



From the High End of Society: Elite Perceptions of Poverty and Social Exclusion in Karnataka State - South India

Devajana Chinnappa Nanjunda*

Abstract

How do the elite perceive poverty and social exclusion? This paper is a result of an elite opinion study conducted in Karnataka State in the south of India. The poverty debate is an important aspect of Indian society. Poverty and exclusion in India have drawn increasing policy attention since 1960. Over the last six decades, various governments have pursued the long-term goal of promoting an inclusive programme for the poor section of the society. Social exclusion is a process by which people cannot completely participate in the development process due to the various social (caste and class), optical, economic, and other reasons. Even though India is experiencing impressive inclusive growth, poverty and social exclusion still exist there. In India urban poverty is clearly visible. Rural poverty is not so visible because of various hidden dimensions in the rural society. According to this study elite felt high quality education system may play a vital role in eradicating poverty in the country and help to increase the quality of human resources. In addition, the elite opined that anti-poverty measures are plagued by corruption in India and require good governance. Corruption is one of the main hurdles to rapid inclusive growth and the reason for the failure of the trickle-down theory in India. It is found that the elite's perception of social exclusion in India is due to its unique social structure and social dynamics. This study was conducted among selected elite of various

* Ph.D, The author is associated with UGC-CSSEIP, University of Mysore, India.
Cell 008105806756 E-mail: anthroedit@ymail.com

social and economic fields in Karnataka state in the south of India and it provides a solid platform for a comprehensive debate to consider the elite's perception in framing appropriate public policies in the future.

Keywords: *Elite, Poverty, Society, Policy, Social Exclusion*

Introduction

Poverty and unemployment still remains a chronic situation for approximately 30 percent of India's population. According to the country's Eleventh National Development Plan, the poor account for more than 320 million people in India. This Plan addresses the notion of rapid inclusive growth, focusing more on the disadvantaged sections of society. Also, it aims to provide skill-based employment opportunity for the people that are well below the poverty line. Next, the 11th Plan aims at reaching an essential revolution in this aspect of holistic development "with a fixed target of 9% growth rate at the end of year 2012. Moreover the Commission has a plan to speed up the growth rate to 10% by the end of the plan also" (Planning Commission, 2008). Further, this plan aims to provide high-quality health, education, and governance services, especially for the rural section. The 11th Plan also prioritizes reforms in the agriculture sector to eradicate rural poverty in the country in a time-bound manner. Also, the Plan aims to increase more investment in small- and medium-scale industry to generate more employment. Further, the country has been doing well in reducing the proportion of poor people from about 55 percent in 1973 to about 27 percent in 2009. However, almost one third of the country's population of more than 1.1 billion still continues to live below the poverty line. (earning just 29 Rupees Indian currency per day and a large number of poor people live in rural areas only (source: IFSD)). Experts have felt that rapid population growth, limited land, seasonal agriculture, fragmentation of land, unscientific agriculture, failure of small village-based industries, low quality education, poor health infrastructure, lack of transport and communication, inadequate employment, and lack of planning are some of the reasons for the poverty and inequality in rural India (Amaranth, 2005).

Rural Poverty in Karnataka

Poverty is not well documented in the rural part of the Karnataka state because of the "dispersion of poor households in a more hazard manner." (Agarwal, 2006). Regional, disaggregated poverty estimates illustrate that there is extensive heterogeneity in the degree and depth of poverty in the rural part of the state. The large picture that has emerged from the few survey studies shows a higher level of poverty and unemployment problems in most of the northern rural parts

of the state (Murgai, 2007). The highest concentration of the seasonal unemployment has also been seen in the northern districts of the state only. Reports indicate that nearly 63 percent of the rural poor live in two divisions (North and Central Karnataka). However, sizeable variations in poverty levels can also be seen in the border districts of the state. These poverty estimates are found to be convincingly steady with independent correlates of poverty, including agricultural wages, employment issue, and district domestic products (Karnataka Socio Economic Survey, 2009; NSS Survey, 2004).

Studies on poverty and unemployment in Karnataka have revealed noteworthy geographic imbalances, with a much higher level and concentration of poverty and unemployment in most of the northern districts of the state. Studies focusing on regional patterns of poverty and unemployment have also found the same results. Trends in unemployment problems reveal that there has been a regular increase in the rate of youth unemployment as evident from the different rounds of poverty estimate surveys of NSSO (national sample survey organization) since 1973. It has also been seen that the incidence of urban poverty was at 28.06% and rural poverty at 32.80% in 2004-2005. This shows that rural poverty is slightly higher than urban poverty in the case of Karnataka when compared to the other south Indian states (Rinku et al., 2003). Further, NSS survey on consumption expenditure and standard of living also shows the same results. Also, same survey found that though the general poverty incidence in the state has slightly declined over the recent years, the rate of rural and semi urban poverty in Karnataka has remained higher than the level in the entire country.

