CONSORTIUM OF INDIAN FARMERS ASSOCIATIONS (CIFA)

FARM TRUTHS IN INDIA – {BACKGROUND DATA}

209, VIJAYTOWERS SHANTHI NAGAR, HYDERABAD
Ph: 040 23319643, 66665191; Fax: 040 23378046
Email cifa@indianfarmers.org
Website www.indianfarmers.org
# FARM TRUTHS in India  
*(background data)*

<table>
<thead>
<tr>
<th>Policy Factor</th>
<th>% Awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSP system</td>
<td>71% Rural Households Unaware</td>
</tr>
<tr>
<td>Highest aware states of MSP</td>
<td>- Punjab, Haryana, Kerala</td>
</tr>
<tr>
<td>Lowest aware states of MSP</td>
<td>- Jharkhand, Bihar, Rajasthan, Orissa</td>
</tr>
<tr>
<td>Information about Procurement Agency</td>
<td>81% Rural Households Unaware</td>
</tr>
<tr>
<td>... about WTO</td>
<td>92% Unaware</td>
</tr>
<tr>
<td>... about Crop Insurance</td>
<td>57% Unaware</td>
</tr>
<tr>
<td>... Membership of any Farmer’s Organization</td>
<td>97.8% of Farm households Unaware</td>
</tr>
<tr>
<td>Member of any Village Cooperative</td>
<td>71% Rural Households Unaware</td>
</tr>
</tbody>
</table>

Source: NSSO 2005, Report of the Access to Modern Technology in Farming, NSS 59th round survey,
Anecdote

"Whether they live on the plains or in the valleys, in slums or isolated villages, whether they speak Hindi, Swahili, or Uzbek, people have one thing in common: They do not want charity, but a chance. They do not want solutions imposed from without. They want the opportunity to build from within. They do not want my culture or yours, but their own. They want a future enriched by the inheritance of their past."


Our country is rich in traditional systems and institutions, improvisation of the institutions provide a ray of hope.
Why and who require Rural Institutional Reform?

Indian Rural Scenario:

- **Growing Rural Poverty** (40.04% in Assam vs 27.09% All India)
- **Non-participatory**: Development process is non-participatory in nature: Rarely treats rural poor and their institutions as asset and partners
- **Poor “reaching out” and Impact**: Benefit of economic growth is discriminatory: rarely reach the poor.
- **Poor are High Potential**: They are capable to effectively organize to meet their basic needs, provided clear rules and regulations of togetherness (group formation), appropriate support services and access to information guaranteed.
- **Rural institution reform is necessary to release the huge productive forces trapped in the garb of poverty.**
- **Actually**, rural institution as an important factor of production.
**Genesis**: An untold story of FMC

**Development and Disparity: A contradiction**

- FMC is unique and a un-parallel people-centric institution in Assam
- Recognized as potential instrument for TOT and institutional credit collateral
- Potential agent of rural change, a developmental intermediary and an engine for implementation of schemes (Margin money schemes, STW, tractor and power tiller etc.)
- Built-in goal of collective responsibility of village development
Defining FMC:

Field Management Committee (FMC); popularly known as *Pathar Parichalana Samiti*,

- A voluntary organization of the farmers
- Having contiguous agricultural fields preferably within a village
- Adopt a common constitution and by-laws under the guidance of State department
- A bold step in reaching out to the farmers (target groups).
- Not only unique in nature but also giant in size; huge super-structure consisting of nearly 26000 FMCs with estimated membership of 1.8 million farmers,
- Enormous potential to create enabling environment for enhancing household income as well as improving the rural livelihood
## Distribution of FMC across the districts 2003

<table>
<thead>
<tr>
<th>Name of District</th>
<th>Pop Density per sq mile</th>
<th>Total No.of FMC</th>
<th>per lac rural population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Barpeta</td>
<td>508</td>
<td>1918</td>
<td>126</td>
</tr>
<tr>
<td>2. Bongaigaon</td>
<td>360</td>
<td>1533</td>
<td>193</td>
</tr>
<tr>
<td>3. Cachar</td>
<td>382</td>
<td>1067</td>
<td>75</td>
</tr>
<tr>
<td>4. Darrang</td>
<td>432</td>
<td>804</td>
<td>151</td>
</tr>
<tr>
<td>5. Dhemaji</td>
<td>177</td>
<td>643</td>
<td>45</td>
</tr>
<tr>
<td>6. Dhubri</td>
<td>585</td>
<td>3262</td>
<td>341</td>
</tr>
<tr>
<td>7. Dibrugarh</td>
<td>351</td>
<td>1283</td>
<td>170</td>
</tr>
<tr>
<td>8. Goalpara</td>
<td>451</td>
<td>1185</td>
<td>137</td>
</tr>
<tr>
<td>9. Golaghat</td>
<td>270</td>
<td>875</td>
<td>175</td>
</tr>
<tr>
<td>10. Hailakandi</td>
<td>409</td>
<td>1233</td>
<td>149</td>
</tr>
<tr>
<td>11. Jorhat</td>
<td>350</td>
<td>308</td>
<td>19</td>
</tr>
<tr>
<td>12. K.Anglong</td>
<td>78</td>
<td>674</td>
<td>93</td>
</tr>
<tr>
<td>13. Kamrup</td>
<td>581</td>
<td>1812</td>
<td>194</td>
</tr>
<tr>
<td>14. Karimganj</td>
<td>557</td>
<td>1258</td>
<td>149</td>
</tr>
<tr>
<td>15. Kokrajhar</td>
<td>286</td>
<td>698</td>
<td>85</td>
</tr>
<tr>
<td>16. Lakhimpur</td>
<td>390</td>
<td>836</td>
<td>113</td>
</tr>
<tr>
<td>17. Morigoan</td>
<td>456</td>
<td>1197</td>
<td>59</td>
</tr>
<tr>
<td>18. Nagaon</td>
<td>604</td>
<td>1835</td>
<td>90</td>
</tr>
<tr>
<td>19. Nalbari</td>
<td>509</td>
<td>898</td>
<td>80</td>
</tr>
<tr>
<td>20. Sibsagar</td>
<td>394</td>
<td>766</td>
<td>80</td>
</tr>
<tr>
<td>21. Sonitpur</td>
<td>316</td>
<td>903</td>
<td>60</td>
</tr>
<tr>
<td>22. Tinsukia</td>
<td>303</td>
<td>722</td>
<td>78</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-</strong></td>
<td><strong>25710</strong></td>
<td><strong>111</strong></td>
</tr>
</tbody>
</table>
Some observations based on a sample of 25 FMC
Gains due to FMC:

§ Extra-ordinary achievement in “reaching out” to the targeted groups
§ Provided low cost irrigation schemes in areas where no electricity available or having undependable power supply (STW scheme).
§ The principle of “user pay” ensured community involvement, members participation and sustainability
§ Durable impacts, viz.,
  o FMC contributed substantially in increasing cropping intensity to the tune of 176 percent,
    o Improvement in productivity (paddy) by 20 to 38%,
    o Improvised crop diversification and changed cropping pattern to improve income generation.
  o Facilitate introduction of newer crops and innovative practices
§ Quick and significant impact of FMC on the rural livelihood.
  o FMC induced-innovative practices changed the status of feeding the family with TWO- MEALS A WEEK (from their own production) to TWO-MEALS A DAY.
  o Improved access to information and improve interaction with the research organizations
  o Activated and motivated rural youth and woman groups to adopt newer methods and learn more of innovative practices.
§ Regular capacity building trainings on the frontier areas in
Factors affecting Growth of FMC and Replication:

> Inadequate access to information

> Farmers hesitate to contact the officials and experts for information and opportunities

> Lack of marketing infrastructure, weaken the translation of physical production into income,

> Premature discontinuation of State policies dampen the enthusiasm of the rural people.

> On the whole, lack of leadership and guidance, is a paramount cause of concern.
Specific Constraints of FMC:

Based on opinion and perception of farmers, the following constraints are identified

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technological</td>
<td>Lack of appropriate technologies, capacity building, technical skill and problem of access to information are technological constraints.</td>
</tr>
<tr>
<td>Organizational</td>
<td>Lack of leadership in common goal setting, full cooperation of member, transparency and non payment of fee are organizational constraints</td>
</tr>
<tr>
<td>Financial</td>
<td>Financial constraints included lack of common fund, government support, problems of bank credits and lack of common property,</td>
</tr>
<tr>
<td>&amp; Socio economic constraints</td>
<td>Low product prices, lack of markets, poor economic condition, malpractices of middlemen, poor roads and transport facilities, costly inputs and lack of social interaction.</td>
</tr>
</tbody>
</table>
On-economic Constraints (factors):

- **Bureaucratic interferences.** [interference-free FMC exemplifies efficiency, good governance and farmer-friendly system.]

- **Political high handedness.** [The central FMC at the State level should be properly equipped to play the role as efficient advisor and coordination body.]

- **Leadership crisis:** [Lack of efficient leadership has been a critical constraint to sustainable FMC. The leadership training should be a part of the capacity building initiatives from time to time.]

- **Dual registration of FMC is a retrograde factor.** [There should be a single uniform policy for the registration of FMC with the recognized registering authority; may it be the registrar of societies, which is acceptable to government, public agencies, and financial agencies.]

- **Post-harvest and agro-processing facility require adequate policy interventions.** [Loss of income due to perishable commodities is a perennial problem of the farmers.]

- **Emergence of SHG:** [Requires strong SHG-FMC coordination as complementary to each other.]
More Tangible Impacts

- **Introduction of flood-escaping boro rice cultivation in rabi season** [Innovative practice of flood escaping boro rice has provided adequate safety net to household food security.]

- **Low cost water lift mechanism:** *Kisan Bandhu* is developed from local materials, this bamboo based. The hand operated pump set irrigate about 2 bighas mostly used in vegetables. It requires less capital cost and almost negligible operating cost.

- **Diversification towards HVC:** Organised cultivation of **Vegetables**, Citrus, Mushroom and Horticultural plantation crops

- **More positive impact is** on increasing cropping intensity and productivity enhancement.

- **The way the Capacity building training on modern methods organised is a Novelty in innovation.** (farmers gained enormous dividend from regular trainings on frontier areas, in enhancing awareness and knowledge sharing, as observed in Pragatisil PPS).

