

Box 6: Socioeconomic Profile of India's Rural Roads Sector I Project

India's Rural Roads Sector I Project (2003) aims to reduce poverty and deprivation and support economic growth, through provision of enhanced access to markets, employment opportunities, and social services. In particular, the project is (i) providing all-weather road connections to rural communities in the states of Madhya Pradesh (MP) and Chhattisgarh (CG); and (ii) improving the efficiency, sustainability, and safety of the rural road networks in these states.

Based on the issues identified in the initial poverty and social analysis, a socioeconomic and poverty analysis was conducted during the project-design phase. One of the main sections of the study presented a socioeconomic profile of the population in the project areas. The study revealed that the districts covered by the project are among the poorest in MP and CG. The proportion of families living below the poverty line range between 49% and 76% in the MP districts and between 50% and 58% in the CG districts. Major factors contributing to poverty in the districts include (i) physical isolation and lack of transport connectivity and access to basic social services, (ii) landlessness, (iii) drought and lack of access to irrigation, and (iv) social exclusion resulting from low caste or tribal status. In CG, about 32% of the population are indigenous people who are subsistence rice farmers and live mostly below the poverty line. Residents in the project areas are generally isolated for about 4 months during monsoon season, while over half of the areas are isolated for most of the year due to poor connections to district and state roads.

The study also presented a more detailed analysis of the socioeconomic characteristics of the project districts in MP and CG. In addition, the study reported findings from participatory rural appraisals (PRAs) in a sample of villages in the project districts of MP. (Comparable data were also collected on a sample of control villages outside the project area to facilitate monitoring the socioeconomic impacts of the project.) Based on the PRA data, the study identified four socioeconomic groups in the MP project area: (i) lower poor, including people in highly vulnerable circumstances with little opportunity for economic mobility, such as those who belong to the lowest caste or tribal communities, and are landless or have marginal landholdings; (ii) upper poor, including people who own sufficient land for subsistence farming, may earn supplementary income from traditional crafts, own at least one productive asset, and are more likely to be literate than the lower poor; (iii) medium group, including people with greater economic security than the upper poor, supported by more and better quality land, more productive assets, more successful microenterprise activity, and greater investment in education; and (iv) well-off, including large landowners mostly belonging to higher castes, who own vehicles and modern farm machinery, have several sources of income, and send their children to private school. Women in this group were found to have better access to modern health services than poorer groups.

Source: ADB. 2003. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan and Technical Assistance Grant to India for the Rural Roads Sector I Project*, Supplementary Appendix J (Analysis of Socio-Economic and Poverty Impact). Manila.