Social-Exclusion and Poverty

Social-exclusion can be defined as “the process through which individuals belonging to some groups are completely or incompletely debarred from full participation in the society in which they live. The unfavorable inclusions with unequal treatment may carry the same adverse effects as unfavorable exclusion” (Ingole, 2003). Experts have classified different types of exclusion and have cited many reasons for exclusion which are more common among the developing countries. Social exclusion ends with inequality in social and economic.

opportunities, problems in accessing markets, and underestimation in voice and agency. World Bank report says ‘it is a known truth that poverty and social exclusion in India has its roots in ‘India’s historical divisions due caste, class, tribe, and the excluded sex—women’. As the World Bank in its report has opined that *“these inequalities are more structural in nature and have kept entire groups gripped, not capable to take benefit of opportunities that economic growth offers. Social and culturally rooted systems continue inequality, and, rather than a culture of poverty that afflicts disadvantaged groups, it is, in fact, these inequality traps that prevent these groups from breaking out”* (World Bank, 2011).

This study focuses on the elite’s (leaders in certain rich) perceptions of poverty and social exclusion. Because the elite play a vital role influencing various social/economic policies in India. Many elites have also acted as pressure groups to bring more radical changes to societies. Normally in all societies the elite are powerful individuals, and they can exercise indirect influence over any political decisions through their ideological power. Hence this study intended to get their opinion about poverty and social exclusion in Indian society.

Objectives

1. To elicit the elite’s perception of poverty and social exclusion in the Indian society
2. To reveal the elite’s ideas about eradicating poverty and social exclusion

Methodology

Data Resources: Primary data were collected from the selected elites of the society

Sampling: A total of 100 members from the below-mentioned categories were chosen for the study

1. Top Academic People (number interviewed: 14)
2. Top Bureaucrats (18)
3. Political Leaders (18)
4. Corporate Giants (34)
5. NGO Owners (5)
6. Wealthy Family Members (11)

- a. Among the top academic people only full Professors in various universities who are drawing huge salary were chosen.
- b. Among the Bureaucratic top All India Service employees were selected.
- c. Among the political leaders heads of the local and regional parties were selected.
- d. Among the Corporate giants owners of big software/export/pharmaceutical/automobile/real estate companies having annual turnover of more than \$1billion.
- e. Among NGO owners (people running different NGOs with both good national and international funding assistance were selected).
- f. Wealthy family members: people who are enjoying inherited wealth through ancestor's property and other means.

Tools for Data Collection

1. Survey: Primary data were collected through questionnaires from the above-mentioned 100 elites in order to assess a variety of factors, including reasons for poverty, dimension of exclusion, social policies, service delivery, consequence of poverty, assessments of existing anti-poverty programmes and their implementation, responsibility for anti-poverty action etc.
2. Interview: A carefully-designed structured interview was conducted to collect data from the elite.
3. Focus group study: Data were also collected through five focus group studies (each group had 5-7 members), including common members of the public such as advocates, teachers, religious leaders, low-level government officers and private workers, and the students.

Analysis of Data

The qualitative data were analyzed using NUD*IST statistical software and the quantitative data were analyzed using SPSS software.

Results and Discussion

Table 1: What are the Common Problems in Indian Society?

SL.NO	Issues	Number	
		F	%
1	Poverty	33	33.00
2	Inequality	29	29.00
3	Poor Housing	13	13.00
4	Public Health	7	7.00
5	Education Problems	17	17.00
6	Other	1.00	1.00
	TOTAL	100.00	100.00

In the case of the biggest problem of Indian society, as shown in Table 1, it was found that 33 percent of elite felt Poverty. Twenty-nine percent of them stated that inequality had spread in the society due to the historical caste system and class division. Next, 13 percent of them felt that housing infrastructure was one of the vital problems. However, a small portion of elite (7%) felt that the poor health infrastructure, especially the health of the rural poor and education issues, may be the biggest problem in Indian society. Moreover, 17 percent of them felt that the poor quality of education, including shortage of teachers and capitation fees, are the biggest challenges in Indian society.

Table 2: Why has Poverty increased in Indian Society?