- **FMC Ranking:** Sampled FMCs are classified into best performing, medium, average and non starter. The rating is useful for setting
<table>
<thead>
<tr>
<th>Classes</th>
<th>Name of the FMC</th>
<th>Score (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best (&gt;80% score)</td>
<td>Jyoti Pam PPS (in Jorhat), Bar Pathari Panigaon (Nagaon), Batadrava Sundarpur (Nagaon), Geruamukh in Nagaon (Nagaon) and Ulani Dharbam in Kamrup</td>
<td>87</td>
</tr>
<tr>
<td></td>
<td>Raidongia Lakhimi (Nagaon:) Pragatisil (Sonitpur) Jangani (Nagaon) Puthi Nadi (Jorhat) 1No. Nowboisa Bahumukhi (Jorhat:) Uttar Helagog (Kamrup:) Lohit Poria (Jorhat)</td>
<td>79</td>
</tr>
<tr>
<td>Medium (75-80%)</td>
<td>Mornai Patia gaon Milanpur (Sonitpur) Pragati (Jorhat:) Biswanath Dagaon (Sonitpur:) Bar Pathar Sutargaon (Nagaon) Pub Katarati (Sonitpur) Lakshmi (Kamrup)</td>
<td>75</td>
</tr>
<tr>
<td>Average (70-75%)</td>
<td>Khanajani (Morigaon:) Manaha Nasatra Lakhimi (Morigaon) Sewali (Jorhat) Bongara Adarsha (Kamrup) Dashkin Bhirgaon (Sonitpur) Singmari Pukhuripar (Kamrup) Mandubi Deusal (Morogan)</td>
<td>72</td>
</tr>
<tr>
<td>Poor (&lt;70%)</td>
<td></td>
<td>72</td>
</tr>
</tbody>
</table>
Impact Evaluation class:

**GREEN** Highly Successful

**YELLOW** Partially successful

**RED** No initiative
The intervention strategies

<table>
<thead>
<tr>
<th>Performance</th>
<th>Efficient</th>
<th>Non efficient</th>
<th>Average (70-80%):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Efficient performer is high achiever (&gt;80%):</td>
<td>??</td>
<td>-Incentives to promising FMC</td>
</tr>
<tr>
<td></td>
<td>-To emulate further as a Model</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achievement</td>
<td>High</td>
<td>Low</td>
<td>Poor (&lt;70%):</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-Requires push through further reform</td>
</tr>
</tbody>
</table>
**FMC can make rural area shining**

**Fig 3: Changing faces of family members after formation of FMC**

<table>
<thead>
<tr>
<th>Step 1</th>
<th>To become member, actively participate and gain from FMC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 2</td>
<td>To undertake innovative rural activities as per the FMC plan</td>
</tr>
<tr>
<td>Step 3</td>
<td>Increase production, income and improve livelihood</td>
</tr>
</tbody>
</table>

**Gloomy/Sorrow state of family (grey face before)**

**Happy faces after intervention of FMC (Yellow face after)**
Strategies for maximizing impact and Policy Perspectives:

- To publicize the progress and achievements of FMC by using Mass Media, TV programmes and leaflets for knowledge sharing.

- Widely disseminate the Good Practices and the successful life stories to replicate and making wider impact [Carefully disseminated success model would be an important step in restructuring of the non-performing FMC.]

- Instead of recreating and inventing newer model, existing successful FMC should be encouraged and supported to play role of lead model for reviving or reforming the institution (there are at least 5-10 best performing in each district).

- Spirit of resource sharing should remain the primary goal of the FMC.
Strategies: Cont.

- The central body-SAPPSS should utilize the services of professional, technical and policy experts.
- To develop and adopt innovative approach for dissemination of technology and knowledge.
- **Information Communication:** Awareness should be created to facilitate the members to take advantages of newer facilities such as kisan credit cards, crop and income insurance.
- To convert every village a knowledge centre, hand-hold training on use of kisan call centers and other ICTs is required.
- To conduct regular orientation programme on emerging technology, market signals and disaster management from time to time.
- Induction of the **youth and women** is the novelty of FMC.
The main thesis emerged from the study is that rather than creating new institutions, use and improvisation of existing village institutions can be the last mile solution to many of rural maladies
To conclude the study reveals and supports the slogan of *Samridhi Kisan through Samridhi PPS* is realizable [ie. Prosperous institution is the root of rural prosperity], which is the ultimate goal. *If this happens then the reformed FMC can be the agent of rural change.*
THANK YOU

End
Culture, Economy and Power
Roots of Disparities affecting Adivasis
&
Challenges for Bridging them
• Disparities characterize all societies

- Feature in different spaces which can be measured through a variety of indicators quantifiable and non-quantifiable.
- Quantifiable: Income, wealth, access to primary goods, utilities.
- Non-quantifiable: Freedom and choice, Differentiation in status, Distribution of power
• **Disparities in India feature**
  - Between sectors and people engaged in occupation in different regions
    - Between people in Geographical regions
    - between privileged and deprived sections
    - between social groups and sections between them
  - Social groups affected by disparities: The most vulnerable
    - Dalits (intra-cultural minority)
    - Adivasis (cultural minority)
    - Muslims (Religious minority)

Adivasis (indigenous population) face marginalization across countries.
Disparities in India: Adivasis most marginalized

- social and geographical factors inter-sect
- cultural minority with a different ‘civilizational’ perspective
- Persistence despite special provisions
- History of resistance; Naxalism Affected
• Dimensions of Disparities affecting Adivasis: Multiple and inter-linked

  - Measurable
  - Non-measurable
  - Non-measurable influence the measurable

• Measurable Dipherities: Human Development indicators
Economic

- **Poverty:** Highest (Rural and Urban
  - Alleviation: Lowest, slower
  - Gaps with other groups: Grown over the years
  - Level of consumption: Lowest bracket
  - Category of work: Lowest category in both farm and non farm segments
  - Duration of Employment: Lowest
    'Main workers'
    Regular workers: Unorganised Low Paid
- Access to productive Resources
  Land
  Capital
- Quality of Productive Assets

: Landlessness Second lowest
: Lowest
: Lower
  Owned Land but unproductive
  Lower level of irrigation
  Mono - cropping
  Low productivity
  Least level of inputs

• **Food Insecurity**:
  Most widespread
  Higher than other groups
  Seasonal as well as non-seasonal

• **Indebtedness**:
  Very High
  Mostly for food consumption
  Both cash and non-cash
**Social**

- **Literacy:**  
  (Male and Female)  
  Children out of School  
  Drop out rates  
  Incidence of Child labour:  
  : Lower (Rural and Urban)
  : Higher
  : Higher
  : Higher

- **Health:**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMR</td>
<td>Highest</td>
</tr>
<tr>
<td>MMR</td>
<td>Highest</td>
</tr>
<tr>
<td>Sex Ratio</td>
<td>Higher but declining</td>
</tr>
<tr>
<td>Anemic women</td>
<td>Highest</td>
</tr>
<tr>
<td>Body Mass</td>
<td>Lower</td>
</tr>
<tr>
<td>Height</td>
<td></td>
</tr>
<tr>
<td>Chronic Energy Deficiency</td>
<td>Higher</td>
</tr>
<tr>
<td>Malnutrition</td>
<td>Highest</td>
</tr>
<tr>
<td>Crude Death Rate</td>
<td>Higher</td>
</tr>
<tr>
<td>Total Fertility Rate</td>
<td>Higher</td>
</tr>
</tbody>
</table>
Difference in HDI between Adivasis and Non Adivasis: 32%

- **Drinking water**
  - Facility in the Premises: Lowest
  - DW sources far away from habitation: Highest
  - Villages with 0% Improvement in access: Higher

- **Sanitation**
  - Household with Latrine facilities: Lowest
  - Households with connectivity for waste water outlet: Lowest
• **Housing**
  Households with permanent Houses (pucca)
  Condition of Houses

• **Electricity**
  Access to villages with no electricity
Infrastructural

**Production**
- Irrigation
- Storage godowns and PDS
- Cold Storage
- Outlets for Supply of Seeds, fertilizer, pesticides ratio,
- Veterinary Centres
- Banking units

**Communication**
- Roads
- Bridges
- Transport
- Telecom
- Digital

**Social**
- Schools
- Health Centres
- Piped watersupply
- Power distribution
- Doctor-Patient chemist shops

: Lowest Spread
: Lower level of gradation
: gap with other parts of the country widening
: Even existing infrastructure deteriorating
: Facilities non functional
• **No Quantifiable Disparities**
  - Formal Institutions: Social relationship
  - Informal interactions: Social, Economic, Political, and Legal
  - Status: Attitude, Behaviour, Treatment
  - Contributory Factors: Marginalised, Exclusion, Discrimination, Bias.

• **Social Disparities**
  - Social Structure and Relationship
<table>
<thead>
<tr>
<th>Adivasis</th>
<th>Non-Adivasis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smaller Communities</td>
<td>Larger Communities</td>
</tr>
<tr>
<td>Property Consciousness Low</td>
<td>Property consciousness High</td>
</tr>
<tr>
<td>Community Support High</td>
<td>Community Support Low</td>
</tr>
<tr>
<td>Economy considerably non-Monetized</td>
<td>Fully monetized</td>
</tr>
<tr>
<td>Community centric Resource:</td>
<td>Individual (Family) centric Management</td>
</tr>
<tr>
<td>Management</td>
<td>Lower level of social cohesion</td>
</tr>
<tr>
<td>Greater social cohesion</td>
<td>Greater Individualisation</td>
</tr>
<tr>
<td>Cooperation in social interaction</td>
<td>Highly differentiated</td>
</tr>
<tr>
<td>Relativity more egalitarian</td>
<td>Some sections live on the labour of others</td>
</tr>
<tr>
<td>Labour activity evenly distributed</td>
<td>Higher standard of living but mal-distributed</td>
</tr>
<tr>
<td>Standard of living modest/low: but better distributed</td>
<td></td>
</tr>
</tbody>
</table>
This 'idealized' picture is strongly contested - Growing differentiation induced by development with an emerging small elite

<table>
<thead>
<tr>
<th>Cultural disparities</th>
<th>Attitudes and values</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adivasis</strong></td>
<td><strong>Non – Adivasis</strong></td>
</tr>
<tr>
<td>Dignity and Equality of all persons</td>
<td>Hierarchical</td>
</tr>
<tr>
<td>Attitude to Nature characterized by Interdependence</td>
<td>Instrumental and Exploitative</td>
</tr>
<tr>
<td>Low level of aspirations</td>
<td>High level of aspirations</td>
</tr>
<tr>
<td>Primacy of community</td>
<td>Primacy of individual/ family</td>
</tr>
<tr>
<td>Reluctance to borrowing</td>
<td>No hesitation in borrowing</td>
</tr>
<tr>
<td>Value of spoken word</td>
<td>Value of written word</td>
</tr>
<tr>
<td>Trusting nature</td>
<td>Suspicious nature</td>
</tr>
</tbody>
</table>
Disparities in Economic Participation

Exposure to monetized economy:
- Low
- Non-Adivasis – Total
- Adivasis: Very Low
- Non-Adivasis – Very High
- Adivasis: Lower (Subsistence)
- Non-Adivasis – Higher (Surplus)
- Adivasis: Very Low
- Non-Adivasis – High
- Adivasis: Very Low
- Non-Adivasis – High
- Adivasis – Very low
- Non-Adivasis – High

Inclination for trade and business:
- Low
- Adivasis: Very Low
- Non-Adivasis – Very High
- Adivasis: Lower (Subsistence)
- Non-Adivasis – Higher (Surplus)

Level of production:
- Low
- Non-Adivasis – High
- Adivasis: Very Low
- Non-Adivasis – High
- Adivasis – Very low
- Non-Adivasis – High

Level of savings and cash:
- Low
- Adivasis: Very Low
- Non-Adivasis – High
- Adivasis – Very low
- Non-Adivasis – High

Resources:
- Low
- Adivasis: Very Low
- Non-Adivasis – High
- Adivasis – Very low
- Non-Adivasis – High

Access to capital and technology:
- Low
- Adivasis: Very Low
- Non-Adivasis – High
- Adivasis – Very low
- Non-Adivasis – High
**Disparities in Political participation**

