 1:2, pp. 60-89. [www.mssresearch.org](http://www.mssresearch.org)
- Kabeer, Nalia (1994): *Reversed Realities: Gender Hierarchies in Development Thought*, Verso, London, UK.
- Katakam, A. (2006): Young slaves of Mumbai, *Frontline*, Volume 23 - Issue 06: Mar. 25 - Apr. 07, 2006
- Mukherji, Anahita (2012): *25% RTE quota: Getting the poor into private schools*, ET Bureau, June 7. [http://articles.economictimes.indiatimes.com/2012-06-07/news/32101496\\_1\\_private-schools-elite-schools-ib-school](http://articles.economictimes.indiatimes.com/2012-06-07/news/32101496_1_private-schools-elite-schools-ib-school).
- NUEPA (2013): *Elementary Education in India: Progress Towards UEE*, Flash Statistics, DISE, 2011–12 (Provisional), New Delhi.
- \_\_\_\_\_ (2008): *Education for All Mid-decade Assessment: Reaching the unreached*, New Delhi.
- Palmer R. (2005): *Skills Development and Poverty Reduction*, Presentation at F.A.O Rome, Edinburgh Center of African Studies, University of Edinburgh, September 11.
- Psacharopoulos, George and Harry A. Patrinos (1993): *Indigenous People and Poverty in Latin America*. The World Bank. Latin America and Caribbean Technical Department, Regional Studies Program. Washington, DC.
- SAARC Development Goals: India Country Report, (2013): Statistical Appraisal, Central Statistics Office, Ministry of Statistics and Programme Implementation, Government of India
- Sarva Shiksha Abhiyan (2009): Universal Elementary Education Mission, Delhi (accessed in [http://www.edudel.nic.in/ssa/Brouchure\\_SSA.pdf](http://www.edudel.nic.in/ssa/Brouchure_SSA.pdf))
- Sen, A. (2006): “Conceptualizing and Measuring Poverty”, in D. Grusky and R. Kanbur *Poverty and Inequality*, Stanford: Stanford University Press.
- Schultz, Theodore W. (1961): Investment in Human Capital, *American Economic Review*, 51 (1) March: 1-15.
- CRY: “Statistics of Underprivileged Children in India”, CRY, accessed on November 27, 2013) ([http://america.cry.org/site/know\\_us/cry\\_america\\_and\\_child\\_rights/statistics\\_underprivileged\\_chi.html](http://america.cry.org/site/know_us/cry_america_and_child_rights/statistics_underprivileged_chi.html))
- Suryanarayana, M.H. (2009): *Nutritional Norms for Poverty: Issues and Implications*, Concept paper to Review the Methodology for Estimation of Poverty, Planning Commission, New Delhi. Accessed in <http://planningcommission.gov.in/reports/genrep/surya.pdf>
- Tilak, J.B.G.(2006): *Role of Post-Basic Education in Poverty and Development*, Post-Basic Education and Training, Working Paper Series - No 7, November 2006, Centre of African Studies, University of Edinburgh ([http://r4d.dfid.gov.uk/PDF/Outputs/PolicyStrategy/Role\\_of\\_Post\\_Basic\\_Education\\_in\\_Poverty\\_and\\_Development\\_revised\\_Nov\\_06\\_000.pdf](http://r4d.dfid.gov.uk/PDF/Outputs/PolicyStrategy/Role_of_Post_Basic_Education_in_Poverty_and_Development_revised_Nov_06_000.pdf))
- UNESCO (2012): *Education and Training for Rural Transformation: Skills, Jobs, Food and Green Future to combat Poverty*, Beijing, China.
- \_\_\_\_\_ 2000): *The Dakar Framework for Action- Education for All: Meeting our Collective Commitments*, Dakar, Senegal, 26-28 April. UNESCO: France.
- UNDP (1996): Human Development Report, New York: Oxford University Press.
- UNDP (2014): *We can End Poverty*, Millennium Development Goals 2015, UNDP accessed in UNDP website accessed in [http://www.in.undp.org/content/india/en/home/ourwork/povertyreduction/in\\_depth/](http://www.in.undp.org/content/india/en/home/ourwork/povertyreduction/in_depth/)
- UNICEF (2013): “Out of school children and drop-out a national emergency”, *The Hindu*, New Delhi, April, 13.

- UNICEF (2013): "Making every child count in the streets of Kolkata", accessed on November 27. [http://www.unicef.org/india/media\\_3024.htm](http://www.unicef.org/india/media_3024.htm)
- UNICEF (2012): "The State of the World's Children: Children in an Urban World", New York.
- World Bank (2009): *Secondary Education in India: Universalizing Opportunity*, World Bank - South Asia Region Human Development Unit.
- World Bank (2000): *World Development Indicators*, Washington DC.
- \_\_\_\_\_ (1998): *Reducing Poverty in India: Options for More Effective Public Services*, World Bank: Washington DC (September).
- Vaizey, John (1962): *The Economics of Education*, Free Press (Macmillan), New York. 25% Reservation, accessed on 28<sup>th</sup> November, 2013 <http://www.rtemaharashtra.org/index.php/rte-25-percent-reservation/74-25-reservation>



## **NATIONAL UNIVERSITY OF EDUCATIONAL PLANNING AND ADMINISTRATION**

*National University of Educational Planning and Administration (NUEPA) is an autonomous body which was upgraded by the Government of India from NIEPA (established in 1970) to a National University in the year 2006 for conferring the Degree on educational planning and administration, which was a successor to the erstwhile Unesco-sponsored Asian Institute of Educational Planning and Administration. The University is primarily concerned with improvements in policy, planning and management of education both at micro and macro levels. With this end in view it undertakes research, conducts studies, offers consultancy and advisory services and organises training programmes. The University is concerned with all levels of education. A significant aspect of the University's programmes has been the services that it has offered to the national and international community.*

## **THE OCCASIONAL PAPERS SERIES**

*Occasional Papers Series is intended to diffuse the findings of the research work relating to various facets of educational planning and administration, carried out by the faculty of the NUEPA. The papers are referred to an expert in the field to ensure academic rigour and standards. Occasional Papers are circulated among a special group of scholars as well as planners and administrators to generate discussion on the subject.*

*The facts and figures stated, conclusions reached and views expressed in the occasional paper are of the author and should not be attributed to NUEPA.*