



Livelihood Options Research in MP

Livelihood Diversification, Access and Opportunities in MP

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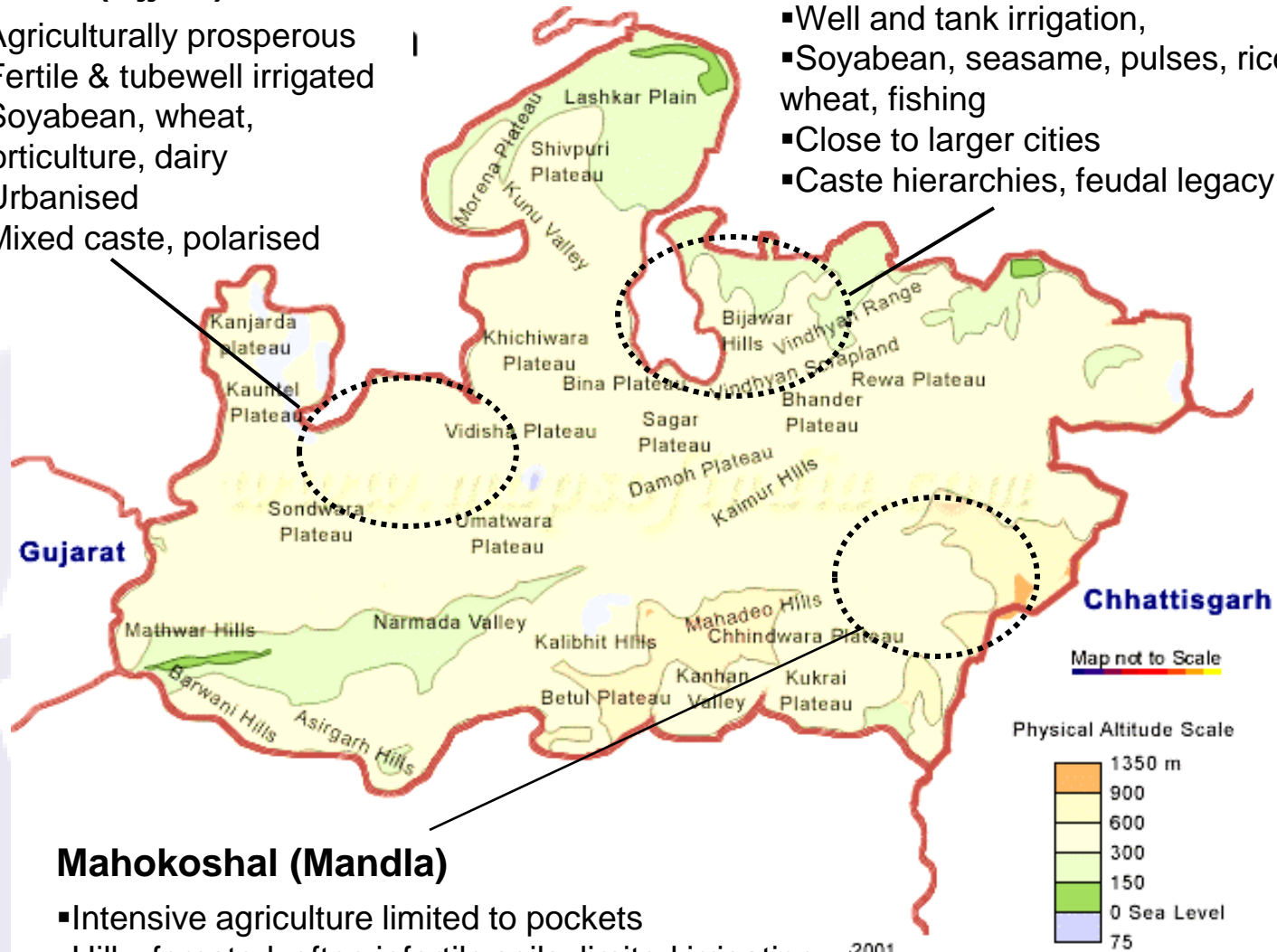
Some draft preliminary findings

Malwa (Ujjain)

- Agriculturally prosperous
- Fertile & tubewell irrigated
- Soyabean, wheat, horticulture, dairy
- Urbanised
- Mixed caste, polarised

Bundelkhand (Tikamgarh)

- Average agricultural development
- Well and tank irrigation,
- Soyabean, sesame, pulses, rice, wheat, fishing
- Close to larger cities
- Caste hierarchies, feudal legacy



Mahokoshal (Mandla)

- Intensive agriculture limited to pockets
- Hilly, forested, often infertile soils, limited irrigation
- Rice, pulses, maize, millets
- Tribals, more equitable land distribution

A person is silhouetted against a bright sunset, carrying a large, round, woven basket. They are standing on a rocky shore next to a body of water. In the background, another person is visible on a boat in the distance. The water is shimmering with light from the setting sun.