<table>
<thead>
<tr>
<th>Category</th>
<th>Adivasis</th>
<th>Non-Adivasis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enthusiasm for Electoral democracy</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Capacity to participate in institutional Democracy for their advantage</td>
<td>Very Low</td>
<td>Very High</td>
</tr>
<tr>
<td>Influence in the decision making to protect their interests</td>
<td>Very Low</td>
<td>Very High</td>
</tr>
<tr>
<td>Level of distribution of political offices</td>
<td>Negligible</td>
<td>Very High</td>
</tr>
<tr>
<td>Capacity to assert politically</td>
<td>Very Low</td>
<td>Very High</td>
</tr>
<tr>
<td>Vulnerability to being manipulated</td>
<td>Very Low</td>
<td>Very High</td>
</tr>
</tbody>
</table>
**Disparities in power Relationship**: Social Disparities translate into Power relationship

<table>
<thead>
<tr>
<th>Distribution</th>
<th>Highly skewed in favour of Non Adivasis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributory Factors</td>
<td>Numerical Strength</td>
</tr>
<tr>
<td></td>
<td>Social, cultural and Economic status</td>
</tr>
<tr>
<td></td>
<td>Exposure to social change</td>
</tr>
<tr>
<td></td>
<td>Control over formal institutions, social, economic, Political, legal</td>
</tr>
<tr>
<td></td>
<td>Holding of positions in governance</td>
</tr>
<tr>
<td></td>
<td>Attitude and Behaviour in informal interactions</td>
</tr>
</tbody>
</table>
- **Manifestation of Power Relationship**: Disparaging attitude towards Adivasi ethos
  - Identity perceived in Pejorative terms: Physical and cultural attributes denigrated
  - Contribution of Adivasis: Not recognized
  - Cultural identity not respected: Refusal to recognize them as indigenous people
  - Negatively viewed Cultural attributes inefficient: lazy, backward, inferior
    - lacking in motivation and skills to utilize potential of resources,
    - suspicious of outsiders
    - insular
    - lacks discipline
- Attitude to Economy: Moribund, Stagnant, Primitive, Incapable of producing surplus
-- Attitude to Society:
- Resistant to change and modernity
- Lacks motivation to advance and progress
- Does not reward merit
- Contented with low level of living
- Lacks inclination for hardwork
Attitude to Political assertion:
- Separatist
- Rebellious
- Undemocratic,
- Anti-national

Disparities attributed to their social and cultural traits (internal to Adivasi society)
Manifestation of Power Relationship: Strong urge to civilise them

- Assimilate them culturally to remove their isolation
- Integrate them in the dominant social order
- Socialize them in the languages of the mainstream society
- Acculturate them in the values and life style of the dominant community
• Manifestation of Power Relationship: Imposition of Policy Choices
  - Integrate them rapidly with market economy
  - Utilize natural resources of their area more efficiently with infusion of capital and technology
  - Push Development to improve living conditions and increase level of aspirations
  - Shed isolation, modernize society, change value system to absorb fast track development to level them up with the rest
  - Open up areas, extend formal institutions and reach of the state through governance
**Manifestation of Power relationship: Institutional structures and Processes**

- **Structures**: Dominance of non-Adivasis at all level and in all spaces
- **Processes**: Authoritarian; Hierarchical
  - Lack one to one interface with the decision makers, impersonal
  - Procedure oriented, formalized, document based, non-transparent,
- **Language of communication**: Spoken by the dominant groups
- **Mode of decision making**: Individual
- **Behaviour**: Characterized by cultural arrogance
• Manifestation of Power relationship: Governance

- Automatic Extension of general Laws and policies to Adivasis which further marginalize them
- Manipulate processes which unleash numerous patterns of exploitation
- Disinterested ness in implementing Laws/ Policies and programmes which are designed to benefit them
- Protection of interests of dominant social groups when in conflict with those of Adivasis.
- **Manifestation of Power relationship: Conceptual framework of liberal democracy,**
  - Recognizes individual ownership and Rights-Community ownership, group identity and collective rights disregarded
  - Excludes rights bearing demands outside this framework
  - Accepts primacy of individual's allegiance to only the state and no other authority; Hostile to the Adivasi ethos of community as the first call to commitment and not the state
  - Views needs and demands of Adivasis as no different from other citizens and therefore extends uniform programmes of structures of 'development' and 'governance'
  - Considers Adivasis' assertion of their distinctness and demand for different treatment as challenge to its state authority, whittling of sovereignty.
• Disparities affecting Adivasis: Rooted in Colonial governance
  - Introduced agrarian changes to define access to land by
    ownership rather than use
  - Recognized individual rights and obliterated collective rights and
    community centric natural resource management
  - Appropriated forest and extinguished/curtailed rights of forest dwelling
    communities
  - Imposed permanent settlement which converted independent tribal
    land owners into tenants leading to multifaceted exploitation
  - Enacted Land Acquisition Act and introduced economic polices which
    displaced huge number of people making them landless and forcing
    them to migrate as indentured labour

• Post colonial state: Paradigm of economy
  - Continued with colonial policies
  - Packaged them as Development,
- Intensified the process of control over resources
- Production resources commodified: Adivasis lose access to them
- Rapid extraction of natural resources, manufacturing and urbanization: Adivasi economy stagnates
- Heavy Immigration of non-Adivasis into the area
- Dominant groups benefit: Adivasis lose out
- Destroyed intersectoral matrix of culture, economy and governance of Adivasis

**Disintegrated collective form of economic organization, Social cohesion, Widened disparities**

Non-Adivasis Enclaves of prosperity: Adivasi Periphery of Impoverishment
• Post Colonial State: paradigm of conservation
  - Adivasis perceived as enemy of forest and wild life
  - More stringent forest laws
  - Greater restrictions on access to forest resources
  - New laws for conservation of biodiversity
  - Eviction of Adivasis from land, habitat
  - Commercialization of plantation policy and Forest resource use

Greater deprivation and Impoverishment
• Post Colonial State: Paradigm of ‘Development’

  - Social Goals: Backwardness
  - Increasing Income; improving quality of life
  - Modernizing Adivasi society

- Flawed conceptual Frame: Uniform cultural model

- Single standard of living
  measure of ‘poverty’, ‘deprivation’
Favoured economic values and disfavoured others
Individual centric cultural frame
Fails to embed poverty in the destruction of traditional economy and support system
Relied on wisdom of experts than on peoples’ own view
Structure of participation hollowed out by centralized control, strict Rules, controlled monitoring
Content and direction of ‘Development’ defined by consensus of dominant community; Has wholly negative consequences for Adivasis
Not neutral in benefits and cost
• **Post Colonial State: Modernisation**

  The cultural assault: Majoritarian construct of social life and values

  - Aggressively Assimilationist; Nehruvan caution disregarded
  - Denial of a distinct cultural status and autonomy
  - Project Mainstreaming: Change life style and values
    Rescue them from becoming 'Museum Pieces'

  **Pursuit of Goal**: through formal institutions and informal social interactions

  Generates inadequacy, inferiority and pressures for conformity
• Post colonial Approach to Reducing Disparities

Constitutional Safeguards

Equality; Cultural Freedom
Schedule V - Special governance dispensation

Reservations

Administrative posts, legislature educational institutions

Watchdog Institutions

National Commissions

Laws

- Protection against violence and civil Rights violations
- Prohibition against alienation of land
- Distribution of land to landless
- Regulation of money lending
- Elimination of labour exploitation
- Asset building
- Skill development
- Marketing and credit support
- Specified share in beneficiary programmes
Participation

- Representation in Central and State legislature, panchayats
- Minister in the cabinet
- Parliamentary Committee
- PESA

Resource Transfer

- Tribal Sub-Plan,
- SC A
- Art 275 (1)
- Financing Institution
• Failure of Instruments to reduce disparities
  -- Constitutional Provisions: Schedule V
     Governor: Failure to discharge the required role
     TAC: Functionality and consultation Compromised
  -- Financial Arrangements: Non-utilisation, Diversion
     TSP, SCA, Art 275 (1) Non earmarking of Funds
     Financing Institutions
  -- National Commissions: Ineffective
  -- Laws: Fail to provide justice
     Violence: Low conviction rate; Biased investigation
     Labour exploitation: Non- Implementation of laws
     Land Alienation: Inadequate laws and poor implementation
     PESA: Disinclination to enforce
     FRA: Frustrated by forest bureaucracy
- Reservation in representative bodies:
  - Does not translate into empowerment
    - Participation symbolic and tokenistic

- Administrative Positions:
  - Does provide limited space for participation in lower level posts

- Higher Educational Institutions:
  - Inadequate representation
    - Financial constraints
Roots of this Failure: Ideology of State

- Economy
- Development
- Modernization
- Governance
- Participation

Hegemony of non-Adivasi Society

- Formal Institutions
- Informal Inter-actions
- Construct of Culture and Nation state
• **Challenges**
  
  • Need to recognize that Adivasis are different from the mainstream (dominant) Communities. This recognition should lead to a commitment not to disturb their way of life and to restore their traditional matrix of culture, economy and governance. This would imply reversal alteration of policies and governance arrangements that destroy this matrix.
  
  • State should not take away access of Adivasis to and control over management of natural resources (land, water and forest). This would require the state to restrain from diverting and in circumstances of exceptional necessity for making alternative uses these resources to other agencies without their collective consent and making provision for alternative resources to them.
  
  • Adivasis should be allowed to decide the level and pace of contact with non-Adivasis along with necessary safeguards to counteract its adverse externalities.
  
  • Adivasis should have the autonomy to conceptualise their paradigm of Development, Modernization and Conservation as also the mechanism of how it should be carried out which the state should respect and enforce.
• Since Adivasis are already overwhelmed by non-Adivasi presence in their areas with all its attendant conflicts, put in place an effective shield of protection to eliminate exploitation, subordination and marginalization.
• Preserve demographic balance in their favour in their territories.
• Design a justice administration system which takes into account their social and cultural values and inspire confidence that it would deliver justice to them against powerful adversaries.
• Concede maximum self-governance in sectors which affect their daily lives. The framework of this governance should go beyond PESA. State should have minimum presence in their area with maximum facilitation for self-governance.
• Implement honestly and effectively Schedule V. It should be strengthened by introducing some features of Schedule VI.
• Prospects

Would state accept this challenge? : Most Unlikely
- Disparities with other groups would continue and widen
- Internal disparities would emerge
- Adivasis would lose their distinctness
- Dispersal of population, Loss of identity
- Disintegration of society
- Integration with mainstream at the lowest rung of social ladder

THANK YOU
Development differentiations:
Reflections through National Sample Surveys

Dr. Rajiv Mehta

National Seminar on Challenges of Growing Rural - Urban Disparities in India

New Delhi, 5-6, January, 2010

Organised by COUNCIL FOR SOCIAL DEVELOPMENT
Statistics must always have purpose, either in pursuit of knowledge or the promotion of human welfare

P. C. Mahalanobis

National Sample Survey Organisation (NSSO)
Ministry of Statistics and Programme Implementation (MOS&PI)

A premier organisation for generating National and sub National statistics on varied social and economic aspects, using scientific tools of large scale sample surveys, since its inception in 1950

Website: http://mospi.gov.in/
Measuring Socio-economic Development

- “DEVELOPMENT STATISTICS”
  - Statistics for development studies
  - Statistics on people, resources, activities, access and entitlements
  - Empowerment and opportunities of the people for productive use of resources and corresponding social and economic gains

- Relationship between growth and its distribution

- Changes and transformation over time & space

- Measurements
  - Parities and disparities over time and space amongst the people and sections of society
  - Aggregation and disaggregation
  - Stocks, distribution and flows
  - Choice of indicators for such measurements
  - Methods and instruments
  - Analysis and inferences
NSS Socio- Economic Surveys
Main Subjects Covered

- Household Consumption
- Employment and Unemployment
- Education and Literacy
- Health, Morbidity and disability
- Land and Livestock Holdings
- Household debt / investment / assets and liabilities
- Non Agricultural Enterprise Surveys:
  - Manufacturing; Trade; Services
- Housing Condition, slums & migration
- Others:
  - Village Facilities; Farmer Households / Farming, Tourism, common property resources, conditions of tribals, Survey on NAREGA
Key Socio-Economic Indicators in NSS Surveys

- **Household Consumption:**
  - Level and Pattern of Household Consumer Expenditure MPCE;
  - Nutritional Intake; Commodity-wise Consumption;
  - Adequacy of Food;
  - Differences in Level of Consumption Among Socio-Economic Groups;
  - Energy Used; Use of Durable Goods;
  - Consumption from Public Distribution System; etc.

