

Abstract

Examining panel data for more than 13,000 rural Indian households over the 12-year period 1993-94 – 2004-05 confirms on a large scale what grassroots studies have identified before: two parallel and opposite flows regularly reconfigure the national stock of poverty. Some formerly poor people have escaped poverty; concurrently, some formerly non-poor people have fallen into the pool of poverty. These inward and outward flows are asymmetric in terms of reasons. One set of reasons is associated with the flow into poverty, but a different set of reasons has helped raise households out of poverty. Both sets of reasons vary considerably across and within states. Not a single factor matters consistently across all states of India. Any standardised national policy is thus largely irrelevant. Diverse threats operate and different opportunities exist that must be identified and tackled at the sub-national level.

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Keywords: Empirical studies of poverty dynamics, pro-poor growth and poverty reduction

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