Diverse Livelihoods Strategies

Who are the poor HHs?

Caste	Land	Cattle	Other assets	Years Educ	Income	% Migrate
FC	2.2	0.5	11,200	8.2	21,000	7
COBC	3.8	2	4,800	2.5	9,000	27
OBC	1.1	1	400	2.5	8,500	35
SC	0	0	900	1.7	7,000	29
ST	1.5	1	900	3.3	7,000	48

The landless are not the poorest; diversified portfolio into livestock, enterprises or jobs, including through reservation



Less diversified,
more agriculture

Very poorest – constrained into single activity

Lack labour (husband, son) • goat, some ag labour • Often can't migrate

Insecure Poor – diversify to make enough work days

Marginal land, lower castes • Rely on migrant ag and non-ag labour, goats, out-dated caste activity • Each member diversified

Secure Poor – diversify to mitigate risk

Irrigated land • Son in regular job, business or modernised caste occupation, milch cow • Each member is specialised.

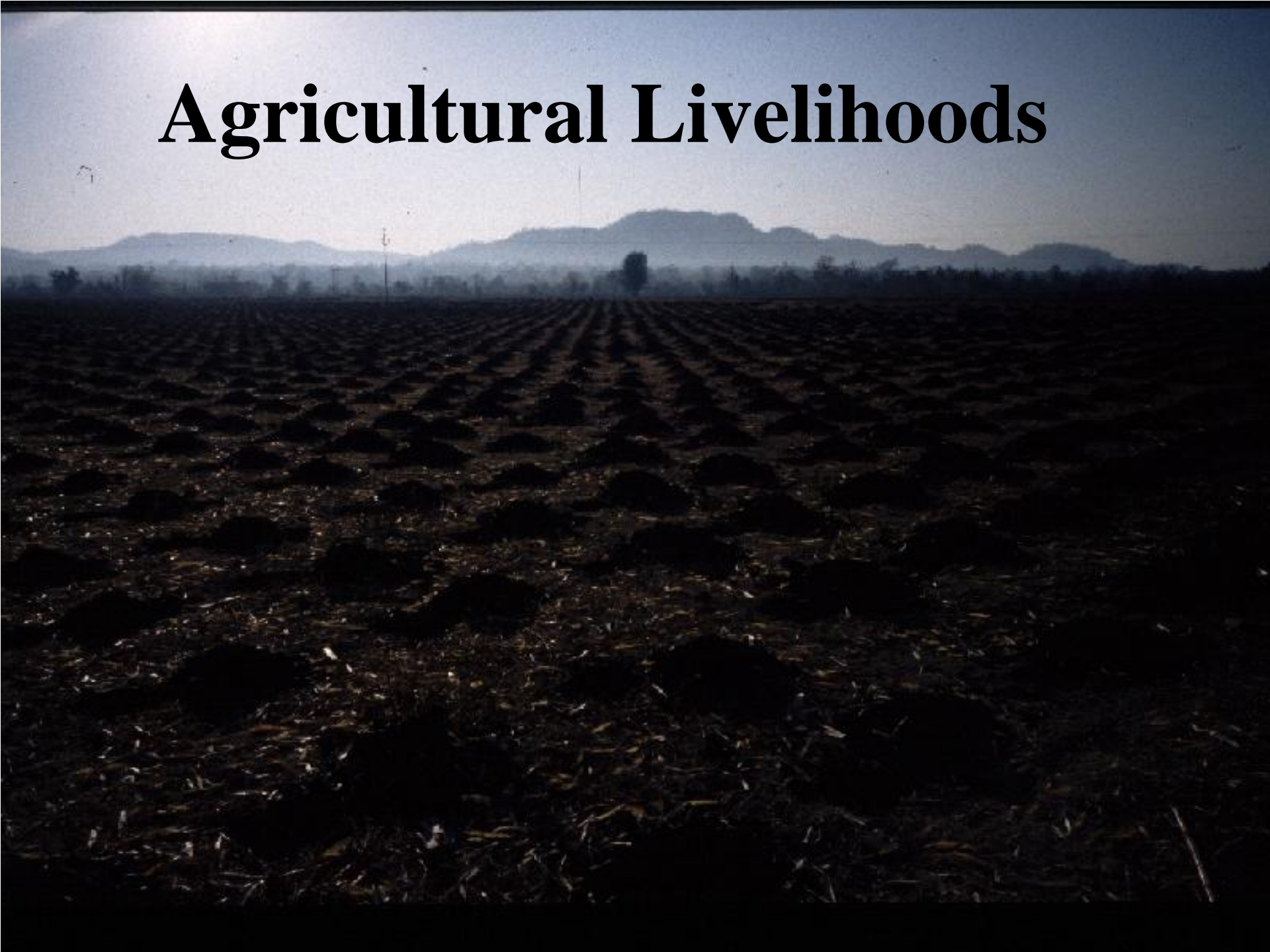
Rich – diversify to get rich

Irrigated land, capital, education, FCs • Hiring, trading, money-lending, salaried jobs and politics

Very richest – specialise in commercial agriculture

Large land, machinery • Specialised commercial soyabean, wheat, horticulture and dairy

Agricultural Livelihoods





Trajectories of Agricultural Development in MP

- Plateauing-out or declining in high potential, accessible areas
 - drought, electricity, profit squeeze
 - horticulture and dairy are exceptions where markets are assured
- Taking-off in low potential, remote areas
 - new irrigation & technology adoption
 - how happened and what impact?

- What is fuelling investment & adoption?
 - Own savings & money-lender.
 - IRDP. Gram Panchayat
- What impact?
 - Soaring land values, employment creation, transformed traditional livelihoods
- How is potential being un-locked?
 - Share-cropping partnerships release locked up land, capital and labour

Agricultural Incomes

- Cropping = 50% (but varies widely by village)
- Crop sold = 20% (poor limited to 50% lower price)
- Ag labour = 5% (15-20% for poorest, 25% primary occ, richer too)
- Livestock = 5% (goats 50% poorest, cows richest)
- Forest = 5% (10% STs, insurance, fuelwood)
- Trade & hiring = 5% (Mainly FCs)



Non-Farm Options

- Casual labour
 - 60% migrant, 50% higher returns, lump sum
 - risky investment, work-search, cheating, conditions