- **Employment and Unemployment:**
  - Activity Status of people by age, sex, education and States; Rural & Urban;
    - LFPR, WPR, UR, PU
  - Women Participation in Household Work and other Specified Activities;
  - Sectoral Distribution of Workforce: industry, occupation, formal/ informal; etc.

- **Education:**
  - Literacy and Levels of Education;
  - Education Attendance, Level, Nature and Cost;
  - Status of Education and Vocational Training;
  - Economic Activities and School Attendance by Children; etc.
Key Socio-Economic Indicators in NSS Surveys

- **Land Holdings / Farmer Households / Farming:**
  - Household Ownership Holdings;
  - Seasonal Variation and Other Aspects;
  - Consumption by Farmer Households;
  - Indebtedness; Access to Modern Technology for Farming;
  - Income, Expenditure and Productive Assets;
  - Some Aspects of Farming; Cultivation of Selected Crops; etc.

- **Health & hygiene:**
  - Disabled Persons in India;
  - Morbidity and Treatment of Ailments;
  - Morbidity, Health Care and the Condition of the Aged;
  - Maternal and Child Health Care;
  - Drinking Water, Sanitation and Hygiene; Slums in India; etc.

- **Informal / Unorganized (Non Agricultural) Sector:**
  - Manufacturing, Trade and Services
  - Size, Employment, GVA and Other Key Estimates;
  - Salient Features; Assets and Borrowings of Enterprises; Informal Sector in India;
  - Results in Industry classification
  - State Level / Rural-Urban Results
Sample Design: Key Features

- Mainly two types of surveys- household based and enterprise based
- Stratified two stage sampling design
- Stratification is based on census population in household based surveys and worker population for enterprise surveys
- First stage units are villages in rural area and urban blocks in urban area

  *Urban Frame Survey: A unique Sampling Instrument*

- Second stage unit is household in household surveys and enterprises in enterprise survey
Worker Population Ratio
(Usually ps+ss)
(number of persons/person-days worked per 1000 persons/person-days)
Relationships between incidence of rural poverty and livelihood diversification

Data Source
NSS 61st Rd.
2004-05

Rural - Urban Structural Differentiation

- Rural Distinctiveness in factors of production
  - Intense and intrinsic relationship with natural endowments,
  - Oriented to production of primary goods
  - Net suppliers of primary produce and generally, the net consumers of secondary and tertiary goods and services.

- Rural sectors are rigid / less dynamic in restructurings
- Shrinking share of primary sector in GDP
- Commitment to ensure food security
  - Sustainability and conservation commitment

- Constraints in economic activities and income generation
  - Inter and intra regional differentiations in livelihood and well-being.
Issues

Diversification of rural economy

- Creation of non-agricultural income opportunities,
- Expansion of Rural Non Farm Employment

Integral to rural development strategies and for bringing meaningful structural change in rural socio-economic conditions

Opportunities, Empowerment & Security

three factors have complimentary and supplementary role in neutralization of rural economic deprivation

these three factors are also closely associated with the process of rural economic diversification.
Thanks

&

Best wishes for a very happy new year 2010

Dr. Rajiv Mehta
Additional Director General,
Survey Design and Research Division,
National Sample Survey Organization,
Ministry of Statistics and Programme Implementation
Govt. of India
“Mahalanobis Bhawan”
164, G.T. Road, Lodhi, New Delhi
Tel no. 91-11-2713436

e-mail: rajivmehta@nsp.org.in
SHGs in India: An Institution for Rural Development

By
Dr. Jacob John
Director
KDS- Delhi: Resource Centre for the Development of States
( Set up Kerala Development Society, Delhi)
Website: www.kdsonline.org
Section 1

Features of Self Help Groups
Self Help Groups?

- SHG is a group in which members provide each other with various types of help for a particular shared characteristic
- Groups are organised and led by lay people, rather than professionals
- An SHG normally cover 10-20 members
- Generally one member from a family covering 10-20 families
- For example, SHG (Finance) is a village based financial intermediary usually composed of between 10-20 women/covering 10-20 families
Evolution: Different Types of SHGs

- Formed under government programmes
- Formed with the support of NGOs/International Organisations
- Formed with the support of political parties, religious organisations, etc
- Formed without any external support
Membership Pattern: Different Types of SHGs

- Male based SHGs
- Female based SHGs
- Male-Female combined SHGs
- SC
- ST
- BPL
SHGs: Grades & Networks

- Different grades of SHGs
- SHG Networks
- SHG Network
- Various forms of ‘social capital’ (For instance, features like trust, norms and networks that can help to improve the efficiency of the community by facilitating coordinated actions).
SHGs: Activities

- Rural credit/micro credit (Thrift and Credit Activities, Bank linkages, etc.)
- Health
- Education
- Income and employment generation
Part: II

SHGs in India
SHGs in India

- India has been experiencing a mini revolution in the area of SHGs.
- About 35 million households under BPL are covered by an approximately 2.3 lakh SHGs in India.
- Several Non BPL- SHGs also
- State level variations
- More Active in Southern states
- SHGs are emerging in Northern States

(Cont.)
SHGs in India (Cont.)

- Parallel Institutions in most of the states
- Some SHGs have strong relationship with local government
- Most of the SHGs have no or weak relationship
SHG-Local Government:
Progressive Initiatives in West Bengal

- More than 2.5 million poor mostly women have been organized in SHG
- A Minister/Department for SHGs
- Provided SHGs some linkage with the PRIs up to the sub-village: 'sansad' level
- Two-third of the SHG members are members of Gram Unnayan Samity at Gram Sansad level
- Federations of SHGs at the gram panchayat level, termed as Clusters
- Representatives of clusters are members of functional subcommittee of Gram Panchayat
SHGs in AP & MP

• Several poverty alleviation programmes with the involvement of SHGs
• SHG Federations manage fair price shops, insurance schemes and pension distribution
• No linkages with the local government
• No involvement in the holistic manner i.e., planning, implementing and monitoring of social development schemes.
Kudumbashree Programme: Case Study of SHGs in Kerala

- Women, mostly poor, have organized themselves under a three-tier CBOs
- Neighborhood Groups - 20-40 women members formed at the bottom
- Area Development Society - at the level of ward of local government by federating 8-10 NHGs
- Community Development Society - the highest tier, at the level of local government, a federation of ADSs.
Kudumbashree for Inclusive Growth: Members

- Members are from ‘risk families’
- A ‘risk family’ if it satisfies at least four out of the nine points
- A non-monetary method for identification/ grading of the poor families
- Risk indicators used in urban area
  1. Less than 5 cents of land / No land
  2. Dilapidated house / No house
  3. No sanitary latrine
  4. No access to safe drinking water within 150 meters
  5. Women headed house hold
  6. No regular employed person in the family
  7. Socially disadvantaged groups SC/ST
  8. Mentally retarded / Disabled / Chronically ill member in the family
  9. Families without colour TV
Kudumbashree: As on March 2008

- Covered 36,53,655 families
- 1,85,309 NHGs
- 16,950 ADSs
- 1058 CDSs
Major Features of *Kudumbashree*: programme

- Convergence of Resources and Actions:
- SHG- Local Government Partnerships
- Patronage of State government:
- Need Based Activities
Kudumbashree: Activities

- Micro Finance
- Micro Enterprises
- Lease Land Group Farming - 'Harithashree'
- Public Health
- Education and Child Welfare
- Housing
- Other Welfare Activities
Results of a Recent Field Study
SHG-Local Partnership in Kerala Promotes Social and Financial Inclusion

<table>
<thead>
<tr>
<th>Functiona l NHGs in a GP (state average) N os.</th>
<th>Functiona l SC/ST NHGs in a GP (state average) N os.</th>
<th>Members hip pattern of NHGs BPL(%)</th>
<th>Member ship pattern of an NHG Non-BPL(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>15</td>
<td>74.02</td>
<td>25.98</td>
</tr>
</tbody>
</table>
## Multiple activities of NHGs in Kerala: (%)

<table>
<thead>
<tr>
<th>Activities</th>
<th>Percentage of NHGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thrift &amp; Credit Activities</td>
<td>98.9</td>
</tr>
<tr>
<td>Runs Micro Enterprises</td>
<td>48.5</td>
</tr>
<tr>
<td>Harithashree/ Farming Operations</td>
<td>24</td>
</tr>
<tr>
<td>Animal husbandry, honeybee, Poultry</td>
<td>22</td>
</tr>
<tr>
<td>Voluntary Welfare Activities</td>
<td>26</td>
</tr>
</tbody>
</table>
Kudumbashree: Impact

- Expansion of capabilities in basic needs
- Income and employment generation
- Women in Farming Sector
- Easy Availability of Finance to Poor
- Economic empowerment of poor women
- Grassroots level planning
- Grassroots democracy
- Voluntary initiatives of women
- Community Health and Education
- Social Capital in KDMS- NHGs
- Social & Financial Inclusion: SC, ST, BPL Families
Different components of Social Capital: Select indicators of Women Network

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Average: Functional NHGs in a CDS/local government area (No)</td>
<td>201</td>
</tr>
<tr>
<td>Average: Functional NHGs in an ADS/ward of a local government (No)</td>
<td>15</td>
</tr>
<tr>
<td>Regular interactions take place in the weekly meetings of NHG: Opinion of respondents (%)</td>
<td>93</td>
</tr>
<tr>
<td>NHG members make voluntary contribution of work/money for meeting certain needs of group members: Opinion of respondents (%)</td>
<td>74</td>
</tr>
<tr>
<td>The presence of transparency, democratic functioning and regular election in 3-tier CBOs: Opinion of respondents (%)</td>
<td>98</td>
</tr>
</tbody>
</table>
## Thrift and Credit Operations of NHG

<table>
<thead>
<tr>
<th>Thrift and Credit of a unit/member</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual average saving (thrift) of a single NHG unit</td>
<td>28725.8</td>
</tr>
<tr>
<td>Annual average loan (credit) of a single NHG unit</td>
<td>72424.8</td>
</tr>
<tr>
<td>Annual average saving (thrift) of a single NHG member</td>
<td>639.9</td>
</tr>
</tbody>
</table>
Women's Average Annual Income from *Kudumbashree: Activities* (Rs.)

