1 September 2015

THE HUFFINGTON POST

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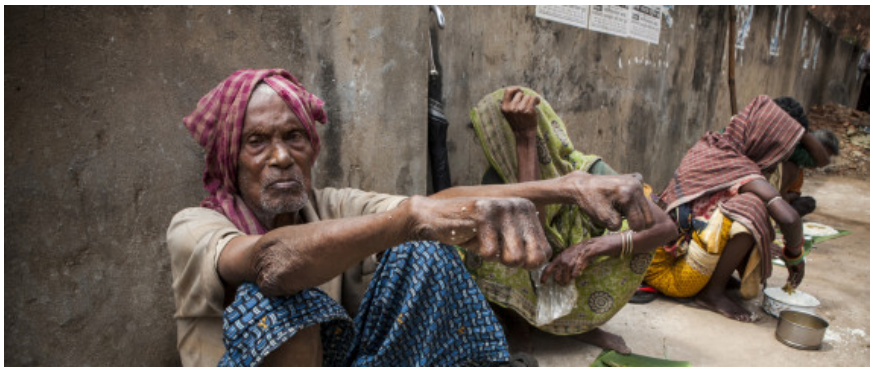
Free To Stop Being Poor

Posted: 31/08/2015 17:54 IST | Updated: 31/08/2015 17:54 IST



What is the difference between the rich and the poor? Some say, it is not so grand. On a daily basis, poor individuals face a set of constraints. Alleviate those constraints, and they will behave--make choices for themselves and their families--just like the rich do. This contrasts with the view that somebody else (preferably rich and foreign) must make good decisions for the poor. It empowers those whom development lingo calls "beneficiaries."

In line with this understanding, part of the assistance to the poor has started coming as no-strings-attached cash, instead of mosquito nets or used sneakers. Researchers have studied the fact that the poor are extraordinarily stressed out, all the time. Relieving some of that mental burden, they saw, helps them wrangle savings and jobs much better. Political regimes that deny citizens economic, political, and other rights have been condemned as incompatible with long-term growth and development. The refrain goes like this: The poor could surely use some help. In particular, removing obstacles to their own success would be very helpful.

If certain obstacles act as poverty magnets, what are some apt ways to remove them? Unconditional cash transfers can be useful. They simultaneously eliminate a financial constraint and relieve emotional pressure. However, not everyone in need receives those, and the timings can be very ad-hoc. Presumably, the policies of one's own government are a comprehensive way to make the poors' lives easier. Local leaders are closest to the problem and their actions cause direct impact. Yet, leaving aside cruelly autocratic regimes, even a well-meaning government's policy could turn out more restrictive than freeing and make it harder to escape poverty.

Parth J. Shah, economist and founding president of New Delhi's Centre for Civil Society, researches restrictive economic policies as an artificial hurdle for the poor. The licenses required to be micro entrepreneurs--street hawkers or cycle rickshaw drivers--are one such policy. A government might be aiming for better quality of goods and services, or for improved urban space management. But if the licensing process is tedious, corrupt, or the government office is overflowing with applications -- illegal businesses will flourish instead.

A street vendor or a rickshaw driver without a license is a rather benign part of a developing country's economy. For the entrepreneurs themselves, this situation is far from benign. Shah points out that frequent police raids always keep unlicensed hawkers on their toes. Their stock of goods cannot be larger than what they can gather at a moment's notice and still make a swift escape. Their business, he says, can never grow "beyond the reach of their arms." Even after paying the monthly bribes to the police, the hawkers remain illegal. It is this illegality or informality that keeps the size of their business the size of their arms' reach, and forces them to live a life of subsistence. The "License Raj," as Indians call it, was removed for the formal sector but remains destructive for the micro entrepreneurs.

Another example is environmental policies, which are costly for everyone but most painful for the poor. Removing old taxicabs from the road with one sweeping legislation reduces pollution. As a bonus, it also helps passengers move on to cushier seats and air conditioning. But in one sweeping gesture it also takes away a heap of jobs and assets. In Mumbai, a law passed in 2013 made illegal all of its iconic Premier Padmini taxis past 20 years of age. This cars are spacious and sturdy, but also not very comfortable and long discontinued. In 2013 most black-and-yellow Padmini taxis were at or around the cutoff age. Their number on the road dropped from 10,000-11,000 when the legislation passed to only 1,500 by 2015. None of the professions affiliated with the soon-to-be-extinct car are very financially secure. That includes drivers, but also mechanics, parts dealers, and even makers of the infamous stickers to fit the car's rear window. (For the latter think bumper-sticker slogans, but instead of a neutral "Proud pet owner" or "Harvard University parent" here you have "Love is sweet poison" and "Don't miss me"). All members of this Padmini economy will now have to reinvent their livelihoods. Junkyards are the only small Mumbai businesses to benefit -- Premier Padmini parts are versatile enough to fit other cars. But that will only last a short while, until all Padminis retire.

Real, small, struggle-filled livelihoods are the theme of Jeevika: Asia Livelihood Documentary Festival, an annual festival by New Delhi's Centre for Civil Society. Its slogan is "Lift Licenses, Lift Lives!" Jeevika is in its 12th year of chronicling the narratives of the poor who make a living among limiting policies and regulations. "Padmini My Love" told the story of the retiring bee-colored taxi at the 2014 festival and won best student documentary award. Other films put the spotlight on farmer widows, street performers, garbage pickers, surrogate mothers, and more.

In 2015, Jeevika invites creative submissions from all Asian countries until September 15th. The screening will take place in New Delhi on October 30th, 31st, and November 1st. Through film, Jeevika hopes to help viewers understand and support the struggle for livelihood freedom, the struggle out of poverty.

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