SL.NO	Issues	Number	
		F	%
1	Inappropriate social policies	32	32.00
2	Population problems	14	14.00
3	Concentration of wealth among only a few rich families	21	21.00
4	Corruption	31	31.00
5	Other	2	2.00
	TOTAL	100.00	100.00

Regarding the reasons for poverty in society as shown in Table 2, it was found that 32 percent of them felt that it was because of lack of geographically and culturally-specific social policies. Fourteen percent of elite say that the ever-growing population is the main reason why anti-poverty programmers are failing. Next, 21 percent of them felt that concentration of wealth only among a few rich families in the country was the main hurdle. However, the major portion of them (31%) said that ever-growing corruption was the main problem in Indian society. Next, 2 percent of them opined that welfare dependency, environmental issues, cost of living, unemployment were some of the reason why poverty prevailed in Indian society.

Table 3: What are the Dimensions of Poverty in India?

Issues	Number	
	F	%
Commoditization	38	38.00
Overcrowded living conditions	31	31.00
Social fragmentations	15	15.00
Crime and violence	11	11.00
Unplanned urban expansion and failed agriculture	4	4.00
TOTAL	100.00	100.00

In the case of the dimensions of poverty in India, 38 percent of the respondents felt that it was because of over commoditization. Thirty-one percent of said that overcrowded living conditions was the reason. Next, 15 percent said that social fragmentation was another dimension of Indian poverty. Eleven percent said that crime and violence were the more visible dimensions of poverty in India. Next 4 percent felt that unplanned urban expansion, failed agriculture, and non-form sectors, increasing migration, etc. were different dimensions of poverty.

Table 4: In which Social Sector should the Elite Invest more?

SL.NO	Issues	Number	
		F	%
1	Education	32	32.00
2	Infrastructure	31	31.00
3	Industry	19	19.00
4	Public health	16	16.00
5	Other	2	2.00
	TOTAL	100.00	100.00

For this vital question, 32 percent of the elite felt that it is necessary to invest more in the rural education sector. Sixteen percent opined that more investment is needed in the public health sector. Next, 19 percent felt that more investment should be placed in modern industries so that more job opportunities can be created. Nevertheless, the major portion of elite (31%) opined that investment is badly required in the infrastructure sector. Two percent opined that investment is wanted in power and the agriculture sector, and some of them said that separate social investment strategies are required for the country.

Table 5: What are the Reasons for Social Exclusion?

Issues	Number	
	F	%
Prevalence of strong caste system	27	27.00
Poor economic growth	18	18.00
Uneven distribution of wealth	31	31.00
Development behavior of the poor	17	17.00
Positive discrimination by the state	7	7.00
TOTAL	100.00	100.00

For this vital question, 27 percent of the elite felt that the prevalence of the strong caste system is the prime reason for social exclusion in India. Eighteen percent of them opined that poor economic growth and failure of the trickle-down

theory were the reasons for social exclusion. Next, 31 percent of the elite felt that uneven distribution of wealth was the main reason for social exclusion. Nonetheless, 17% opined that it was due to the development behavior of the poor. Next, 7 percent opined that positive discrimination by the state is the main reason for social exclusion in India.

Table 6: What are the Consequences of Poverty and Social Exclusion?

Issues	Number	
	F	%
Social tension	14	14.00
High crime rate	13	13.00
Deprivation and inequality	37	37.00
Unemployment	33	33.00
Others	3	3.00
TOTAL	100.00	100.00

For this vital question, 14 percent of the elite felt that poverty and social exclusion were primarily the cause of social tension in the society. Next, 13 percent opined that the high crime rate in the society was the cause. Next, 37 percent felt that deprivation and inequality may be the consequences. Yet a major portion (33%) opined that poverty and social exclusion lead to severe unemployment problems. Finally, 3 percent opined that ill-health, illiteracy, migration, and other such problems arise due to poverty and social exclusion.

Table 7: What are the Reasons for Failing Social and Economic Policies in India?

Issues	Number	
	F	%
Corruption	42	42.00
Lack of political will	17	17.00
Inappropriate planning	14	14.00
Bureaucratic in efficiency	22	22.00
Structural constrains	5	5.00
TOTAL	100.00	100.00

It was found that 42 percent of the elite opined that corruption is mainly responsible for the repeated failure of the various social and economic policies in India. Next 17 percent felt that a lack of strong political will is the main reason for many social policies being poorly implemented in India. Next, 14 percent of the elite felt that it was due to inappropriate economic planning. Nevertheless, 22 percent opined that bureaucratic inefficiency was the root cause why various welfare policies are not yielding any expected good results. Five percent opined that structural constraints play a vital role in the failure of various public policies in India.