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>6057.9</td>
</tr>
<tr>
<td>2006</td>
<td>3382.9</td>
</tr>
<tr>
<td>2005</td>
<td>2771.8</td>
</tr>
<tr>
<td>2004</td>
<td>3267.7</td>
</tr>
</tbody>
</table>
## Earning of Micro enterprises: 2007

<table>
<thead>
<tr>
<th>Earning of Micro enterprises</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average monthly Earning of a unit</td>
<td>6044.1</td>
</tr>
<tr>
<td>Average monthly earning of a member</td>
<td>680.3</td>
</tr>
</tbody>
</table>
Social & Financial Exclusion in Kerala

- Social & Financial Exclusion has been reduced drastically in Kerala
- SHG-local government partnership programme is a big success in Kerala in enhancing social and financial inclusion
- Kudumbashree is a poor women SHG based comprehensive poverty alleviation programme
Major Weaknesses

- Power struggle between local government and KDMS – CBO
- Politicization of KDMS-SHGs and misuse for vested interests
- Increasing workload of functionaries and mounting aversion to voluntarism
- Deviation from 9-point criteria for measuring poverty
- Deficiencies in BPL List and Selection of Beneficiaries
- Unsustainable micro enterprises
Part III

- SHGs: An Institution for Rural Development
SHGs: An Institution for Rural Development in India

- SHG network for execution of various development programmes
- Employment & Income Generation
- Local level planning
- Gram Sabha & Social Audit
- Health & Education
- Legal Literacy
- SHGs in India as institutions of social and financial inclusion.
SHGs in Neo – Liberal Paradigm: Concerns

- Marginalized focus on social justice and equity and priority to financial sustainability

- Exclusion of Dalits, Tribals and Minorities

- Limited efforts in sectors such as education and health
SHGs: Way Forward

- Demand for positive strategies on SHGs

- Not just micro credit, basic entitlements also

- Need for an alternative discourse on SHGs focusing on inclusive growth

- A strong relationship between SHG and local government, as a suitable strategy

- Need for a symbiosis between SHGs and local governments. SHGs and local government should work out a system of reinforcing each other’s work

(Cont.)
SHGs: Way Forward (Cont.)

- SHGs should get preference in several government assignments such as conducting surveys, the preparation of BPL list, distributing medicines, etc.
- SHGs, especially of women of each state, can become active participants in the planning of various development projects
- With the active involvement of SHGs, participation of gram sabha can be improved in each state
- SHG-local government partnership prepare an anti poverty sub plan for each village
- SHG Network: A great potential for India’s rural development
Thank You
Crisis in Agriculture: Observations and Some Suggestions

Srijit Mishra, IGIDR, Mumbai
srijit@igidr.ac.in

Presentation at National Seminar on
‘Challenges of Growing Rural-Urban Disparities in India’
Organized by Council for Social Development
at India International Centre, January 5-6, 2010.
Two Dimensions of Crisis in Agriculture

- Agrarian
  (Livelihood) Crisis
  Threatening Livelihood of Farmers
  (particularly, the small and marginal and agricultural labourers)
  [Displacement of people]

- Agricultural
  (Developmental) Crisis
  Lies in the neglect of agriculture
  (designing of development programmes and allocation of resources)
  [Displacement of ideology]
Features of the Current Crisis

- Deceleration in production and productivity.
- Waning profitability and poor returns.
- High dependence on agriculture (64% rural persons in 2004-05) – limited non-farm opportunities.
- Low size-class of holdings (63% marginal, 2000-01).
- Decline of public investment in irrigation and other infrastructure.
- Inadequate supply of credit from formal sources.
- Failure of research and extension (rainfed/dryland).
- Changing technology and market conditions has increased uncertainties in product & factor markets.
## Share of Agriculture in GDP and Employment

<table>
<thead>
<tr>
<th>Year</th>
<th>Share of Agriculture in GDP at 1999-2000 Prices</th>
<th>Share of Agriculture in Employment (UPSS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972-73</td>
<td>41.0</td>
<td>73.9</td>
</tr>
<tr>
<td>1993-94</td>
<td>30.0</td>
<td>63.9</td>
</tr>
<tr>
<td>1999-00</td>
<td>25.0</td>
<td>60.2</td>
</tr>
<tr>
<td>2004-05</td>
<td>20.2</td>
<td>56.5</td>
</tr>
</tbody>
</table>
## Growth of GSDP and AGSDP

<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>GSDP</td>
<td>AGSDP</td>
</tr>
<tr>
<td>AP</td>
<td>4.5 *</td>
<td>3.0 *</td>
</tr>
<tr>
<td>KA</td>
<td>5.7 *</td>
<td>3.6 *#</td>
</tr>
<tr>
<td>KE</td>
<td>5.2 *</td>
<td>4.6 *</td>
</tr>
<tr>
<td>MA</td>
<td>7.8 *</td>
<td>5.4 *</td>
</tr>
<tr>
<td>OR</td>
<td>3.3 *</td>
<td>-0.8 #</td>
</tr>
<tr>
<td>PU</td>
<td>5.0 *</td>
<td>4.6 *</td>
</tr>
<tr>
<td>TN</td>
<td>5.6 *</td>
<td>4.1 *</td>
</tr>
<tr>
<td>IN</td>
<td>5.2 *</td>
<td>3.1 *#</td>
</tr>
</tbody>
</table>

* sig, # sig GSDP, $ sig from 1980s
Number of Poor and undernourished farmers in million

<table>
<thead>
<tr>
<th>Year</th>
<th>Poor</th>
<th>Undernourished</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983-84</td>
<td>220</td>
<td>153</td>
</tr>
<tr>
<td>1987</td>
<td>170</td>
<td>121</td>
</tr>
<tr>
<td>1993-94</td>
<td>174</td>
<td>151</td>
</tr>
<tr>
<td>1999-00</td>
<td>123</td>
<td>180</td>
</tr>
<tr>
<td>2004-05</td>
<td>63</td>
<td>200</td>
</tr>
</tbody>
</table>
Expenditure Poor Vs Calorie Poor, Rural India, 2004-05
Per capita per day returns, 2003 (Rs)
## Growth of Production, Yield and Value in 1980s & 1990s

<table>
<thead>
<tr>
<th>Crop</th>
<th>TE 1981-82 to TE 1993-94</th>
<th>TE 1994-95 to TE 2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prod</td>
<td>Yield</td>
</tr>
<tr>
<td>Foodgrains</td>
<td>3.0 *</td>
<td>3.3 *</td>
</tr>
<tr>
<td>Cereals</td>
<td>3.2 *</td>
<td>3.5 *</td>
</tr>
<tr>
<td>Rice</td>
<td>3.7 *</td>
<td>3.1 *</td>
</tr>
<tr>
<td>Pulses</td>
<td>1.4 *</td>
<td>1.6 *</td>
</tr>
<tr>
<td>Oilseeds</td>
<td>6.2 *</td>
<td>2.9 *</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>4.0 *</td>
<td>1.8 *</td>
</tr>
<tr>
<td>Cotton</td>
<td>3.2 *</td>
<td>3.0 *</td>
</tr>
<tr>
<td>Coconut</td>
<td>6.6 *</td>
<td>2.9 *</td>
</tr>
<tr>
<td>Potato</td>
<td>5.1 *</td>
<td>1.8 *</td>
</tr>
</tbody>
</table>

* sig, # sig from 1980s
## Matrix of Issues

<table>
<thead>
<tr>
<th>Issues</th>
<th>Demand</th>
<th>Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output, Price, Income</td>
<td>Yield risk: weather, power, pests, spurious inputs; Not profitable; Poor returns</td>
<td>Increased price volatility; subsidies in US/EU; low tariff; MSP not always functional; Futures-virtual</td>
</tr>
<tr>
<td>Input</td>
<td>Supplier-induce-demand; Deskilling; Increasing costs – tragedy of commons</td>
<td>Poor link - research and extension; unregulated private suppliers; Inadequate pub investment</td>
</tr>
<tr>
<td>Credit</td>
<td>Formal – not timely; repayment difficult yield/price shocks; System draws farmers into credit; Consumerism</td>
<td>Decline in branches; decline in agricultural/net bank credit (direct); Increasing reliance on informal sources at higher interest burden</td>
</tr>
<tr>
<td>Other</td>
<td>Dominance of lender/input dealer; higher family size; lack of social support</td>
<td>Interlinked markets; Non-farm option is limited; Pub health response (farmers); Pesticide availability</td>
</tr>
</tbody>
</table>
The larger study on farmers' suicides focuses on examining **socio-economic** aspects that can be identified as important risk factors and in providing some **policy suggestions**.
SMR of Male Farmer and Non-farmers, India, 1995-2007

---

Male Farmers  Male Non-farmers
SMR of Male Farmers and Non-farmers, Selected States, 2005-07

Kerala: Male Far SMR is 275, Male Non-farmer SMR is 39
Evaluating Risk Mitigation through the prism of Choice of Techniques

\[ T_i: X_i \rightarrow Y_i; \ i=0,1. \]
\[ T_1 > T_0 \text{ if } X_1 < X_0 \text{ or } Y_1 > Y_0 \]
(improvement if input-saving or output-enhancing)

Now, if \( Y_1 > Y_0 \) and \( X_1 > X_0 \)
(output-enhancing and uses more resources; further there could be a change in composition of X)

and \( (Y_1 - X_1) > (Y_0 - X_0) \)
(net returns are higher)

But, \( (Y_1 / Y_0) < (X_1 / X_0) \)
(increase in output is lower – risk mitigation is more difficult)
## Risk Mitigation under Alternative Scenarios

<table>
<thead>
<tr>
<th>Tech</th>
<th>Year</th>
<th>Input</th>
<th>Output</th>
<th>Net Retu</th>
<th>Cons</th>
<th>CumSav</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional</td>
<td>1</td>
<td>1.0</td>
<td>3.0</td>
<td>2.0</td>
<td>1.3</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>1.0</td>
<td>3.0</td>
<td>2.0</td>
<td>1.3</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>1.0</td>
<td>3.0</td>
<td>2.0</td>
<td>1.3</td>
<td>2.1</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>1.0</td>
<td>0.0</td>
<td>-1.0</td>
<td>1.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Intensive</td>
<td>1</td>
<td>3.0</td>
<td>6.0</td>
<td>3.0</td>
<td>1.8</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3.0</td>
<td>6.0</td>
<td>3.0</td>
<td>1.8</td>
<td>2.4</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>3.0</td>
<td>6.0</td>
<td>3.0</td>
<td>1.8</td>
<td>3.6</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>3.0</td>
<td>0.0</td>
<td>-3.0</td>
<td>0.6</td>
<td>(0.0) -0.5</td>
</tr>
<tr>
<td>Sustainable</td>
<td>1</td>
<td>0.5</td>
<td>2.7</td>
<td>2.2</td>
<td>1.4</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0.5</td>
<td>2.7</td>
<td>2.2</td>
<td>1.4</td>
<td>1.6</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>0.5</td>
<td>2.7</td>
<td>2.2</td>
<td>1.4</td>
<td>2.4</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>0.5</td>
<td>0.0</td>
<td>-0.5</td>
<td>1.4</td>
<td>0.5</td>
</tr>
</tbody>
</table>
## Intervention through MSP

