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
Diverse Livelihoods Strategies
Who are the poor HHs?

<table>
<thead>
<tr>
<th>Caste</th>
<th>Land</th>
<th>Cattle</th>
<th>Other assets</th>
<th>Years Educ</th>
<th>Income</th>
<th>% Migrate</th>
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<td>FC</td>
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<td>COBC</td>
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<tr>
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<tr>
<td>SC</td>
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<td>0</td>
<td>900</td>
<td>1.7</td>
<td>7,000</td>
<td>29</td>
</tr>
<tr>
<td>ST</td>
<td>1.5</td>
<td>1</td>
<td>900</td>
<td>3.3</td>
<td>7,000</td>
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</tr>
</tbody>
</table>

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