Table 8: Who should take Responsibility because of Lack of Political Will?

Issues	Number	
	F	%
NGO's	26	26.00
Civil society	37	37.00
Media	25	25.00
Judiciary	9	9.00
Religious institutions	3	3.00
TOTAL	100.00	100.00

It was learned that 26 percent of the elite felt that NGOs should take the main role development activities. However, 37 percent opined that civil society should take the responsibility. Next, 25 percent of the elite felt that the media can play a prime role. Next, 9 percent opined that the judiciary should take a main role. Also, 3 percent opined that religious institutions should take the lead. However, the elite were not very particular in the case of the specific roles of each agency.

Table: 9 Would You support Hike in the Tax Structure?

Issues	Number	
	F	%
YES	23	23.00
NO	45	45.00
Slight increase is necessary	17	17.00
Ambivalent	13	13.00
Other	2	2.00
TOTAL	100.00	100.00

It was found that 23 percent of the elite felt that strong tax reforms were the need of the hour so that the government can provide more welfare policies for speedy inclusive growth. However, 45 percent of the elite were against hikes in the tax structure—they felt that it would be a wasteful exercise until corruption ceases to prevail in society. However, 17 percent opined that a slight increase in taxes is necessary. Thirteen percent of the elite were ambivalent in their reply. Truly they were neither in favour nor against it. Two percent did not provide any opinion.

Table: 10 Is the Government effective at Reducing Poverty?

Issues	Number	
	F	%
YES	22	22.00
Yes, up to certain extent	16	16.00
NO	43	43.00
Partially succeeded	15	15.00
Others	4	4.00
TOTAL	100.00	100.00

For this question, 22 percent said that the government is more effective at reducing poverty. Here we should note that these sections of the elites are strong supporters of the current ruling party in the country. However 16 percent of the elite said that up to a certain extent the government has succeeded in its development programmes. However 43 percent opined that the government has fully failed in its interventions. Nevertheless, 15 percent felt that the government has succeeded partially in its endeavor. Other 4 percent were ambivalent in their reply.

Table 11: What do You think the Elite can do to eradicate Poverty?

Issues	Number	
	F	%
Demand for new policies/acts as pressure groups	29	29.00
Start industries	20	20.00
Corporate social responsibility	13	13.00
More investments	31	31.00
Prompt tax returns/more tax reforms	7	7.00
TOTAL	100.00	100.00

It was found that 29% of the elite felt that the government should implement more adequate social policies and work as pressure groups. Next, 20 percent opined that more industries are required to create more employment avenues. Also 13% of the elite felt to donate more to charity works out of their profit. Further, 31 percent felt that more investment is required in the health and education sector. It is more pitiable to say that only 7 of the elite opined, prompt return of taxes in time.

Discussion

The elite represent the most vital and undividable section of the Indian society and they play the most decisive role in poverty eradication and other core problems of the emerging complex society in any country. In this study it was found that the major portion of the elite have understood that poverty and social exclusion in India are due to a very complex and rapidly changing social structure. In our study, the majority of the elite agreed that poverty, inequality, and lack of high-quality education are some of the problems being faced by the contemporary society (Table 1). They felt that high-quality education may increase the quality of human resources and thereby speedy inclusive growth in the society might be possible. Further, it is interesting to note that only a small section of the elite felt that the public health issue is also the biggest problem in India. Next, the elite felt that their role was very much required in the development and implementation of social policies to tackle poverty because they control resources in the virtue of their strong political and economic background.

The elite felt that unscientific social policy has also led to a longstanding poverty problem in the country. Few elite felt interested in getting involved in framing social policies. Certain elites felt that the growing population problem and the decreasing GDP rate were also responsible for the poverty issue in India. However, they opined that the concentration of wealth among only a few rich families in the country also was a strong hurdle in redistributing resources to the poor. Moreover, they strongly felt that corruption is rampant at all levels of the society and unless and until the rate of corruption decreases, poverty eradication programmes will not be successful. Also, it was noted that the elite are not hostile to the poor but the social distance between these two groups counts a lot in the society. In the case of the dimension of poverty, the elite felt that commoditization is a vital demission of rural poverty in India, followed by overcrowded living conditions. Moreover, the ever-growing crime and violence give an edge to the poverty issue in India. Chronic failure of Indian agriculture has given new emerging dimensions to the Indian rural poverty scenario (Table 2).