<table>
<thead>
<tr>
<th>Crop</th>
<th>1997-98</th>
<th>2007</th>
<th>2008</th>
<th>Absolute Increase</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007 over</td>
<td>2008 over</td>
<td>2007 over</td>
<td>2008 over</td>
<td></td>
</tr>
<tr>
<td>Paddy Common</td>
<td>415</td>
<td>645</td>
<td>850</td>
<td>230</td>
<td>205</td>
</tr>
<tr>
<td>Coarse Cereals</td>
<td>360</td>
<td>600</td>
<td>840</td>
<td>240</td>
<td>240</td>
</tr>
<tr>
<td>Maize</td>
<td>360</td>
<td>620</td>
<td>840</td>
<td>260</td>
<td>220</td>
</tr>
<tr>
<td>Arhar (Tur)</td>
<td>900</td>
<td>1550</td>
<td>2000</td>
<td>650</td>
<td>450</td>
</tr>
<tr>
<td>Groundnut-in-shell</td>
<td>980</td>
<td>1550</td>
<td>2100</td>
<td>570</td>
<td>550</td>
</tr>
<tr>
<td>Sunflower Seed</td>
<td>1000</td>
<td>1510</td>
<td>2215</td>
<td>510</td>
<td>705</td>
</tr>
<tr>
<td>Soyabean Black</td>
<td>670</td>
<td>910</td>
<td>1350</td>
<td>240</td>
<td>440</td>
</tr>
<tr>
<td>Nigerseed</td>
<td>800</td>
<td>1240</td>
<td>2405</td>
<td>440</td>
<td>1165</td>
</tr>
<tr>
<td>Cotton (F-414/Med St)</td>
<td>1330</td>
<td>1800</td>
<td>2500</td>
<td>470</td>
<td>700</td>
</tr>
<tr>
<td>Wheat (Rabi crop)</td>
<td>510</td>
<td>750</td>
<td>1000</td>
<td>240</td>
<td>250</td>
</tr>
</tbody>
</table>
Intervention: Debt Waiver

- Book keeping exercise that at best will reduce the mental burden for loan from formal sources.
- Does not necessarily lead to an increase in investment for production.
- Two questions of equity:
  - one across regions/states and
  - another across size-class of farmers
- No credit guarantee for non-willful default
Needed: Technological and Institutional Innovations

- Technological innovations:
  - Community managed sustainable agriculture
  - Non-pesticide management (non-negotiables are: deep summer ploughing, community bonfires, seed treatment, bird perches, border crops, trap crops, yellow and white plates, intercrops, cutting of the tips at transplantation. Botanical extracts as a last resort.
  - Farmer field schools
  - Use of local resources

- Institutional innovations:
  - FFS/SHG federated as in SERP
Concluding Remarks

- Risk mitigation has to go beyond suicides and debt. It should address yield, price, credit, income, weather and other uncertainties.

- Spruce of public investments that will increase returns to cultivation. Skill enhancement and linking of opportunities to local resources are required to increase income from non-farm avenues.

- Success of the credit and input markets require effective regulation.

- Interventions, whether technological or financial, even if they enhance production, end of adding to the risk/cost. There is a case for encouraging technological and financial products that would reduce costs while increasing returns.

- Institutions that can organize farmers are required.


Mishra, Srijit (2009) *Agrarian Crisis and Farmers’ Suicides in India*, revised version of a paper presented at a one day international seminar, “Environmental degradation and food crisis – Lessons for India” organized by Greenpeace India on 24 October 2008 at India International Centre, Lodhi Road, New Delhi, India.


Changes in the credit structure in rural India during the reform period

Sudha P Rao
(Views expressed are personal)
Structure of Presentation

- Background
- Characteristics of Rural Credit Markets
- Changing role of institutions
- Redirection of policies
- Voices from the ground
- New policy perspectives
The Narasimham Committee was of the view that the banking system should be market driven and based on profitability considerations and structural changes could be brought about through a process of mergers and acquisitions. The second Report of the Narasimham Committee (April 1998) on Banking Sector Reforms on structural issues
Distinguishing characteristics of rural credit

- Interlinked markets – agents transact in land, labour and credit markets
- Asymmetry of Information
- Segmentation-local clientele with differential interest rates
- Informal sector cannot be fully replaced
Demand by rural households is for...

- Fixed capital-base for existing production, replacement & to start new activities
- Working capital-lag between carrying on activity and receiving payment
- Consumption credit
- Emergency needs
- Social events-marriage
Changing Role of RBI

- Developmental role dominant
- Creation of formal institutions
- End exploitation by moneylenders
- Reform: shift towards macro management-
Role of NABARD

- Provides refinance
- Promote Sustainable and equitable agriculture
- Promote rural development
- Reform:--- Promotion of SHG Bank linkage
Commercial Banks and Cooperatives

• Within institutional sources the share of Commercial banks in agricultural credit increased from 24.2% 1975-76 2005-06 69.5%
• Decline in the role of Cooperatives
• Relative decline in agriculture (institutional lending) 1975-76 69.5% 2005-06 21.8%
• On the whole there was a Move away from rural- branches, small accounts due to risk aversion
Regional Rural Banks

- Reduction in number from 196 in 2001 to 177 in 2005
- Accumulated loss Rs 3000 Cr in 1999
- 50 percent loss making –Bihar, MP, Maharashtra Orissa
## Structure of credit - percentage share

<table>
<thead>
<tr>
<th>Year</th>
<th>Institutional</th>
<th>Non institutional</th>
<th>Of which Money lenders</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>66.3</td>
<td>30.6</td>
<td>17.5</td>
</tr>
<tr>
<td>2002</td>
<td>61.1</td>
<td>38.9</td>
<td>26.8</td>
</tr>
</tbody>
</table>

The share of money lenders is estimated to have gone up to 31 per cent in 2007.
Micro Finance

- MFI borrow in bulk banks, SIDBI, for on lending
- In partnership help bank in attaining priority sector targets
- Self Help Group Bank linkage
- SHG lending classified as priority sector
SHG- Some key figures

- Cumulative No of SHGs- 29 Lakh (2006-07)
- Outstanding amount Rs12366 cr
- Increase mainly Southern states
- Banks need to provide credit deposit ratio, current loan outstanding for greater clarity
Policy redirection

• Bank licensing 1977 to 1990 – Urban: Rural ratio - 1:4
• Priority sector definition Agriculture, weaker sections, SMEs widened-software firms with limit <Rs 1 crore, food processing, housing
• Reenergize lead bank scheme
<table>
<thead>
<tr>
<th></th>
<th>Offices</th>
<th></th>
<th>Deposits</th>
<th></th>
<th>Credit</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>22.3</td>
<td>51.2</td>
<td>45.7</td>
<td>6.44</td>
<td>14.4</td>
<td>12.2</td>
</tr>
<tr>
<td>Semi Urban</td>
<td>40.4</td>
<td>21.3</td>
<td>22.3</td>
<td>21.8</td>
<td>19.5</td>
<td>16.9</td>
</tr>
<tr>
<td>Urban</td>
<td>19.2</td>
<td>15.2</td>
<td>17.6</td>
<td>26.5</td>
<td>22.4</td>
<td>21.5</td>
</tr>
<tr>
<td>Metropolitan</td>
<td>18.2</td>
<td>12.3</td>
<td>14.4</td>
<td>45.3</td>
<td>43.7</td>
<td>49.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>3.3</td>
<td>11.4</td>
<td>9.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Semi Urban</td>
<td>13.1</td>
<td>13.1</td>
<td>11.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban</td>
<td>21.8</td>
<td>17.7</td>
<td>16.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metropolitan</td>
<td>61.8</td>
<td>57.8</td>
<td>62.7</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Visit to selected locations in Haryana - 2004

<table>
<thead>
<tr>
<th>PANIPAT</th>
<th>KARNAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Chajjpur</td>
<td>1) Sanghai</td>
</tr>
<tr>
<td>2) Sanauli Khurd</td>
<td>2) Rindle</td>
</tr>
<tr>
<td>3) Rishpur</td>
<td>3) Shamgarh</td>
</tr>
</tbody>
</table>
Institutional Structure for Credit Flow

NABARD

Haryana Agro & Rural Dev. Bank

APEX Cooperative Bank

Central Cooperative Bank

Land Mortgage Bank

PAC

PSB

FARMERS
Type of Loans

1) Short term loans upto Rs. 60,000 from Mini Banks:
   a) Cash component Rs. 40,000
   b) Seeds & Fertilisers Rs. 20,000
   Rate of interest 12% annually paid half yearly

2) Loans above Rs. 50,000 require collateral security i.e. land mortgage

3) Loans above Rs. One lakh require registration.
Procedure for loan sanction - Term loan

1) Farmer obtains certificate from Patwari that he holds clear title of the Land (pays Rs.150)
2) He goes to the Bank
3) Bank sends him to a lawyer for preparing file (pays Rs.1100)
4) Returns to bank who endorse loan application and sends him for registration.
5) For registration, he goes to Tahsildar’s Office. Buys stamp paper for 1% of loan amount and prepares registered deed in duplicate. Paper moves across three tables (Rs.300)
6) Returns to Patwari who keeps one copy to enter in records gives the 2nd copy to Bank (pays Rs.1000)
7) Bank sanctions loan
Farmer distress

- Between 1997-2007 1,82,936 farmer suicides
- Field visit study :-
- 30 cases of suicides in AP (Medak, Warangal & Ranga Reddy) in 2004
- Farmers growing food and non food- cotton
- Holding size -5 acres Debt 2-3 lakhs, borrowed from moneylenders, interest 3 percent per month
- Failed Bore wells, drilling cost Rs 30000
• Similar debt burden likely in SHG/MFI lending
• SHGs lend at 24% IWD women forced to leave village in Vellore, suicide in AP
• MFI. AP govt asks BASIX SHARE to suspend operations in Krishna District,
• MFIs to adopt code of conduct
• MFI-PS are growing too rapidly & making too much profit for comfort
• MFIs are not attracting laws relating to Money lenders
• Supervisory review required – Y.V. Reddy
Renewed emphasis on financial inclusion from 2005

• Social sector programmes NREGA, CCT, Dhanlakshmi require an account
• Business correspondent model
• Dangers of layers of intermediation
To conclude:

The road to prosperity and sound markets can be smooth only if Banks acquire the lost art of financing investment projects.
Thank you
Rural - Urban Differentials and Inclusive Development

Abusaleh Shariff
Int. Food Policy Research Institute,
New Delhi

Presented in a National Seminar on Challenges of Growing Rural - Urban Disparities in India Council of Social Development, New Delhi