 - support rights & amenities: national initiative
- Regular jobs
 - Difficult to get. 70% low paid, less than casual labour, but secure, predictable, advances.
 - Not bonded! Labour laws unhelpful

- **Self-employment (downward trajectory)**
 - Traditional caste competed away by (potters, carpenters)
- **Self-employed (up) - modernising**
 - oil pressors to ice-cream,
 - musicians to branded bands,
 - blacksmiths to mechanics,
 - fishermen to vegetables [evolved entitlements]
 - barbers, tailors [rising demand]
- **Information, contacts, travel, apprenticeship as important as finance and skills**

A young child, possibly a girl, is sitting on the ground. She is wearing a striped headscarf and a dark, patterned shawl. She is looking towards the camera with a neutral expression. In front of her is a large, shallow, woven basket filled with small, round, red berries. The basket is resting on a piece of brown, textured fabric. The background is a rough, light-colored wall, possibly made of mud or plaster. The overall scene suggests a rural or agricultural setting.

**Coping &
Accumulation**



Coping with Expenditure

- Marriage, health and funeral
- One third of annual income. The poorest have highest expenditure rates of all.
 - 70% money-lenders. Savings and family.
 - Land / livestock, tribal areas by the poorest
- These are major poverty traps;
 - boost savings rates & facilities,
 - state or private insurance schemes,
 - cash injections (migration, regular work, livestock, insurance pay-outs?)

Investment & Accumulation

- Richest invest 10-15 more than average, the poorest invest 4 times less than average.
70% from own savings.
- Main investments: land, pumps, livestock, migration, business, education
- Only FCs have access to banks, IRDP loans only in one village

In Summary

- Know the livelihood strategies
 - Who are the poor, what are they doing, what are the constraints to access and adoption
- Agriculture is the backbone
 - Potential for rapid growth in many parts, efforts to diversify and secure markets in other
- Nonfarm options are stepping stones
 - Stepping stone to rural transformation. Support urban job creation, Support migrants,
- Financial services, unlock poverty trap
 - Key to opportunity. Financial services - savings plus health / death insurance



Thank you