Regarding their opinion about investment, the elite felt that more investment is required in the education and infrastructure sectors. Also, additional investment is essential in new industries where it creates more jobs for marginally-skilled workers. Further, they felt that inclusive health policies are required for the poor, as some time the major portion of their income goes to meet the high cost of medical care only. Even though poverty and social exclusion were considered to be mutually reinforcing, 20% felt that the prevalence of a strong caste system in the society was the root cause of social exclusion because in India, disadvantaged sections have been blocked by the caste system and they are unable to participate in the fullest form in the social, economic, and political development of the society. They felt that “social fragmentation is a kind of imperative dimension due to a strong caste based society due to which it is not so easy to remove social exclusion and inequality from the society.” The elite felt that uneven distribution The elite felt that uneven distribution of wealth was also a major root cause of the social exclusion in the country. More interestingly, the elite felt that the development behavior of the poor itself keeps them away from a holistic inclusive process. Some of the elite felt that positive discrimination by the state itself in one way or other also keeps

certain sections of the society excluded (Table 5).

For the question about consequence of poverty and social exclusion, the elite felt social tension and crime rate would increase in the society. This is why the social distance between the haves and have-nots has become a serious issue in India. Poverty leads to unemployment and social tension also leads to deprivation and in-equality, which causes certain sections of the society to be excluded from the main stream of the society (Table 6). The elite felt that even though various social policies have been brought about since independence, the impact is still minimal because of the corruption at each and every stage of governance. Even though corruption is rampant, still the state has the least trouble in decreasing or completely wiping it out.

Elite felt that lack of a strong political will, including hidden political agenda, caste politics, divide and rule policies, etc, also plays a vital role here. Not only these factors, but also inappropriate welfare planning also has contributed a lot to the failure of various public policies since independence (1947). Moreover, the elites felt bureaucratic (civil servants) in efficiency includes favoritism, discrimination standards, and undue delays block speedy implementation of various development activities. Also, the elite felt unique cultural history of the country play a vital role in keeping disadvantaged sections away from the developmental process (social exclusion). A focus group study conducted among the informants (middle and poor class) other than the elites revealed that poverty in the society is more due to the concentration of wealth among only a few hands. They felt that the elite were using their influence with the government while framing pro-poor policies. Some of the focus group study members felt that the elite should invest more in industries so that employment opportunities can be generated soon. Also, they opined that the elite should donate their surplus to the NGOs to implement some welfare measures for the poor.

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industries so that employment opportunities can be generated soon. Also, they opined that the elite should donate their surplus to the NGOs to implement some welfare measures for the poor.

Suppose that the government failed in eradicating poverty, who should take responsibility? For this inquiry a few elite felt NGOs should lead from the front. However, the majority of the elite opined that nowadays the misappropriation of donations also persists among NGOs. Hence the major portion of the elite felt that civil society should take responsibility for pressuring the government to follow through with its duty. A considerable portion of elite felt that media's role is very significant in this issue. Since nowadays judicial activism is very effective, the elite felt that it has a decisive role to play if the state fails in its duty (Table 8). Regarding the vital question of tax reforms, only 25% of the elite felt that reform of the tax structure in the country is badly required now. However, a more worrying fact is that most of the elite (45%) were not in favor of raising the tax structure. Here the real concern of the elites over the poor is under question. However, 17% of them felt that a slight increase in the tax structure is required urgently. It was found that the majority of the elite were running their own charities and thereby saving taxes by donating to their own charity institutes/NGOs. Some of them felt that tax reforms should be in the way of re-distribution of resources promptly to the needy (Table 10).

Conclusion

The current study indicates that the elite are not considering poverty problem is a serious issue. However, they are supporting pro-poor interventions of the Government. It seems that the elite are thinking that the issues of poverty and inequality require more policy discourse. It also seems that the elite lack faith in the state and they are more in favor of reliable NGOs and civil societies taking care of welfare schemes for the poor. Certain section of the elites would like to keep a distance from the poor as they felt that it is not their concern or duty to take care of poor in the society. In Karnataka the creation of a new middle class is taking place due to the expansion of strong and consistent economic growth over the period of time (1992-2008). This new middle class is asserting and challenging the social, economic, and political domination of the status of the elite and sub-elites. The elites

felt that rural poverty was less significant than urban poverty because the social dynamics of poverty in rural area were quite complex due to a strong caste structure in the rural part of the state. It was also found that the elite's interest in investment in industries means that they have become more reliant on the labor of the poor. Also, the elite are more willing to act as pressure groups and modules for corporate social responsibly with their own hidden agenda. It was found that they are pressurizing the government to bring to themselves friendly corporate policies. Finally, even though the poverty rate is slowly decreasing in Karnataka, the elite's perception of poverty would be more vital while framing pro-poor policies.

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