5-6th January, 2010
# Household Income Differentials

<table>
<thead>
<tr>
<th>Percentile</th>
<th>Rural</th>
<th>Urban</th>
<th>U/R Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st percentile</td>
<td>-2,338</td>
<td>1,200</td>
<td>--</td>
</tr>
<tr>
<td>5th percentile</td>
<td>3,300</td>
<td>11,500</td>
<td>3.48</td>
</tr>
<tr>
<td>10th percentile</td>
<td>6,580</td>
<td>17,000</td>
<td>2.58</td>
</tr>
<tr>
<td>25th percentile</td>
<td>12,845</td>
<td>28,873</td>
<td>2.25</td>
</tr>
<tr>
<td>Median</td>
<td>22,400</td>
<td>51,200</td>
<td>2.29</td>
</tr>
<tr>
<td>75th percentile</td>
<td>41,027</td>
<td>94,800</td>
<td>2.31</td>
</tr>
<tr>
<td>90th percentile</td>
<td>76,581</td>
<td>152,000</td>
<td>2.98</td>
</tr>
<tr>
<td>95th percentile</td>
<td>110,633</td>
<td>210,000</td>
<td>1.90</td>
</tr>
<tr>
<td>99th percentile</td>
<td>235,144</td>
<td>396,000</td>
<td>1.68</td>
</tr>
</tbody>
</table>

**Mean**

- Rural: 36,755
- Urban: 75,266
- U/R Ratio: 2.05

Note: No of HHs (R) 26,734 (U) 14,820
Source: Calculated by the author using HD-Survey (2004-05)

January 6, 2010

Abusaleh Shariff on Rural Urban Differentials
## Income, consumption and Poverty

<table>
<thead>
<tr>
<th></th>
<th>Ye (Rs.)</th>
<th>Cn (Rs.)</th>
<th>Pty (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro City</td>
<td>93,472</td>
<td>71,260</td>
<td>13.4</td>
</tr>
<tr>
<td>Other Urban</td>
<td>68,747</td>
<td>62,629</td>
<td>27.0</td>
</tr>
<tr>
<td>Developed Village</td>
<td>41,595</td>
<td>45,513</td>
<td>20.9</td>
</tr>
<tr>
<td>Less Devd Village</td>
<td>32,230</td>
<td>39,081</td>
<td>31.5</td>
</tr>
</tbody>
</table>

Source: Calculated by the author using HD-Survey (2004-05)
Source of Income in %

<table>
<thead>
<tr>
<th>Source</th>
<th>Salary</th>
<th>Agri-Wage</th>
<th>Non-Farm Wage</th>
<th>Family Business</th>
<th>Cultivation</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro City</td>
<td>57</td>
<td>2</td>
<td>13</td>
<td>20</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Other Urban</td>
<td>40</td>
<td>4</td>
<td>21</td>
<td>23</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Devp Villages</td>
<td>15</td>
<td>25</td>
<td>18</td>
<td>13</td>
<td>22</td>
<td>8</td>
</tr>
<tr>
<td>Less Devp Villages</td>
<td>11</td>
<td>22</td>
<td>20</td>
<td>9</td>
<td>31</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: Calculated by the author using HD-Survey (2004-05)
Understanding Rural Distress
### Trends in shifts in source of income in rural areas 1995-2005

<table>
<thead>
<tr>
<th>Rural Poor</th>
<th>Cultivation</th>
<th>High level of diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agri Labor</td>
<td>Salaried+</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Agricultural and Casual labour</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other Cash flows (Remittances +)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Live stock</td>
</tr>
<tr>
<td>Middle Levels</td>
<td>Cultivation</td>
<td>Low diversity</td>
</tr>
<tr>
<td></td>
<td>Self Employed Agri Labor</td>
<td>Casual (nonfarm) labour</td>
</tr>
<tr>
<td>Rural Rich</td>
<td>Cultivation</td>
<td>High level of diversity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Salaried+ (most benefit)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Self-employed (all benefit)</td>
</tr>
<tr>
<td>General Trend</td>
<td>Cultivation</td>
<td>Casual (nonfarm) labour</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Salaried+</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Agricultural labour</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other Cash flows (Remittances +)</td>
</tr>
</tbody>
</table>

Changes in proportion and size of Land Ownership according to Income Quintiles during 1993-4 and 2004-5
### Shares of Income and Labor and Productivity Ratios

<table>
<thead>
<tr>
<th></th>
<th>Share of Income ($y$)</th>
<th>Share of Labor ($l$)</th>
<th>$y/l$ Ratio</th>
<th>%ge in $y/l$ Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self employed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaried</td>
<td>16.5</td>
<td>20.4</td>
<td>10.4</td>
<td>9</td>
</tr>
<tr>
<td>Manual worker</td>
<td>6.3</td>
<td>12.8</td>
<td>9.8</td>
<td>15.8</td>
</tr>
<tr>
<td>Cultivator</td>
<td>55</td>
<td>33.1</td>
<td>43.7</td>
<td>42.3</td>
</tr>
<tr>
<td>Ag Labour</td>
<td>7.9</td>
<td>12</td>
<td>23.5</td>
<td>24.1</td>
</tr>
<tr>
<td>Other residual*</td>
<td>2.4</td>
<td>8.8</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

*Other residual is a source of income category but not an occupation

# Dynamic Poverty and Distance From Town/Markets

<table>
<thead>
<tr>
<th>Distance from Town/Market</th>
<th>Became Non-Poor (in %)</th>
<th>Stayed Poor (in %)</th>
<th>Stayed Non-Poor (in %)</th>
<th>Became Poor (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural India</td>
<td>18.2</td>
<td>17.9</td>
<td>41.8</td>
<td>22.1</td>
</tr>
<tr>
<td>Villages &lt;=2 kms from a Town</td>
<td>22.2</td>
<td>20.9</td>
<td>38.6</td>
<td>18.4</td>
</tr>
<tr>
<td>Villages 2-5 kms from a Town</td>
<td>22.1</td>
<td>16.2</td>
<td>42.8</td>
<td>19.0</td>
</tr>
<tr>
<td>Villages 6-10 kms from a Town</td>
<td>17.7</td>
<td>18.1</td>
<td>40.9</td>
<td>23.3</td>
</tr>
<tr>
<td>Villages 10+ kms from a Town</td>
<td>16.7</td>
<td>18.1</td>
<td>42.4</td>
<td>22.8</td>
</tr>
</tbody>
</table>

Survey Versus NAS

Abusaleh Shariif on Rural Urban Differentials

January 6, 2010
Differentials by Socio-Religious Categories
HCRs by Place of Residence and SRCs: 2004-05
## Activity Status and Place of Residence - 2004-05, (Principal and Subsidiary, age 15-64)

<table>
<thead>
<tr>
<th>Activity Status (Rural workers)</th>
<th>H-General</th>
<th>H-OBC</th>
<th>SCs/STs</th>
<th>Muslims</th>
<th>All-Other</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RURAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own account worker in household enterprise</td>
<td>37.6</td>
<td>31.6</td>
<td>22.5</td>
<td>39.4</td>
<td>32.9</td>
<td>30.6</td>
</tr>
<tr>
<td>Employer in household enterprise</td>
<td>1.8</td>
<td>0.8</td>
<td>0.2</td>
<td>1.0</td>
<td>1.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Unpaid family worker in household enterprise</td>
<td>32.8</td>
<td>31.6</td>
<td>22.0</td>
<td>22.2</td>
<td>25.3</td>
<td>27.7</td>
</tr>
<tr>
<td>Regular wage/salaried</td>
<td>11.0</td>
<td>6.8</td>
<td>5.7</td>
<td>6.4</td>
<td>10.9</td>
<td>7.4</td>
</tr>
<tr>
<td>Casual in public work</td>
<td>0.2</td>
<td>0.1</td>
<td>0.2</td>
<td>0.2</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Casual in other work</td>
<td>16.7</td>
<td>29.1</td>
<td>49.4</td>
<td>30.8</td>
<td>28.8</td>
<td>33.3</td>
</tr>
<tr>
<td><strong>All Rural Workers</strong></td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>URBAN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own account worker in household enterprise</td>
<td>30.79</td>
<td>30.86</td>
<td>25.5</td>
<td>39.4</td>
<td>36.9</td>
<td>39.94</td>
</tr>
<tr>
<td>Employer in household enterprise</td>
<td>3.67</td>
<td>1.71</td>
<td>0.62</td>
<td>2.0</td>
<td>1.0</td>
<td>1.16</td>
</tr>
<tr>
<td>Unpaid family worker in household enterprise</td>
<td>9.52</td>
<td>13.54</td>
<td>7.25</td>
<td>11.9</td>
<td>10.41</td>
<td>11.53</td>
</tr>
<tr>
<td>Regular wage/salaried</td>
<td>49.29</td>
<td>36.41</td>
<td>39.89</td>
<td>27.0</td>
<td>34.71</td>
<td>30.66</td>
</tr>
<tr>
<td>Casual in public work</td>
<td>0.05</td>
<td>0.06</td>
<td>0.18</td>
<td>0.0</td>
<td>0.01</td>
<td>0.1</td>
</tr>
<tr>
<td>Casual in other work</td>
<td>6.68</td>
<td>17.43</td>
<td>36.56</td>
<td>18.5</td>
<td>14.93</td>
<td>15.23</td>
</tr>
<tr>
<td><strong>All Urban Workers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abusaleh Shaiki on Rural Urban Differentials</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
# Policies and Programs

<table>
<thead>
<tr>
<th>Presence</th>
<th>Access</th>
<th>Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Urban</strong></td>
<td><strong>Access</strong></td>
<td><strong>Utilization</strong></td>
</tr>
<tr>
<td>High intensity/low intensity</td>
<td>Location factors</td>
<td>Alternatives</td>
</tr>
<tr>
<td>Low supply constraint</td>
<td>Demand constraints?</td>
<td>Individual choice</td>
</tr>
<tr>
<td>Need not be localized</td>
<td>Scope for Localization</td>
<td>Cultural constraints</td>
</tr>
<tr>
<td>Convenient to access</td>
<td>Hurdles to access</td>
<td></td>
</tr>
<tr>
<td>Quality of Service</td>
<td>Cost of access</td>
<td>Returns to investment</td>
</tr>
<tr>
<td><strong>Rural</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low intensity</td>
<td>Over stretched institutions?</td>
<td>Cost - Benefit</td>
</tr>
<tr>
<td>Often at a distance</td>
<td>Inequity due to distance</td>
<td>Cost reduction</td>
</tr>
<tr>
<td>Not of easy access</td>
<td>feasibility to localize</td>
<td>Cultural conflicts</td>
</tr>
<tr>
<td>Quality and absence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of alternatives</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Literacy by Place of Residence

Percentage of Population

- Total
- Urban
- Rural

□ Total  ■ Muslims  ■ H-SC's/ST's  ■ All Others

January 6, 2010
## Mean Years of Schooling for 7-16 year old

<table>
<thead>
<tr>
<th>Group</th>
<th>Urban</th>
<th>Rural</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>All Groups</td>
<td>3.95</td>
<td>4.18</td>
<td>3.69</td>
</tr>
<tr>
<td>Muslims</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SCs/STs</td>
<td>3.35</td>
<td>3.67</td>
<td>2.98</td>
</tr>
<tr>
<td>All Others</td>
<td>4.39</td>
<td>4.61</td>
<td>4.15</td>
</tr>
</tbody>
</table>

Source: Estimated from Census of India (2001) Tables e-9, C-8 SC and C-8 ST.
Graduation - All India

- Muslim
- SCs/STs
- All Others

**Male (Urban)**

**Female (Urban)**

**Male (Rural)**

**Female (Rural)**

**All India (Total)**
Disparities in Higher Education according to SRC and Place of Residence

Graduates & Postgraduates as Percentage of 20+
Population: 2004-05

January 6, 2010
Abusaleh Shariff on Rural Urban Differentials
Disparities in Technical Education according to SRC and Place of Residence

Technical Graduates as Percentage of 20+ Population
2004-05

Percentage

All  Rural  Urban  Male  Female

H-Gen  H-OBC  H-SC/ST  M-All  All-Oth

January 6, 2010

Ahmsaleh Shariff on Rural Urban Differentials
Disparities in Lower Technical Education according to SRC and Place of Residence

Diploma as Percentage to 20+Population: 2004-05

Percentage

- H-Gen
- H-OBC
- H-SC/ST
- M-All
- All-Oth

Abusaleh Shariff on Rural Urban Differentials
Amenities by Village Size, India
Share of Muslim Population within Village

- Having Educational Institution
- Having Medical Facilities
- Having Post and Telegraph Facilities
- Having Bus Stop

Jan 6, 2010

Abusaleh Shariff on Rural Urban
Infrastructures
Fig. 11.7: Social Networks by Caste and Religion

- 1 contact
- 2 contacts
- 3 contacts

% Households

<table>
<thead>
<tr>
<th>Caste/Religion</th>
<th>1 Contact</th>
<th>2 Contacts</th>
<th>3 Contacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward Caste</td>
<td>26%</td>
<td>21%</td>
<td>27%</td>
</tr>
<tr>
<td>OBC</td>
<td>16%</td>
<td>12%</td>
<td>24%</td>
</tr>
<tr>
<td>Dalit</td>
<td>12%</td>
<td>12%</td>
<td>19%</td>
</tr>
<tr>
<td>Adivasi</td>
<td>8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Muslim</td>
<td>12%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Other Religions</td>
<td>24%</td>
<td>20%</td>
<td></td>
</tr>
</tbody>
</table>
Temporally changing characteristics of poverty and vulnerability must be identified.

Poverty getting concentrated as overall poverty is declining!
RURAL – URBAN
Food Vulnerability
### Expenditure Share of Specified Essential (Food) items

<table>
<thead>
<tr>
<th></th>
<th>Rural</th>
<th>Urban</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Survey Year</strong></td>
<td></td>
<td></td>
<td>2004-05</td>
</tr>
<tr>
<td>(I) Food group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A) Food articles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Food grain</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wheat</td>
<td>4.6</td>
<td>3.2</td>
<td>4.0</td>
</tr>
<tr>
<td>Rice</td>
<td>9.8</td>
<td>5.4</td>
<td>8.1</td>
</tr>
<tr>
<td>(II) Fruits &amp; Vegetables</td>
<td>6.7</td>
<td>6.5</td>
<td>6.6</td>
</tr>
<tr>
<td>(IV) Milk</td>
<td>7.3</td>
<td>6.9</td>
<td>7.2</td>
</tr>
<tr>
<td>(I) NV Food articles</td>
<td>3.5</td>
<td>3.2</td>
<td>3.4</td>
</tr>
<tr>
<td>(II) Food products</td>
<td>14.1</td>
<td>12.0</td>
<td>13.3</td>
</tr>
<tr>
<td>(II) Non-food group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A) Fuel, power etc</td>
<td>5.5</td>
<td>7.8</td>
<td>6.3</td>
</tr>
<tr>
<td>(IV) Clothing, bedding, footwear</td>
<td>4.8</td>
<td>4.7</td>
<td>4.7</td>
</tr>
<tr>
<td>(IV) Housing</td>
<td>0.2</td>
<td>3.3</td>
<td>1.4</td>
</tr>
<tr>
<td>(IV) Others</td>
<td>38.8</td>
<td>43.5</td>
<td>41.6</td>
</tr>
</tbody>
</table>

Source: Calculated by the author using RDS Survey (2004-05)
January 6, 2010
Abusaleh Shariff on Rural Urban Differentials
<table>
<thead>
<tr>
<th>Higher hold income. Regularity of work and high incidence of child labor – this is found uniformly in all states</th>
<th>Lower hold income. Small landholders avoid wage work to supplement income.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No home produced food grains. Little or no help from extend family in rural areas</td>
<td>In rural areas, the cultivators have surplus production of food grains and get some vegetables and pulses. The remaining few landless households in rural areas also earn food grains during harvesting peak season.</td>
</tr>
<tr>
<td>Higher drive to earn; women undertake paid domestic work and send children for meager wages. Fear of uncertain tomorrow high due to lack of economic asset.</td>
<td>Rural households resigned to their fate, expect government support. The fear of uncertain tomorrow is low due to assets such as land and cattle.</td>
</tr>
<tr>
<td>Many Urban HHs do not possess PDS cards. Being migrants their entries are elsewhere. Getting a fresh and appropriate card is difficult or very costly.</td>
<td>Rural life revolves around PDS carded category, helps sustain food consumption. They may even sell PDS entitlement in market thus realizing cash out of subsidized grains. Entitlement of out migrated members used by friends and relatives.</td>
</tr>
<tr>
<td>The price of vegetables decreased during recent month, but cost and consumption of vegetables is 50 to 100% higher than rural areas. The pulses consumption is also higher in urban areas, though each household consumes less daily by adding more water due to inflation.</td>
<td>The price of vegetables decreased more than urban during recent month, but cost and consumption of vegetables is lower in rural areas. The pulses consumption is very low in rural areas and is restricted to dry Matar. They add more water to the preparation to get an illusion of having adequate food.</td>
</tr>
<tr>
<td>Dropout rate is high in poorer urban areas</td>
<td>Better enrolment and continuation in school was observed in rural areas.</td>
</tr>
<tr>
<td>House Rent penalizes urban poor. The government scheme “Indra Awar Yojna” do not cover urban areas. Food Inflation affects Urban households directly and wage incomes have not increase commensurate with price rise.</td>
<td>Rural HHs own houses. “Indra Awar Yojna” coverage is present but often misused by the relatively rich</td>
</tr>
<tr>
<td>Lack assetes in the form of livestock. Higher incidence of debt on monthly rate of interest. Women skip some meals, eat last, fast more and do not eat out. Special needs for the sick, pregnant and lactating mothers are difficult to meet.</td>
<td>Wage rates have increase considerably, both normally and also due to NREGA effect. Direct food price impact is low. Own livestock, debts in small amounts and low. Women do not skip meals, but eat last and fast. Do not eat outside home. Generally not aware of special need of food for the sick, pregnant and lactating.</td>
</tr>
</tbody>
</table>

January 6, 2010
Abusaleh Shariff on Rural Urban Differentials
### Rural Urban Contrast

<table>
<thead>
<tr>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>No food stocks in home; limited stocks only from PDS supply.</td>
<td>Most households maintain food stocks. PDS also supplies a substantial food requirement.</td>
</tr>
<tr>
<td>No or totally broken down Social Networks.</td>
<td>Strong presence of Social Networks.</td>
</tr>
<tr>
<td>Short term coping mechanisms are: 1) reduced consumption of pulses and vegetables 2) those with nothing to sell. 3) higher borrowing at very high cost. 4) Try to sustain social network but fail. 5) Children withdraws from schools and sent for meager wages. 5) Migrating out is not an option as they already migrated from elsewhere.</td>
<td>Short term coping mechanisms are: 1) reduction of food grains while consumption of vegetables and pulses were much lower even earlier. 2) Sale of animals. 3) High borrowing. 4) Social Networks under stress but still functional. 5) Low school dropout and child labor. 5) Out-migration.</td>
</tr>
<tr>
<td>Long term coping mechanisms are: 1) Postpone home repair in both places. 2) Marriages are postponed at both places.</td>
<td>Long term coping mechanisms are: 1) Delayed investment in land and postpone home repair in both places. 2) Marriages are postponed at both places.</td>
</tr>
<tr>
<td>Natural calamity in the form of excess rain last year and draught this year has indirectly affect urban households through food prices rise and shortages.</td>
<td>Natural calamity in the form of excess rain last year and draught this year has directly affected through lower produce and wage accumulation.</td>
</tr>
<tr>
<td>There is no formal and non formal agency working to meet the minimum food requirement.</td>
<td>There is no formal and non formal agency working to meet the minimum food requirement.</td>
</tr>
<tr>
<td>Public programs - PDS, MDM, ICDS bypass the urban poor - implementer do not faces/ interact with beneficiaries on day to day basis.</td>
<td>Programs more useful in rural areas as the implementers interact with beneficiaries on day to day basis.</td>
</tr>
<tr>
<td>The poorest are those with no/less earning members and with senior citizen members.</td>
<td>Household with small holdings and bad quality land and who do not work as wage workers are poor.</td>
</tr>
<tr>
<td>During last one year - 1) Wage rate has remained the same and no surce of variation, 2) increase in Crime, and 3) Food security not improved.</td>
<td>During last one year - 1) Wage rate has increased. 2) increase in Crime, and 3) food security worsened due to decrease in production.</td>
</tr>
<tr>
<td>Improved access to social protection schemes such as widow pension, old age pension, school uniform and books as well as girl child benefits are getting the schemes.</td>
<td>Improved access to social schemes such as widow pension, old age pension, school uniform and books as well as girl child benefits are getting the schemes.</td>
</tr>
</tbody>
</table>
| Decreasing savings and increasing size and frequency of borrowing due to non availability | **Abusaleh Shariff**

Differential.
## CASH TRANSFERS FROM GOVERNMENT PROGRAMS

<table>
<thead>
<tr>
<th>STATES &amp; POPULATION GROUPS</th>
<th>% HH Reporting Govt. Transfers</th>
<th>Amount received as Govt. Transfers per Reporting HH</th>
<th>Govt. Transfers as share of income for Reporting HH</th>
<th>Govt. Transfers as share of income per HH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
<td>Rural</td>
<td>Urban</td>
</tr>
<tr>
<td><strong>Socio-Religious Groups</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brahmin &amp; O High caste</td>
<td>8.8</td>
<td>3.5</td>
<td>1540</td>
<td>4820</td>
</tr>
<tr>
<td>OBC</td>
<td>15.3</td>
<td>7.3</td>
<td>1457</td>
<td>3502</td>
</tr>
<tr>
<td>Dalit</td>
<td>21.5</td>
<td>9.1</td>
<td>1193</td>
<td>1796</td>
</tr>
<tr>
<td>Adivasi</td>
<td>19.8</td>
<td>14.2</td>
<td>921</td>
<td>1986</td>
</tr>
<tr>
<td>Muslim</td>
<td>11.7</td>
<td>6.8</td>
<td>1299</td>
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### TYPE OF RATION CARD OWNED BY YOUR FAMILY

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<th>Antodaya</th>
<th>BPL</th>
<th>APL</th>
<th>Total</th>
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<td>Urban</td>
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<tr>
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*Source: Calculated by the author using HD-Survey (2004-05)*

January 6, 2010

Abusaleh Shariff on Rural Urban Differentials
Urban Poverty not only visible in Slum and Resettlement colonies

Urban poverty and deprivation is hidden behind the modern urban landscape
Migration provides opportunities and an important escape route out of poverty.

Poverty is net of those who are escaping and those who are getting poor.

Different polices to address Poverty differently in Rural and Urban areas.